

Citywide Affordable Housing Loan Committee

San Francisco Mayor's Office of Housing and Community Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure
Controller's Office of Public Finance

The Kelsey Civic Center at 240 Van Ness
Up to \$24,684,459 Final Gap Request
(\$23,684,459 Gap Loan, \$1,000,000 AHP Bridge Loan)

Evaluation of Request for:	Gap Loan
Loan Committee Date:	December 16, 2022
Prepared By:	Ofelia Walsh, Project Manager
MOHCD Asset Manager:	Wesley Ellison-LaBat, Asset Manager
Sources and Amounts of New Funds Recommended:	\$10,000,000 Housing Trust Fund \$6,000,000 AHF Inclusionary Fees \$6,684,459 AHF Jobs Housing Linkage Fees \$22,684,459 Total
Previous City Funds Committed:	\$2,000,000 AHF Inclusionary (Predev)
Total Funds Committed	\$24,684,459
NOFA/PROGRAM/RFP:	Department of Real Estate C40 Competition
Applicant/Sponsor(s) Name:	Mercy Housing CA & The Kelsey

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	The Kelsey Civic Center	Sponsor(s):	Mercy Housing CA & The Kelsey
Project Address (w/ cross St):	240 Van Ness (at Dr. Tom Waddell Pl) 94102	Ultimate Borrower Entity:	The Kelsey Civic Center, LP

Project Summary:

Mercy Housing CA (“MHC”) and the Kelsey, (together, the “Sponsor”) request final gap financing approval in the amount of up to \$24,684,459 for the Kelsey Civic Center, a proposed 112-unit affordable housing development (Project” or the “The Kelsey Civic Center”) that includes three combined city-owned lots on Van Ness Avenue, bordered by Grove Street and Dr. Tom Waddell Place, now known as 240 Van Ness Ave (“Site”). The Site was awarded to the Sponsors through the C40 Reinventing Cities Competition, run through the San Francisco Real Estate Division (“RED”). On January 21, 2021, the Citywide Affordable Housing Loan Committee approved a request from the Sponsor for a \$2 million predevelopment loan. Since then, the Project has qualified for the California Housing Accelerator (“CHA”) program from State of California’s Housing and Community Development Department (“HCD”), after two times applying for a CDLAC bond allocation. Due to cost increases, the Sponsor is requesting an increase from the preliminary gap amount of \$13M to \$24,684,459.

The Kelsey Civic Center will be an 8-story building with 112 units built on the 13,815 square foot (“sf”) infill lot. The proposed mix of units includes 80 studios and 32 two bedroom units, including two on-site staff units. These will include 28 units reserved for people with disabilities who use home and community-based services with incomes ranging between 20%-30% of Area Median Income (“MOHCD AMI”). The balance of the 82 units will be for households with incomes ranging between 40% and 80% MOHCD AMI. The commercial space planning has advanced substantially with the inclusion of a ground floor Disability Community Cultural Center (DCCC) on Grove Street in partnership with the Department of Disability and Aging Services, as further detailed in Section 1.G, below.

The Sponsor secured a \$20 million soft loan from HCD’s Affordable Housing and Sustainable Communities (“AHSC”) Program. After not being awarded tax exempt-bonds and tax credits, the Project became eligible for the CHA and was awarded \$37,334,401 on September 6, 2022. Construction is scheduled to start in February 2023 and be completed in October 2024.

Project Description:

Construction Type:	Type I	Project Type:	New Construction
Number of Stories:	8	Lot Size (acres and sf):	.31 acres / 13,815 sf
Number of Units:	112	Architect:	WRNS/Santos Prescott and Associates
Total Residential Area:	85,763 sf	General Contractor:	Cahill Contractors LLC
Total Commercial Area:	1,349 sf	Property Manager:	Mercy Housing Management Group
Total Building Area:	87,430 sf	Supervisor and District:	Sup. Dean Preston, District 5
Landowner:	City of San Francisco		
Total Development Cost (TDC):	\$88,523,854	Total Acquisition Cost:	\$24,590
TDC/unit:	\$790,392	TDC less land cost/unit:	\$790,172
Loan Amount Requested:	\$23,684,459 plus \$1,000,000 for AHP bridge	Request Amount / unit:	\$211,468 gap plus \$8,929 bridge loan for AHP
HOME Funds?	No	Parking?	No

PRINCIPAL DEVELOPMENT ISSUES

- **Increased Project Costs.** The requested MOHCD gap loan has increased from \$13M to up to \$23,684,459. Due to higher interest rates and rising insurance costs, as well as increased construction costs, the Project has seen significant increases in hard and soft costs over the last year. The Project's August preliminary Guaranteed Maximum Price (GMP) construction contract numbers were approximately \$8M above the 50% construction drawing numbers presented to Loan Committee in February 2022. The Sponsor and construction team have conducted significant value engineering, but hard costs have risen roughly 12%. In addition, soft costs have increased because of rising interest rates. Limiting construction cost increases continues to be a challenge in the current market with supply chain issues, COVID-19 disruptions, PG&E coordination, and rising costs of materials. See Section 4.4
- **New development partner:** The Kelsey is a new development partner for MOHCD, and this Project is only the second in the history of the organization. Kelsey staff are supported by MHC, a strong development partner with a long track record of development in San Francisco. The Kelsey seeks to retain full Project ownership after the 20-year CHA compliance period is complete. Please see Section 1.2.
- **The Disability Community Cultural Center:** The proposed Disability Community Cultural Center ("DCCC") on the ground floor in collaboration with the Department of Disability and Aging Services ("DAS") is the first of its kind in San Francisco, and will require close partnership between the developer, The Kelsey, DAS and MOHCD to bring it to fruition. The DAS RFP to select the community-based provider only received one response, and it will be refined and reissued in early 2023. Please see Section 4.4.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
MOHCD	\$2,000,000	55 yrs. @ 3% residual receipts	Committed
The Kelsey Dignity Health Loan	\$1,000,000	55 yrs @ 0%%	Committed
The Kelsey Sponsor Loan	\$1,449,000	0% revolving	Committed
Mercy Housing LOC	\$140,298	Around 2.5%, floating	Committed
Total	\$4,589,298		

Residential Permanent Sources	Amount	Terms	Status
MOHCD	\$23,684,459	57 yrs. @ 3% Res Rec	This Request
CHA	\$37,334,401	No debt service required	Committed
HCD-AHSC	\$20,000,000	55 yrs. @ .42% plus 3% residual receipts	Committed
FHLB-AHP	\$1,000,000	55 yrs. @ 0%	Committed
MOHCD Accrued Deferred Interest	\$868,044	N/A	N/A
Perm Loan	\$1,551,000	10 yrs @6.35%	Committed
GGRC/The Kelsey Sponsor Loan	\$1,000,000	55 yrs. @ 3%	Committed
The Kelsey Sponsor Loan	\$2,942,391	55 yrs. @0%	Committed
The Kelsey Accrued Deferred Interest	\$143,559	N/A	N/A
Total	\$88,523,854		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$24,590	\$219	\$0.28
Hard Costs	\$67,984,233	\$607,002	\$778
Soft Costs	\$18,517,172	\$146,076	\$187
Reserves	\$978,940	\$8,740	\$11
Developer Fee	\$1,018,919	\$9,097	\$12
Total	\$88,523,854	\$768,197	\$956

Commercial Sources	Amount	Terms	Status
*The Kelsey Sponsor Loan	\$1,357,608	55 yrs. @0%	Committed
Total	\$1,357,608		

Commercial Uses (*The Kelsey Sponsor Loan)	Amount	Terms	Per SF
Acquisition	\$410	N/A	\$0.30
Construction	\$1,121,616	N/A	\$831
Soft Costs	\$133,263	N/A	\$99
Developer Costs	\$102,319	N/A	\$76
Total	\$1,357,608		\$1,006

1. BACKGROUND

1.1. Project History Leading to This Request.

The City and County of San Francisco offered the underutilized, irregular shaped parcels for disposition through an international design competition, Reinventing Cities, organized by C40, an organization representing more than 90 cities focused on addressing climate change, by the Real Estate Division (“RED”) with support from the Department of Environment.

There were two phases of the C40 competition, whose goal is to serve as a model for cities worldwide, demonstrating how the alliance between cities and business can shape the future delivering healthier, greener, and economically viable urban development. The original ten development teams were narrowed to four applicants by round two. The Kelsey partnered with Mercy Housing CA in round two of the competition. At the end of 2019, the City announced The Kelsey Civic Center as the best all-around applicant and RED, Mercy Housing

and The Kelsey entered into an Exclusive Negotiating Agreement for a ground lease on the parcels at 155 Grove, 165 Grove, and 240 Van Ness.

In early 2020, the Sponsor, in discussion with the owner of the neighboring parcels, 234 Van Ness and 250 Van Ness, facilitated an agreement between RED and the owners to perform an equal property swap of 240 Van Ness (owned by the City) and 234 Van Ness (owned by the McBaine family, a private entity, the same ownership entity of 250 Van Ness). In April 2020, the two groups executed a negotiation agreement to bridge the property exchange agreement. The land exchange and lot line adjustment were completed in October 2022. The Kelsey Civic Center can now be developed in an “L” shape instead of a much more costly, inefficient, and logistically challenging “T” shape.

Throughout the project, Sponsor has kept MOHCD apprised on fundraising levels, and changes to the fundraising goals via quarterly reporting. The January 2021 Preliminary gap request to MOHCD indicated the Kelsey contribution to the project of up to \$10 million in a Sponsor loan, to be funded via a capital campaign by the Kelsey. In August 2021, The Kelsey reported to MOHCD that their total gap was closer to \$5M after award of AHSC and Section 811, and that they had adjusted their fundraising goal. The capital campaign ended in 2022 and sponsor has raised \$5.3 M total, including \$1M for GGRC soft loan.

The Kelsey, whose mission is to center the perspective of people with disabilities through inclusion and access, conducted multiple focus groups with people with disabilities and families and service agencies. These focus groups indicated a significant need for affordable, accessible, inclusive housing where design and program meet the needs of people with disabilities. Data suggests that only 15% of the targeted disability population, or those with developmental disabilities (“DD”) and those who rely on in-home support services, live independently. The majority live in a community residence (group home or agency-operated apartments) or with a family or relative. The Kelsey’s research identified a lack of independent living options for individuals with disabilities, like those with DD, based on availability of a community with services to support individuals or options that were affordable.

Of the total units, 25% (28 units) will be reserved for people with disabilities earning 20% to 30% TCAC AMI. Fourteen of these units will be supported by a HUD Section 811 contract, which is targeted for individuals who are exiting institutions or at-risk of institutionalization. The Kelsey Civic Center has been designed to meet accessible, service-linked, community-based housing needs for households with physical and developmental disabilities, a population that was identified in the MOHCD 2020-2024 Consolidated Plan as at the most vulnerable end of the housing spectrum. The remaining 75% of The Kelsey Civic Center residents reflects the general low- and moderate-income population of San Francisco from 50% to 80% MOHCD AMI.

1.2. Applicable NOFA/RFQ/RFP. (See Attachment E for Threshold Eligibility Requirements and Ranking Criteria)

In 2016, The Kelsey was awarded best-around applicant under the Reinventing Cities Department of Real Estate competition organized by C40, an international organization. See Section 1.1 above.

1.3. Borrower/Grantee Profile. (See Attachment B for Borrower Org Chart; See Attachment C for Developer Resume and Attachment D for Asset Management Analysis)

1.3.1. Borrower.

The Kelsey and Mercy will serve as co-developers for The Kelsey Civic Center and will both be part of The Kelsey Civic Center limited partnership.

The Kelsey and Mercy will act as co-general partners of the Limited Partnership, and Mercy will act as managing general partner of the LP. The developer fee is split 70% to Mercy/30% to The Kelsey.

Mercy is taking the lead on managing consultants, development budget and financing plan, construction and permanent financing, construction admin, and close out. The Kelsey is taking the lead on the development of the program, including universal design and services planning and will participate at every stage of development. The Kelsey will be coordinating and providing resident services. The Sponsors have entered into an option agreement with the partnership for the Kelsey to have long term ownership at the end of the initial 20-year CHA compliance period, subject to HCD and MOHCD approval, per the requirements of the City's Ground Lease and loan agreements.

1.3.2. Demographics of Board of Directors, Staff and People Served.

	Gender Identity	Race
Mercy Housing California Board	M: 35% F: 55%	Asian: 11% African American: 22% Caucasian: 50% Latinx: 11% Biracial: 6%
Mercy Housing, Inc. Board	M: 50% F: 50%	Asian: 5% African American: 15% Caucasian: 75% Latinx: 5%

Mercy Housing, Inc. - All Staff	Female – 58% Male – 42%	2 or More Races – 3% American Indian/Alaska Native – 1% Asian – 11% Black or African American – 24% Hispanic or Latino – 22% Native Hawaiian/Other Pacific Islander – 1% Not specified – 1% White – 37%
Mercy Housing California - All Staff	Female – 57% Male – 43%	2 or More Races – 5% American Indian/Alaska Native – 1% Asian – 21% Black or African American – 17% Hispanic or Latino – 31% Native Hawaiian/Other Pacific Islander – 2% Not specified – 1% White – 22%
Mercy Housing California - Development Staff	Female – 50% Male – 50%	Asian – 20% Not specified – 20% White – 60%
The Kelsey Board of Directors	Female – 70% Male – 30%	White - 57% African American / Black – 14% Asian / Pacific Islander – 29%
The Kelsey Staff	Female – 62% Non-binary – 25% Male – 13%	White – 62% African American / Black – 25% Asian / Pacific Islander – 13%

1.3.3. Racial Equity Vision.

Both Mercy Housing and The Kelsey are dedicated to moving forward Racial equity work. Mercy Housing was founded on the belief that housing justice is social justice. Mercy’s organizational values of Respect, Justice, and Mercy are integral to its racial equity work. To continue Mercy’s commitment to advancing this work, the national office launched Racial Equity, Diversity, and Inclusion (REDI). In January 2021, Mercy Housing Inc. hired Web Brown as SVP for Racial Equity, Diversity, and Inclusion. Mr. Brown has created a coordinated approach to REDI that includes creating an organizational framework that consists of focus areas to produce action plans throughout the organization in areas of internal culture, resident empowerment, education, and training, hiring and recruitment, communication, and advocacy.

MHC has also made REDI goals for each department. The California real estate development team generated five goals in 2020 and created workplans around achieving each of the goals. Goals

include: expanding the pipeline of diverse real estate staff, creating a national contracting and procurement policy, developing REDI evaluation standards for each stage in the development process, incorporating equitable digital access in our developments, and creating a legislative advocacy strategy. San Francisco real estate staff have been central in elevating these conversations and moving the goals forward. In 2023, Mercy Housing Inc. will publish its organization-wide racial equity mission and goals.

The Kelsey believes disability inclusion and racial justice are deeply intersectional. The Kelsey acknowledges race and disability are not separate sources of disadvantage but are overlapping identities that are both related to systemic inequality. The Kelsey has launched various strategies and programs to address racial justice and disability inclusion. The Kelsey's Raise the Roof is a training program for leaders with disabilities dedicated to raising awareness about important issues around accessibility and housing and increasing leaders with disabilities in the housing development field. The Kelsey' inaugural Raise the Roof program was 51% people of color with disabilities.

1.3.4. Relevant Experience.

MHC brings extensive experience developing, owning, and managing affordable housing developments in San Francisco for over 30 years. MHC owns and operates 48 buildings that it developed in San Francisco for families, seniors, households with disabilities, and people who have experienced homelessness. In San Francisco, MHC has developed 18 properties (1,493 units) for families and 11 properties (748 units) for formerly homeless households. Total in California, MHC has developed 74 properties (4,857 units) for families and 22 properties (1,414 units) for formerly homeless households. MHC has experience working with LOSP, Shelter + Care, VASH, and Project-Based Section 8 subsidies, among others, and wide range of funding sources including HCD (MHP, NPLH, AHSC, IIG, CHA), HUD, AHP, and state and federal low-income housing tax credits.

Mercy has relevant experience working with partners – including The ARC – for the development of ARC Mercy (16 units), a building with a 100% DD population. In addition, Mercy has worked with Villa de Vida, an organization in Southern California, to develop Villa de Vida Poway – a new development for IDD residents. The Kelsey served as a consultant on the project early in its concept phase. Currently in San Francisco Mercy is also partnered with Openhouse Community

and Homeless Prenatal Project to create buildings with population-based foci.

The Kelsey was founded in San Francisco after conducting focus groups with 150 San Francisco-based stakeholders, including self-advocates, families, disability organizations and service providers. These focus groups identified the need for a more inclusive approach to housing solutions for people with disabilities that creates an independent-living environment where people with disabilities are a seen and valued part of the community. In Oakland, The Kelsey provides resident services to BMR residents who are clients of the East Bay Regional Center – adults with intellectual and developmental disabilities. The Kelsey also has a project under construction in San Jose with the same AMI composition as the San Francisco project and is 25% reserved for people with disabilities that use Home and Community Based Services. Additionally, The Kelsey provides technical assistance to other disability organizations that are looking to develop inclusive, accessible, affordable housing in markets across the country.

1.3.5. Project Management Capacity.

Fiona Ruddy with MHC is the lead Project Manager and spends 40% of her time on the project. Riley Jones, Project Assistant with MHC, is assisting with project management spending 15% of his time. The Kelsey's Project Manager, Ariana Cerinus, spends 30% of her time on the project, and The Kelsey's COO, Caroline Bas, spends 35% of her time overseeing the Project

The Mercy team is supervised by Ramie Dare, Lilli Lew-Hailer, Ed Holder, and Doug Shoemaker; Micaela Connery at The Kelsey is providing project supervision.

1.3.6. Past Performance.

- 1.3.6.1. City audits/performance plans. Mercy Housing participated in the last citywide fiscal and compliance monitoring program in December 2021, and there are no known findings or issues with the audits. The Kelsey is a relatively newly formed nonprofit organization and there are no fiscal reviews on file. The Kelsey currently has a vendor agreement with the Regional Center of the East Bay (RCE), supporting 24 clients in their housing, and is working on providing MOHCD details of their audits and performance reviews with the Regional Center of the East Bay (RECE).

1.3.6.2. Marketing/lease-up/operations. Overall, Mercy projects have been successful with marketing and lease up operations. However, recent Mercy projects have been understaffed and included members from Mercy’s National staff who need to be more familiar with San Francisco housing policies. These staffing arrangements for the marketing/lease up/ operations have caused delays with lease-up timelines for Mercy projects.

MHC owns and operates 4,217 units of affordable housing in San Francisco. The chart below represents the total number of people n= 7,176 currently living in MHC owned properties, disaggregated by race and ethnicity. From January 2022 through November 2022 MHC had seventeen (17) resident evictions. T. Currently, Mercy does not track move out reasons, including evictions by race.

	Race	Ethnicity
Mercy Housing Resident responses to US Census definitions	Asian: 42%	Not-Hispanic or Latino: 77%
	White: 19%	Hispanic or Latino: 19%
	Black or African American: 16%	Member Did not specify: 3%
	Other: 15%	Blank : 1%
	Member Did not specify: 3%	
	Native Hawaiian or Other Pacific Islander: 2%	
	American India or Alaska Native: 2%	
	Blank: 1%	
	Total = 7176 (100%)	Total = 7171 (100%)

*Responses are from US Census definitions which cause overlap between race and ethnicity categories.

2. SITE (See Attachment E for Site map with amenities)

Site Description	
Zoning:	C-3-G Downtown General Commercial District with a 70X height limit. The site is within the Civic Center Historic District.

<p>Maximum units allowed by current zoning (N/A if rehab):</p>	<p>The Site's zoning allows a Floor Area Ratio of 6 sf of building area for every one sf of lot area. There is no residential density limit as a ratio of units to lot area; density is regulated by the permitted height and bulk and required setbacks, exposure and open space of the development lot.</p>
<p>Seismic (if applicable):</p>	<p>Seismic Zone 4; PML SUL are N/A because there are no existing structures on site that will be retained. The three buildings currently on the site will be demolished.</p>
<p>Soil type:</p>	<p>Geotechnical Engineering firm Rockridge Geotechnical reviewed existing borings and cone penetration tests (CPTs) performed at the site and vicinity, as well as infiltration test results for sites in SF and with similar soil conditions. The following information is based off of prior tests as well as on site testing:</p> <p>The results of borings and CPTs performed at the site and vicinity indicate the site is underlain by 4 to 8 feet of undocumented fill. The undocumented fill consists of loose to medium dense sand with variable amounts of silt and medium stiff to stiff sandy site with variable amounts of debris.</p> <p>The undocumented fill is underlain by native Dune sand that is loose to medium dense to a depth of about 10 to 12 feet below ground surface (bgs). Beneath the loose to medium dense Dune sand is dense to very dense Dune sand with thin, interbedded layers of soil classified as "sandy silt" and "silty sand" that extends to depths of about 65 to 70 feet bgs. The sandy silt is generally stiff and the silty sand is generally medium dense. There is a marsh deposit that varies from about 2 to 5 feet thick between depths of 20 and 26 feet bgs. The marsh deposit consists of medium dense silty sand and stiff sandy silt with organics.</p> <p>The Dune sand is underlain by interbedded layers of dense to very dense sand with variable amounts of silt, and very stiff to hard silt and clay with variable amounts of sand that extend to the maximum depth explored of 100 feet bgs.</p> <p>Groundwater was measured in the three CPTs performed at 234-250 Van Ness Avenue at a depth of 20 feet bgs (Rockridge 2015). Groundwater was measured at a depth of 15.5 feet bgs during drilling in the boring at 200-214 Van Ness Avenue (Rockridge 2016). Groundwater was measured at a depth of 16 feet bgs during drilling in the boring at 101 Polk Street (T&R 2013). Available historic groundwater information of the site and vicinity indicate historic high groundwater to be approximately 18 feet bgs at the site. The</p>

	depth to groundwater is expected to vary several feet annually, depending on rainfall amounts.
Environmental Review:	Application submitted 11/18/2020. The project is exempt from CEQA under SB 35. SB-35 approval occurred on June 3, 2021
Adjacent uses (North):	City Hall
Adjacent uses (South):	San Francisco Conservatory of Music Bowes Center
Adjacent uses (East):	250 Van Ness, 2-story office
Adjacent uses (West):	101 Grove - Currently the Department of Public Health's main office.
Neighborhood Amenities within 0.5 miles:	Grocery store (Whole Foods at 8th and Market), Heart of the City Farmers Market, restaurants, shops, City Hall, SFPL Main Branch, Civic Center cultural institutions, Tenderloin Community Elementary, Civic Center Secondary School, new playgrounds at Civic Center Plaza.
Public Transportation within 0.5 miles:	MUNI (J, K, L, M, N, T, 5, 5R, 6, 7, 9, 9R, 14, 14R, 19, 31, 38, 38R) Civic Center BART
Article 34:	Project received Article 34 authorization on May 21, 2021
Article 38:	In Article 38 Zone and will work with the Department of Public Health to mitigate. The team has started the Article 38 process as of October 2022.
Accessibility:	Per updated TCAC minimum building standards, 15% will be mobility units; 10% will be accessible for households with hearing and/or visual impairments. All units will be adaptable. Sponsor is working to meet a high-level of universal design standards intended to include additional mobility features within the residential units to ease modification to meet residents' specific needs.
Green Building:	GPR with score of 125 or better. Development team will be tracking all sustainability decision making and design elements as a component of the C40 competition.
Recycled Water:	Exempt.
Storm Water Management:	The project has an approved preliminary stormwater control plan, and will submit the final stormwater control plan in early 2023. SWM is achieved through a large "infiltration gallery" in the project's courtyard.

2.1. Description. The Site consists of 3 combined parcels to form one L-shaped .32-acre parcel, owned by the City and County of San Francisco. The Site is bordered by Grove Street to the North and Dr. Tom Waddell Place to the

south. The Sponsor completed abatement and demolition in March 2022 using MOHCD predevelopment funds.

To make the Site more developable from the original configuration in the C40 competition, the development team worked with the adjacent landowners, the McBaine family, on a land swap. This land swap adds value for both parties, as both TKCC and McBaine gain sites that are contiguous. The development team worked with RED to execute a transfer agreement with the McBaine family which was completed and signed on March 12, 2021. This transfer encompasses approximately 2,725 total square feet transferred between RED (from 240 Van Ness/Lot 19) and the McBaine family (from 234 Van Ness/Lot 18). The three buildings on Site were demolished in early 2022 as a condition of the lot line adjustment, which was a prerequisite to the final exchange. The City and McBaine family completed the parcel exchange on September 2022, per the Agreement for the Exchange and Conveyance of Real Estate 234-240 Van Ness Ave, on file with the Clerk of the Board in File No 210118.

2.2. Environmental Issues.

- Phase I/II Site Assessment Status and Results.

The Phase I identified potential lead and asbestos on Site due to the age of the original improvements. In September 2020, an initial lead and asbestos assessment was conducted by Acumen Industrial Hygiene on 240 and 234 Van Ness and 155 Grove. This assessment discovered asbestos containing material in the existing buildings and presumed the presence of lead in existing materials. As such, these buildings required abatement prior to demolition.

The project is in an Article 22A/Maher Ordinance area. A site mitigation plan contained in a Phase II ESA was submitted and approved by SFDPH. The Phase II, performed by Langan, indicated elevated total and soluble lead concentrations in some of soil samples that exceeded the State of California and Federal hazardous waste criteria. Analytical results for soil vapor samples indicate (PCE) was reported in one sample at a concentration greater than the RWQCB Residential ESL.

The results of Langan's Phase II ESA investigation indicated that the Site is underlain by approximately 4.5 to 8.0 feet of fill material containing elevated concentrations of heavy metals and benzo(a)pyrene. Based on the analytical results from Langan's subsurface investigation, total and soluble lead concentrations reported in multiple soil samples exceeded the State of California Class I Non-RCRA hazardous waste criteria. The remaining fill material on-Site (outside of the areas with concentrations exceeding hazardous waste thresholds) will most likely be disposed of as Class II non-hazardous material due to heavy metals concentrations. Because hazardous materials were identified at the Site, a Site Mitigation Plan (SMP) and a

Health and Safety Plan (HASP) are required prior to construction. As a result of the presence of PCE in soil vapor at a concentration exceeding the applicable regulatory threshold, the proposed structure at the Site will be designed to mitigate against potential vapor intrusion from soil gas into indoor air. The recommended passive vapor barrier would consist of a continuous, spray-applied vapor barrier membrane located immediately beneath the structural building slab.

- Potential/Known Hazards. The Phase II environmental report showed a small section of Class I RCRA hazardous material under the 234 Van Ness parcel. The project team is working to minimize off-haul of the hazardous materials. A vapor barrier mitigation system has been designed to address vapor intrusion from the soil gas into the indoor air.

2.3. Green Building. To fulfill the commitments made within the C40 competition, The Kelsey Civic Center agreed to the measures below as evidenced in the ENA signed with RED. Generally, the commitments are to implement innovative sustainable design that enhances goals of inclusivity, affordability, and accessibility. The Sponsor will be evaluating the cost of each measure and comparing that to minimum requirements for typical affordable housing developed in San Francisco and what is required by current code. Preliminarily these measures are assumed to create minimal additional cost.

The Project Sponsors and design team are tracking all decisions related to the C40 competition, especially as it relates to analysis of embodied carbon, for reporting to the Department of Environment. This includes quantifying if the decisions reduce cost, are cost neutral, or increase cost.

Measure	Notes
<ul style="list-style-type: none"> • All-electric zero operational carbon building on-site. 	Required by current code.
<ul style="list-style-type: none"> • Renewable energy and energy storage 	The Project is maximizing the current solar array on the roof. Energy storage is not financially feasible currently, however there is the ability in the future to install battery systems on the roof.
<ul style="list-style-type: none"> • Carbon-neutrality, including the use of materials like concrete and wood, structural materials like polished concrete that double as finish materials, and the co-living model. 	The team spent several months in winter 2020/21 analyzing carbon-neutral materials, including mass timber in the building’s structural system. Due to permitting and supply chain risk, no mass timber is included in the building. Instead, the team landed on a low-carbon concrete structural system.

	Finish materials include no “red-list” materials (except for vertical unit-blinds).
<ul style="list-style-type: none"> • As a means of supporting biodiversity, urban re-vegetation and agriculture- and in place of the existing Please Touch Garde - The Kelsey Civic Center will offer a public garden located within the building's courtyard. 	The garden will be a sensory garden and made available to the larger community through the Disability Community Cultural Center. Since the sensory garden is contained within the building's central courtyard, this open space is not itself an additional cost.

- As part of the C40 Competition, The Project aspired to be carbon neutral to the extent that is financially feasible. Through schematic design process, the team explored the cost and design implications of the following measures:
 - o Use of renewable energy sources and adding infrastructure for on-site energy storage – The team landed on maximizing the available solar array. Due to budget constraints, it was not possible to add on-site storage, however there is roof capacity to add back up storage in the future if needed or desired.
 - o Use of structural materials that double as finished materials – In 2020 the Sponsors worked on a comprehensive evaluation of using cross laminated timber as the primary structural system. The cross laminated timber held significant risks with supply chain disruptions, as well as permitting timelines, the project was not able to take on. The design team decided on a low-carbon Type I concrete structural system.
 - o Use advanced monitoring and display tools to support more energy efficient use
 - o Minimizing transportation emissions during construction phase - The team has worked to select materials from local sources, when available. However, this became difficult due to supply chain issues; and
 - o Use of low-carbon concrete mix for concrete used in the project.
- Project design elements that further the C40 goals, include:
 - o Efficient units that minimize resource waste and support low embodied carbon design complemented by ample community spaces – The project has units that are efficiently designed, and large enough to accommodate mobility equipment needed by residents with disabilities. The building features a community courtyard, two ground floor community rooms, four upper floor meeting rooms, and a roof terrace.

- o The building has no vehicle parking; one bike parking space for every 2 units
 - o Inclusion Concierge staff to support residents in transit planning. Staff will assist with transit planning. The project will also install a transit board for residents to assist with transportation questions and a point of reference.
- The Project will practice urban regeneration and resiliency through the following methods:
 - o A courtyard garden and green roof supporting biodiversity and urban re-vegetation where neighbors and the community can connect,
 - o Focused ethos and design on interconnectivity and community, fostering a more resilient resident population in the face of natural and human-made disasters. This work will be supported by the building staff, who will work to create natural support systems and social cohesion among residents and staff; and
 - o Thoughtful selection of HVAC systems to combat extreme climate conditions and provide healthy indoor air quality. This includes Article 38 ventilation requirements, ceiling fans, and efficient electric heating.

3. COMMUNITY SUPPORT

3.1. Prior Outreach.

The development team approached this process with an understanding that disability itself is an intersectional issue that is deeply intertwined with race and poverty. According to the Centers for Disease Control and Prevention, Black people have higher rates of disability: 1 in 4 black people have a disability vs 1 in 5 white people. The San Francisco Department of Disability and Aging Services ("DAS") notes that African Americans are twice as likely to experience disability in San Francisco.

The Sponsor's community outreach plan was informed by these inequities and is further enhanced by the location of the Site. A Community Advisory Group ("CAG") representing neighborhood and community leaders with specific representation from Black communities, people of color, and people with disabilities, was established by the Sponsor in 2021. Since then, the CAG has met on three occasions to provide input on building common area programming, select the public art finalists, and select the color scheme for the building's interior. Sponsors will be checking back in with the CAG to provide progress on building design, timeline, and gather feedback on the building's land acknowledgement

Separate from the CAG process, starting in November 2020, the Sponsor hosted the first of a series of community meetings and will continue community engagement throughout the development process.

In addition, and starting in 2018, The Kelsey has built relationships with over 300 San Francisco based stakeholders including self-advocates, families, disability organizations and service providers. The Kelsey engages these stakeholders through programming such as: the Together We Can Do More initiative which defined their Inclusion Concierge staffing model; Raise the Roof, a housing advocacy program elevating leaders with disabilities to be active in housing policy; and Inclusion Hours, which have brought together 800+ participants of all abilities to celebrate disability culture and inclusion.

The development team plans on reconvening the CAG (discussed above) in Q1 of 2023 with project updates on the Public Art, services, lottery process and the Disability Community Cultural Center operator selection process (led by DAS).

The Kelsey worked closely with DAS to ensure that outreach material for the DCCC RFP was fully accessible. The team will continue to work both internally and with partners to ensure marketing and outreach materials are translated into several languages, as well as plain language and ASL. Since 2021 the sponsor has engaged more than 10 organizational partners and a total of 121 people.

3.2. Future Outreach

The community engagement process is still in progress. In 2022, the CAG is actively working to address community insights and recurring housing themes around: marketing to future residents, housing cost, lottery, and application process, staffing and services, and programming and amenities.

3.3. 1998 Proposition I Citizens' Right-To-Know.

Prop I Noticing was required for this project and was complete in February 2021.

4. DEVELOPMENT PLAN

4.1. Site Control.

The partnership will enter into a long-term ground lease with the City at construction loan closing. In June 2021, MOHCD entered into an Option to Ground Lease for the then to-be-formed merged parcel (which now includes lots 18, 21, and 16). The lot line adjustment was completed and recorded on September 2022, and the lots also merged in September 2022 per the Agreement for the Exchange and Conveyance of Real Estate 234-240 Van Ness, File No. 210118. Please see Exhibit L.

4.1.1 Proposed Property Ownership Structure

The land transferred to MOHCD from RED in September 2022. At construction loan closing, MOHCD and the LP will enter a long-term ground lease of 75 years, with an option to extend for 24 years, for a total

term up to 99 years. The annual base rent payment will be \$15,000, with annual rent payment dependent on an unrestricted appraisal value to be provided closer to close of escrow. As is standard in MOHCD ground lease agreements, the LP will own the improvements. The Kelsey and MHC have entered into an agreement that allows the Kelsey to retain ownership of the improvements after initial HCD CHA compliance period of 20 years if MHC would like to leave the LP ownership structure. This would require MOHCD approval for any transfer of ownership interest any time during the MOHCD Declaration of Restriction period or ground lease.

4.2. Proposed Design.

The building is a 112-unit affordable housing development with a combination of 80 studio units and 32 two bedroom units for larger households.

Avg Unit SF by type:	Studio avg sf: 302 sf 1-brdm avg sf: 690 sf 2 - brdm avg sf : 737 sf
Residential SF:	51,768 sf
Circulation SF:	12,233 sf
Outdoor spaces (ground floor courtyard, and 8th floor roof deck):	4,207 sf
Community room, community commons:	2,467 sf
Ground floor offices	605 sf
Ground floor maintenance and services spaces (i.e., bike room, electric room, janitor, trash)	3,618 sf
Total Residential Building SF:	87,519 sf
Total Retail/commercial:	1,431 sf

4.3. Construction Supervisor/Construction Representative's Evaluation

The Project is in the Civic Center Historic District on a L-shaped 13,815 square feet (0.31 acre) parcel where the entrance is located along Van Ness Avenue. The 8-story building design has changed its construction type from originally wood (Type III) over 3 stories of concrete (Type I) to an all concrete building (Type 1-B) and from 107 units (75 studios and 32 two-bedroom units) to 80 studios and 32 two-bedroom units for a total of 112

residential units. The GMP Pricing Drawing Set includes a building design with a continuous large vertical courtyard from Level 1 to Level 8.

Level 1 contains reception, resident common area, a community room, services offices, bike parking, trash room, utility/mechanical/electrical spaces and a community cultural space facing Grove Street. Floors 2-7 contain about 11,433 square feet each with residential units totaling approximately 17 per floor (with one less unit at two floors where a Laundry Room is provided). Floor 8 provides 12 units and a Resident Roof Deck. The total building area is 87,193 square feet. The exterior façade includes angled bays of fiber-cement panels and glazing along Grove Street and Tom Waddell Place and a striking vertical aluminum window wall system at the corner of Van Ness Avenue and Tom Waddell Place that provides visual variety but does ultimately add cost to the project.

Since subsequent cost estimates in a six-month time period, hard costs have increased by \$8 million above the 50% construction drawing estimate, provided in February 2022. This is largely due to inflation, subcontractor pricing increases and supply-chain issues. The Kelsey has undergone extensive value-engineering (“VE”) with simplification of details (i.e. exposed fasteners instead of concealed fasteners), changes in exterior skin building materials, drywall finish, modifying unit signage, removing select unit lighting, reducing owner’s allowance on earthwork and over \$200K in savings by reducing the typical 10% retainage to 5% for select subcontractors. These reductions resulted in a total hard cost reduction of \$1.15M, with a finalized GMP cost of \$64,369,000. In the second half of 2022, General Contractors providing bids for several affordable housing projects were indicating escalation could range between 10% to 14% and for 240 Van Ness, the escalation increase was close to 12%. Several VE items were not accepted as they did not provide substantial savings to the project and would require reworking details and/or decisions around Universal Design elements core to the project’s program.

The GMP cost of \$64,369,000 plus the 5% Owner’s Contingency, Demolition and Plan-Check Contingency brings the total construction cost to \$69,202,040 or \$794/sf. While the cost per square foot is 28% higher than other projects, this increase can be attributed to the following:

- The previous cost comps do not have this unprecedented inflation, escalation and supply-chain increases.
- Given the prominence of 240 Van Ness’ location across from City Hall and within the Civic Center Historic District, the building inherently needs to incorporate special design features (that add cost to the project) to be contextual among the newly designed civic buildings and the neighboring stately institutional buildings.

Cahill has conducted early bidding for the major subcontractors and will need to issue a letter of intent to lock in these bids. The GMP cost of \$64MM does not include COVID-19 mitigation measures, plan-check contingency (to be covered by additional Owner's Contingency if substantial) and escalation. If the letter of intents to the subcontractors cannot be executed in the near future, the \$64MM number may escalate due to inflation and the current volatile construction market.

4.4. Commercial Space.

The proposed commercial space, the Disability Community Cultural Center (DCCC), is located at 165 Grove Street and faces City Hall. It consists of 1,876 square feet of space intended for public benefit use. The Kelsey is contributing \$1,357,609 in permanent capital to fund the commercial cold-shell of the project. In collaboration with the Department of Disability and Aging Services (DAS), the Sponsor has significantly developed the plans for the commercial space since the Preliminary Gap request presented to Loan Committee in February 2022. (The Kelsey funding of the shell was originally envisioned to take a subdivided commercial space out of the residential budget to increase the project's tie breaker score in the CDLAC competition. Since ultimately the project is not moving forward with bond financing, the commercial space is no longer being subdivided to reduce cost, but The Kelsey will still fund the build out of the shell to reduce costs for the residential budget. The commercial space development costs are still shown in a separate Commercial Space Sources and Uses, and not included in the residential budget.)

A Letter of Intent (LOI) was executed between The Kelsey (as Master Lessee of the space) and DAS as subtenant in September 2022. This LOI was reviewed by DAS, RED and MOHCD staff and lays out the terms of the lease agreement. DAS issued an RFP in Fall 2022 to select a community-based provider to operate the space. Because there was only one respondent, the RFP will be refined and reissued in early 2023.

This commercial space will provide a home to a first-of-its kind center celebrating disability culture while also serving as a gathering place for people with and without disabilities to connect and create community. The DCCC will provide virtual and in-person community service programming, and educational, artistic, and social networking opportunities focused on serving individuals with disabilities and their allies who live or work in the City. The DCCC will bring diverse people with disabilities together to access resources, advance social justice, and foster disability culture, community and pride. The goals for the DCCC are as follows:

1. Engender an environment within the space that is welcoming, engaging, inclusive,

2. Support social justice for people with disabilities and celebrate disability arts,
3. Promote disability-forward goods and services and foster connection and synergy between the building residents and the greater San Francisco area, and
4. Demonstrate a successful partnership structure between a housing developer, government agency, and community organization subtenant operator, working in collaboration to create a high-quality experience in this innovative space.

The LOI lays out the roles below to construct and operate the community serving commercial space, leveraging funding from DAS to build out the commercial tenant improvements and to fund rent and operating funding for ongoing operations by a subtenant. This approach was taken to maximize the opportunity for community-based disability service providers who may not have the development expertise to build out the space nor guaranteed income to operate it.

Space Description. The DCCC is located on the ground floor facing Grove Street, with an area of 1,876, including 1,427 sf of interior space and 450 s.f. of outdoor space. The outdoor space includes a portion of an interior courtyard which will be shared with The Kelsey Civic Center residents, staff and guests. It has exclusive use of the front entry and includes a bathroom.

Commercial Construction costs. Total hard costs for the cold shell construction are \$903,022, with soft costs for onsite improvements, design, landscaping, and architecture fees, for a total development cost of \$1,357,608.

Commercial Leasing Plan. The Kelsey Civic Center, L.P. will enter in to a long-term (55 year+) commercial master lease with The Kelsey. An LOI was executed between The Kelsey (as Master Lessee of the space) and DAS (as the Tenant) in September 2022. DAS will sublet to a subtenant disability service provider. A Request for Proposals (RFP) was released in October 2022 announcing the opportunity to be the subtenant operator of the commercial space. Applications from interested organizations were due the week before Thanksgiving, and there was only one respondent, necessitating a reissuance of the RFP in early 2023 in accordance with DAS contracting policies.

The Kelsey will be leasing the space for \$3.76 / sf, an amount that covers the operating budget, CAM charges and reserves, and will not make a profit from this space. The commercial operating proforma assumes that all commercial proceeds are rolled into commercial reserves for maintenance, repairs, and operating. \$1 per year is coming back to the partnership as rent. The commercial space will be a 55+ year master lease from the limited

partnership to The Kelsey, with a capitalized upfront payment in the amount of \$1,357,608 which will cover the cost of the build out of the shell.

- Operating Pro Forma.
Tenants will pay a base rent of \$2,738/month which includes prorated Common Area Maintenance (CAM) expenses, which escalates at 2.5% year. Rent to the LP is sized at \$1 / year and therefore doesn't support the residential building.
- Tenant Improvement Build Out.
The development team has estimated a TI budget of around \$1 million, which will be funded by DAS. Both The Kelsey and DAS will support the subtenant with tenant improvements with the rationale of supporting community serving nonprofits who may not have the financial capacity or development expertise with tenant improvements.

4.5 Service Space

The primary space for delivering 1:1 services and coordination is a dedicated office at the ground floor for the resident services staff. This room will be used for private meetings between residents and The Kelsey's resident services staff; however, the resident services staff will mostly interact with residents using the entry lobby to create a welcoming and inclusive environment. On upper floors there are also four small offices for residents to meet with service providers, such as Independent Living Services program providers, occupational therapists, or other services that do not necessarily need to be rendered within the individual's homes.

Additionally, to foster community connections between residents, the development team has designed the Project to have ample, accessible community space for group events, including the community courtyard, roof terrace, large community commons, a small community room.

TKCC is a disability-forward housing Project and seeks to go far beyond minimal requirements for access as determined by Section 504 of the Rehabilitation Act and the Americans with Disability Act (ADA). All common areas are 100% accessible and universally designed to be functional and desirable to all residents.

4.6 Communications Wiring and Internet Access.

Project sponsors are working with the Department of Technology to coordinate City Fiber to the building. In addition, the building will have AT&T and satellite available. Sponsors continue to work with Comcast on the feasibility of bringing Comcast to the building due to the enormous amount of trenching required to get to the closest Comcast point of connection.

4.7 Public Art Component.

The building’s public art component will consist of a 42’8" x 11’8" perforated metal panel used as a folding gate and canopy at the development’s commercial entry and a 4’9" x 11’8" perforated metal panel at a pedestrian gate. The artwork will be digitally transferred from a 2D original piece of art created by the artist Joseph “JD” Green to the metal panels. The image transfer will fall under the direction of the Architect, with ongoing artist collaboration. The metal panels will be installed by the general contractor. The metal panels will have a non-directional brushed finish and a matte finish anti-graffiti spray coating overlay.

Sponsors worked with Creativity Explored – a San Francisco arts studio serving artists with intellectual and developmental disabilities – to do a call for artists in summer 2021. Sponsors presented the art to The Kelsey Civic Center CAG, who selected JD Green. This input was given to the public art selection panel, which included members of the development team, as well as a local disability activist and a representative from the Asian Art Museum.

4.8 Marketing, Occupancy, and Lease-Up

Marketing and occupancy outreach for the Project will be conducted in accordance with all applicable fair housing laws and MOHCD requirements. Mercy and The Kelsey will work with neighborhood-based, non-profit organizations to develop relationships and ensure that those groups are reaching out to constituencies regarding these housing opportunities.

All units except the Section 811 units reserved for the DD population will be entered in the San Francisco DAHLIA lottery and subject to preferences as per City Ordinance. Preference will be observed in the following order:

MOHCD Preference	Applicant Category
1	Certificate of Preference (COP) Holders
2	Displaced Tenants Housing Preference (DTHP) Certificate Holders (20% units)
3	Neighborhood Preference (25% units)*
4	Live or Work in San Francisco Preference
5	All Others

*Due to this Project receiving state funding for AHSC, the Neighborhood Preference set aside is reduced to 25% of available units, instead of 40%.

Fourteen (14) of the 28 units reserved for people with disabilities will be available for people eligible for the HUD Section 811 program. Per the executed MOU between Sponsor and the Golden Gate Regional Center

(GGCR), referrals for these 811 units will come from the GGRC. In accordance with the Section 811 PRA program guidelines, the Sponsor must comply with affirmative fair housing requirements and tenant selection. For the remaining 14 units, units will be entered into the lottery, and the above preferences will be applied.

To increase the number of applications by COP holders, the Sponsors plan to do specific outreach to COP holders and provide rental readiness training like that which has been done for OCII sponsored projects.

All rents will be posted at 10% below the incomes' restricted requirement, per TCAC requirements.

The Sponsors understand MOHCD's concerns around marketing higher AMI units, and have experienced challenges at some projects when marketing units at 80% and 95% MOHCD AMI. Since appearing at Loan Committee on February 2022, the Sponsors have reduced AMI levels at 12 studio units from 95% MOHCD AMI to 80% MOHCD AMI (or 60% TCAC). The higher income units are no longer required as the project was not successful in obtaining a CalHFA MIP bond allocation. Considering the current market, where 75% MOHCD AMI is close to market rate rents, MOHCD staff still struggle to lease up studios at these levels. The Project Sponsor will continue to work with Mercy Housing Management Group's leasing and marketing teams to monitor the market as lease up approaches. The Kelsey will be providing significant input on leasing the 80% MOHCD units as well.

4.9 Relocation.

The McBaines' building, 234 Van Ness, was a commercial building with two commercial office tenants. These tenants were given notice by McBaine's property management agent. Out of an abundance of caution, the Sponsors worked with Laurin Associates to conform with relocation law and provide relocation benefits and services to the tenants. Sponsors are holding a \$50,000 relocation budget. To date one tenant has requested ~\$8,000 in eligible relocation costs, the second tenant has been unreachable after many attempts in different media. The relocation plan was accepted by HCD in September 2022.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE / LBE	Outstanding Procurement Issues

Architect	Santos Prescott and Associates	Y	N
Landscape Architect	RHAA Landscape	N	N
JV/other Architect	WRNS Studio	Y	N
General Contractor	Cahill Contractors LLC	N	N
Owner's Rep/Construction Manager	Regent Construction	Y	N
Financial Consultant	California Housing Partnership Corporation	N	N
Legal	Gubb and Barshay LLP	N	N
Property Manager	Mercy Housing Management Group	N	N
Services Provider	The Kelsey	N	N

5.1 Procurement Plan.

For professional services, the Project was given a 20% goal by Contract Management Division (“CMD”). To date, the Sponsor has exceeded this goal by achieving 55% SBE participation and 14% MBE participation.

For the demolition phase CMD set a 20% goal, this goal was achieved and sponsor provided confirmation to MOHCD Project Manager.

For construction CMD has set a 20% goal which will be met, per the latest GMP revision.

5.2 Opportunities for BIPOC-Led Organizations.

To increase the Project’s contracting with BIPOC firms, Mercy is partnering with the San Francisco National Organization of Minority Architects to identify opportunities for participation in projects. For outreach for The Kelsey Civic Center specifically, the Sponsor created a BIPOC led or owned professional firms list that are contacted on each project. This list did not yield the results as hoped, due to a project of this scale was outside of the capacity of many of the firms. Sponsor indicated many of the BIPOC firms they reached out to were small sized and did not have the capacity for a project of this size. As a result of this, Mercy California Development Team goal is to continue working on procurement diversification to address this. Sponsor also plans on hosting more general sessions with firms prior to RFP release so small firms understand who Mercy is, and Mercy’s goals for inclusion of BIPOC firms and how to partner.

6. FINANCING PLAN (See Attachment F for Cost Comparison of City Investment in Other Housing Developments; See Attachment G and H for Sources and Uses)

6.1 Prior MOHCD Funding: On January 22, 2021, Loan Committee approved an acquisition and predevelopment loan of \$2,000,000. The loan term is 55 years with an interest rate of 3% to be paid through residual receipts. In February of 2022, the Sponsor returned to MOHCD for a Preliminary Gap Commitment of \$13,000,000 for their HCD state application.

6.2 Disbursement Status.

As of November 6, 2022, there is a remaining balance of \$61.71 on the above loan. Loan Committee previously approved the use of The Kelsey’s funds for predevelopment in the amount of \$2,000.000 To date, the Sponsor has used \$ 1,999,938.29.

6.3 Fulfillment of Loan Conditions. Below is the status of Loan Conditions since this project was last at Loan Committee for February 18, 2022.

Item	Notes
Sponsor to provide MOHCD with detailed monthly updates on Community Outreach completed, outcomes achieved related to racial equity goals, and commercial-use programming (this may be included in the standard MOHCD monthly report form).	<i>Community outreach summary report provided to MOHCD November 10, 2022, additional reporting completed on standard MOHCD monthly report form.</i>
Sponsor will provide operating and development budgets that meet MOHCD underwriting guidelines and commercial space policy requirements.	<i>This request.</i>
Sponsor to provide MOHCD with a services plan and proposed staffing levels that meet MOHCD underwriting standards prior to gap loan approval. This must include review of the proposed .2FTE Housing Support Specialist position with Mercy property management. Any changes to the current proposed staffing will need to be presented to MOHCD at least 90 days prior to request for gap loan approval.	<i>Sponsor is proposing an additional 2FTE RSC/Inclusion Concierge staff to meet goals of The Kelsey Civic Center inclusive community. This position serves as a hybrid services/front desk position, reducing staffing redundancies. This approach was included in the AHSC application/post Section 811 award. Staff recommends approval of this staffing model based on the needs of the target population, other Section 811 projects, and feedback from DAS staff.</i>

<p>Sponsor will provide Commercial Space Plan to MOHCD no less than 90 days prior to Loan Committee date for gap loan.</p>	<p><i>Sponsors finalized the LOI for the Commercial Space plan with DAS in July 2022. The sponsors also worked with DAS on the operator RFP for a Disability Community Cultural Center, the RFP was released in October 2022. MOHCD continues to participate in meetings with Sponsors and DAS. Mercy and The Kelsey are working on commercial master lease.</i></p>
<p>Sponsor will provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps MHC and The Kelsey will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.</p>	<p><i>Will provide.</i></p>

7 Proposed Financing

7.1 Construction Financing:

Construction Loan (\$51,698,946): While not a permanent source, the construction loan is with Silicon Valley Bank, with a 5.4% fixed interest rate but subject to change at closing. There is no cushion because it's a fixed rate.

Apple Construction Loan (\$5,000,000): The construction loan is with Housing Trust Silicon Valley with a 2% fixed interest rate, this will serve as a bridge construction loan. The Bridge Construction loan pursued this option with Housing Trust Silicon Valley as it offered costs savings given the current high interest rates.

7.1.1 Permanent Sources Evaluation Narrative:

The Borrower proposes to use the following sources to permanently finance the Project.

- Permanent loan (\$1,551,000): Silicon Valley Bank, 10-year term/10 year amortization, 6.3% interest rate. Staff believe that this interest rate is conservative considering the current market. Sponsor did not pursue a longer-term option because

they don't have enough cash flow to support a longer-term loan.

- Affordable Housing and Sustainable Communities Program ("AHSC") (\$20,000,000): 55 year term, 0% interest rate, residual receipts. In addition, the Project will support approximately \$10M in transportation funding to 14R service improvements and Folsom Street bike lane improvements.
- MOHCD Loan (\$23,684,459): 55 year term, 3% interest rate, residual receipts.
- Affordable Housing Program ("AHP") (\$1,000,000): The MOHCD loan request includes an AHP bridge loan, which will be repaid upon award and funding. The sponsors will apply for the AHP award in CY 2023, and if not funded, will continue submitting AHP funding applications.
- California Housing Accelerator ("CHA") program (\$37,334,401): As noted previously, the Sponsor applied to CDLAC in Round 1 and was not awarded due to a high tiebreaker score. The Sponsor was invited to apply to Tier 2 CHA in April 2022 and was awarded in \$37,334,401. The 20-year term is at 0% interest, with no residual receipts and no periodic payment required during the life of the loan. The sponsor reapplied to CDLAC Round 2 this year and withdrew application after receiving a CHA award. Sponsor and MOHCD determined it would cost MOHCD \$1 million more for the project to be developed with bonds. There were also concerns with the bond execution's ability to meet the 50% test, as well as timing and increasing of hard costs. MOHCD development team estimated that pursuing the CHA award offered savings of \$2.5 million in hard costs.
- The Kelsey Sponsor Loan (\$2,942,391): 55 year term, 0% interest rate for the residential component; The Kelsey also obtained \$1 million soft loan at 3% from GGRC for the residential development, and will also provide \$1,357,608 for the commercial shell build out with the Kelsey Sponsor Loan, for a total contribution of \$5.3 million toward the project.

7.1.2 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	\$617,875/unit and \$791/sf

Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5%
Architecture and Engineering Fees are within standards	Y	Architecture fees are \$3,078,250 and Engineering fees are \$415,514.
Construction Management Fees are within standards	Y	Construction management fees are \$139,300 This included in a wider line item that includes construction testing.
2is within standards, see also disbursement chart below	Y	Project management fee: \$1,100,000 At risk fee: \$1,100,000 Total: \$2,200,000
Consultant and legal fees are reasonable	Y	Legal Fees: \$210,000 Financial Consultant: \$25,200
Entitlement fees are accurately estimated	Y	Entitlement and Permit Fees: \$1,080,582
Construction Loan interest is appropriately sized	Y	Construction loan is \$51,698,946 with 5.4% fixed interest rate.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 7.5%
Capitalized Operating Reserves are a minimum of 3 months	N	Capitalized Operating Reserve is equal to 6 months operating expenses and debt service to match HCD requirements.

7.1.3 Developer Fee Evaluation: Requested total developer fee is \$2.2 million and complies with MOHCD and HCD Underwriting Guidelines.

Total Developer Fee:	\$2,200,000	
Project Management Fee Paid to Date:	\$528,000	
Amount of Remaining Project Management Fee:	\$535,919	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	\$36,081	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,100,000	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	\$36,081	
Amount of Fee Deferred (the "Deferred Fee"):	\$0	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$0	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Construction Loan Closing	\$200,000	18%
50% Completion	\$200,000	18%
At Temporary Certificate of Occupancy	\$99,838	10%
At Commercial Space lease execution	\$36,081	3%

Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		Percentage At Risk Fee
100% lease up and draft cost certification	\$220,000	20%
Permanent conversion	\$550,000	50%
Project close-out	\$330,000	30%

8 PROJECT OPERATIONS (See Attachment I and J for Operating Budget and Proforma)

8.1 Annual Operating Budget.

The proposed operating expenses are \$1,565,487 or \$13,978 per unit per year. On May 17, 2021, the Project was awarded a HUD 811 Project Rental Assistance Contract (PRAC) for 14 units for 20 year term, with the award projected at \$20K / HUD 811 PRAC unit in the initial operating year. The initial award covers the period of time between start of lease up until HUD's expenditure deadline for CalHFA's portion of the funds, September 30, 2026. Subsequently, the Section 811 amount will be negotiated annually through the end of the 20-year term of the PRAC as part of HUD's Section 8 Annual Renewals budgeting process. The other 14 units targeted to the DD population do not have a rental subsidy.

8.2 Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	N	DSCR is 1.3 at Year 1 in order to maintain a 1:1 DSCR in Year 10 when the 10 year mortgage is paid off
Vacancy rate meets MOHCD Standards	Y	Vacancy rate is 5%
Annual Income Growth is increased at 2.5% per year.	N	Income escalation factor is 2.0% to match the construction and perm lender (Silicon Valley Bank)'s underwriting guidelines of 2% income growth
Annual Operating Expenses are increased at 3.5% per year	N	Expenses escalation factor is 3.0% to match construction and perm lender's underwriting guidelines

Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$13,978 per unit which are reasonable and within the range of comparable new construction projects Project's operating expenses are lower than the average of comparable new construction projects between 100 – 150 units in size, which have an average operating cost of \$15,200 PUPA, and fit within the range of other Mercy operated projects.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$87,360 or \$65 PUPM
Property Management staffing level is reasonable per comparables	Y	Refer to chart below.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$26,009/yr. Annual PM Fee is \$25,130/yr.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year
Limited Partnership Asset Management Fee meets standards	N/A	Does not apply as a CHA deal

8.3 Staffing Summary. Property management staff paid out of the operating budget include: 1 FTE Property Manager, 2 FTE Inclusion Concierge Staff (Resident Services), 1 FTE Maintenance, 1 FTE Janitor. See Sections 8.1 and 8.2 for more detail on staffing levels and support services.

8.4 Income Restrictions for All Sources.

Per the PRAC 811 award, the 14 units receiving subsidy are restricted at 20% and 30% TCAC AMI. The other 14 units set aside for those with a disability are set aside for residents making 20% or 30% TCAC AMI, per the AHSC application.

In all cases, the units for disabled tenants show the MOHCD income restriction as the least restrictive at 50% MOHCD AMI.

UNIT SIZE	No. of Units	MAXIMUM INCOME LEVEL		
		MOHCD	HCD – AHSC &CHA	811
<u>NON-LOTTERY</u>				
0 BR – 811 PRAC	12	50% MOHCD AMI	20% TCAC AMI	20% TCAC AMI
2 BR – 811 PRAC	2	50% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
Sub-Total	14			
<u>LOTTERY</u>				
0 BR	12	50% MOHCD AMI	20% TCAC AMI	
0 BR	2	50% MOHCD AMI	30% TCAC AMI	
0 BR	11	70% MOHCD AMI	50% TCAC AMI	
0 BR	10	80% MOHCD AMI	60% TCAC AMI	
0 BR	32	80% MOHCD AMI	60% TCAC AMI	
Sub-Total	67			
2 BR	2	50% MOHCD AMI	20% TCAC AMI	
2 BR	4	70% MOHCD AMI	50% TCAC AMI	
2 BR	9	70% MOHCD AMI	50% TCAC AMI	
2 BR	14	80% MOHCD AMI	60% TCAC AMI	
Sub-Total	29			
<u>STAFF UNITS</u>				
0 BR	1			
2 BR	1			
TOTAL	112			

PROJECT AVERAGE			57.27%	
----------------------------	--	--	---------------	--

The Kelsey Civic Center is committed to providing affordable, accessible, inclusive homes to San Franciscans of a broad range of incomes and abilities. Of the total units, 25% (28 units) will be reserved for people with disabilities earning 20% to 30% TCAC AMI who receive home and community-based services through In-Home Supportive Services (“IHSS”). Of these units, 14 will be available for people eligible for the HUD Section 811 PRAC, which is targeted to individuals between 18 – 62 years of age who are exiting institutions or at-risk of institutionalization.

The remaining 75% of The Kelsey Civic Center residents serves the general low- and moderate-income population of San Francisco.

The sponsors propose two resident manager units at the site, which would provide an onsite property manager unit and an onsite Inclusion Concierge staff unit to provide 24 hour on-call access to DD tenants. This staffing model is recommended by DAS staff as part of the supportive housing model for the DD population.

8.5 MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level
0 BR	26	50% of Median Income
2 BR	4	50% of Median Income
0 BR	11	70% of Median Income
2 BR	13	70% of Median Income
2 BR	14	80% of Median Income
0 BR	42	80% of Median Income
0 BR	1	Manager’s Unit
2 BR	1	Manager’s Unit

9 SUPPORT SERVICES

9.1 Services Plan.

The Kelsey, a community-based, independent living environment for people with disabilities, aims to provide residents with intellectual and developmental disabilities the agency to live independently through service-ready housing. The project seeks to maintain or improve residents' well-being by offering activities and services designed to support them to live independently in their own homes and communities, reduce social isolation, and serve as an access point for other home and community-based services. The Kelsey's services are flexible, voluntary, and individualized to assist an individual or family to retain their housing, improve their health status, and maximize their ability to live independently. The Kelsey's Housing Services programming includes service coordination, housing navigation, and community inclusion. There is a need for resident services programming that will specifically serve adults with disabilities to promote socialization, help build community, and be supported by staff who are trained and knowledgeable in providing services to this target population.

Residents who utilize home and community-based services will access services across two areas:

1. In Home Supports by Golden Gate Regional Center (GGRC), GGRC providers, and In-Home Supportive Services (IHSS) providers:
 - This includes domestic services such as grocery shopping, meal preparation, cleaning, laundry, and general housework.
 - Transportation to and from doctor visits, dentists, and other health practitioners.
2. Housing Services provided by the Kelsey include:
 - Service coordination – one-on-one assistance to coordinate services; may include information and referral to healthcare agencies, completion of forms or applications.
 - Housing navigation – providing residents access to available resources and help lower household expenses such as moving costs, and assistance with security deposits; increasing housing stability; and eviction prevention.
 - Community inclusion- Including Circles of Support, access to cultural, educational, social, and political events for residents.

The Inclusion Concierge staff play a key role in partnering with the property management and maintenance teams to ensure all housing needs are met. Beyond supporting the needs of residents with disabilities, the Inclusion Concierge supports all residents to connect with each other, engage with their neighborhood, and access needed supports and services. Inclusion Concierge staff within the building team will receive specialized training, professional development, and support from The Kelsey in disability justice, resident services, inclusive programming, and community development. The

staff live within the community and is there to support with each phase of the resident journey to increase housing success.

The Concierge Services team takes a three-pronged approach to inclusion:

To create a welcoming, accessible, and inclusive environment for residents and guests, the Inclusion Concierge will be located within the lobby space. When residents request, there are options for private meeting rooms on the ground floor, and several small upper-floor meeting rooms. Programming and services offered will fall into the three program priority areas: Service Coordination, Housing Support and Retention, and Community Inclusion.

- Creates a culture of interconnectivity for the entire community: Through fully accessible, thoughtfully planned Inclusion Hours, the Inclusion Concierge engages each resident to experience the value and joy of being with community; Inclusion Concierge also sets a culture from the start as a healthy, interdependent space.
- Coordinates a resident-centered experience: Partnering with property management and maintenance staff, the Inclusion Concierge facilitates a team-based approach to coordinate support for each resident from fostering inclusion, promoting connections, and anticipating crises before they occur.
- Delivers services infrastructure: Through building trust, circles of support, and community supports, the Inclusion Concierge supports the building's high quality, effective services for residents that leads to reduction of interrupted services and avoidable issues.
- Inclusion Concierge staff are trained in specialized case management with a focus on person-centered services and self-determination as well as receive in-depth training on the community philosophy and programming. They will also support lease-up activities to create early relationships with residents. Being located in a high-traffic area, the Inclusion Concierge would also serve as a desk clerk from morning to mid-evening to greet and ensure a level of safety for residents

Rational of Inclusion Staff based on HCD and MOHCD underwriting guidelines:

<i>Population Type</i>	<i>Units</i>	<i>Resident Services FTE</i>	<i>Ratio</i>
Disability	28	1.2	24:1
General	82	0.8	100:1
<i>Total Restricted Units</i>	110	2.0	-

There will be two (2) full-time Inclusion Concierge staff with a proposed 1:24 resident service ratio for low-income residents with disabilities who use Home and Community-Based Services. A review of the 811 ratios of program staff to residents across affordable housing sites in MD, AZ and CA that serve similar ID/DD populations indicates that the Kelsey’s proposed staffing levels are aligned with other affordable housing sites across the US. DAS approved the services plan and budget for the disabled units.

The literature and national best practices surrounding disability, supportive, community-based housing note that having adequate high-quality, trained staff for disabled residents is critical to their quality of life. The proposed Inclusion Services ratio will support all residents, while also providing specialized services designed to support ID/DD populations to help them to live independently.

9.2 Services Budget.

The operating budget includes \$206,204 for 2 FTE Resident Services Coordinators, known as Inclusion Concierge staff. There is a proposed 1:24 resident service ratio focused for extremely low-income residents with disabilities who use Home and Community Based Services and a 1:100 ratio for the general population, which aligns with MOHCD underwriting guidelines.

Initial Resident Services Budget

Service Line Item	Budget	FTE
Resident Services Coordinator II (Inclusion Concierge II)	\$138,000	2 FTE
Inclusion Concierge Payroll Taxes & Benefits	\$38,640	28%
Service Supplies + Training	\$9,600	
Supervision	\$19,000	.15 FTE Manager
Total	\$206,204	Max allowed per HCD (\$1,051/unit) \$206,789

10 STAFF RECOMMENDATIONS

10.1 Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$23,684,459
Loan Term:	57 years
Loan Maturity Date:	2079
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	January 22, 2021

Financial Description of Proposed Bridge Loan	
Loan Amount:	\$1,000,000
Loan Term:	3 years
Loan Maturity Date:	2025
Loan Repayment Type:	Due in full on maturity date
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	January 22, 2021

10.2 Recommended Loan Conditions

1. Sponsor to provide MOHCD with a final services plan with proposed staffing levels that meet MOHCD underwriting standards 6 months prior to TCO.
2. Sponsor must provide initial draft marketing plan within 9 months of anticipated TCO, outlining the affirmative steps they will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.
3. Sponsor to provide all lease agreements by TCO.
4. Sponsor will provide a new market rent analysis 6 months prior to lease up to ensure rents are appropriate.
5. Sponsor, DAS, and MOHCD will meet bi-weekly to report and monitor the status of DCCC commercial space and tenant selection. Should the re-issued RFP receive no additional responses, the Development team,

DAS and MOHCD will develop a backup plan to ensure timelines are met or adjusted for the community-serving commercial space.

11 LOAN COMMITTEE MODIFICATIONS

N/A

LOAN COMMITTEE RECOMMENDATION

Approval indicates approval with modifications, when so determined by the Committee.

APPROVE. DISAPPROVE. TAKE NO ACTION.

Eric D. Shaw, Director
Mayor's Office of Housing

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Anna Van Degna, Director
Controller's Office of Public Finance

Date: _____

Attachments:

- A. Project Milestones/Schedule
- B. Borrower Org Chart
- C. Developer Resumes
- D. Asset Management Analysis of Sponsor
- E. Threshold Eligibility Requirements and Ranking Criteria
- F. Site Map with amenities
- G. Elevations and Floor Plans, if available
- H. Comparison of City Investment in Other Housing Developments
- I. Development Budget
- J. 1st Year Operating Budget
- K. 20-yearc Operating Pro Forma
- L. Exchange Agreement

Chavez, Rosanna (MYR)

From: Ely, Lydia (MYR)
Sent: Wednesday, December 21, 2022 10:16 AM
To: Chavez, Rosanna (MYR)
Subject: Loan Committee 12/16/22 - Kelsey Civic Center loan

Dear Rosie,
I approve the subject request on behalf of MOHCD.
Thanks,
Lydia

Lydia Ely
Deputy - Housing
San Francisco Mayor's Office of Housing and Community Development
Cell: (415) 225 2936
Office phone: (628) 652-5821

Chavez, Rosanna (MYR)

From: Ely, Lydia (MYR)
Sent: Friday, December 16, 2022 12:51 PM
To: Chavez, Rosanna (MYR)
Subject: Fw: 240 Van Ness

From: Menjivar, Salvador (HOM) <salvador.menjivar1@sfgov.org>
Sent: Friday, December 16, 2022 11:56 AM
To: Rosado-Chan, Dee (HOM) <dee.rosado-chan@sfgov.org>
Cc: Shaw, Eric (MYR) <eric.shaw@sfgov.org>; Ely, Lydia (MYR) <lydia.ely@sfgov.org>
Subject: 240 Van Ness

I approve the request by The Kelsey Civic Center (240 Van Ness) - Mercy Housing CA (MHC) and The Kelsey, co-sponsors through The Kelsey Civic Center, L.P., for \$23,684,459, in gap financing and a \$1,000,000 AHP bridge loan for The Kelsey Civic Center, a 112-unit new construction affordable housing development.



Salvador Menjivar
Director of Housing
Pronouns: He/Him
San Francisco Department of Homelessness and Supportive Housing
salvador.menjivar1@sfgov.org | 415-308-2843

Learn: hsh.sfgov.org | Follow: [@SF_HSH](https://twitter.com/SF_HSH) | Like: [@SanFranciscoHSH](https://twitter.com/SanFranciscoHSH)

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Chavez, Rosanna (MYR)

From: Colomello, Elizabeth (CII)
Sent: Friday, December 16, 2022 11:36 AM
To: Chavez, Rosanna (MYR)
Cc: Ely, Lydia (MYR); Shaw, Eric (MYR); Kaslofsky, Thor (CII)
Subject: The Kelsey Civic Center - Request for Gap Financing

Hi Rosie-
I approve the subject request on behalf of OCII.
Thanks-
Elizabeth



Elizabeth Colomello
Housing Program Manager

📍 One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
📞 415.749-2488, Cell 415.407-1908
🏠 www.sfocii.org

Chavez, Rosanna (MYR)

From: Van Degna, Anna (CON)
Sent: Friday, December 16, 2022 11:37 AM
To: Chavez, Rosanna (MYR)
Subject: Kelsey project

I approve

Anna Van Degna (*she/her/hers*)
Director, Controller's Office of Public Finance
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place
City Hall, Room 338*
San Francisco, CA 94102
Phone: (415) 554-5956
Email: anna.vandegna@sfgov.org
**Please note our new Office #*

Attachment A: Project Milestones and Schedule

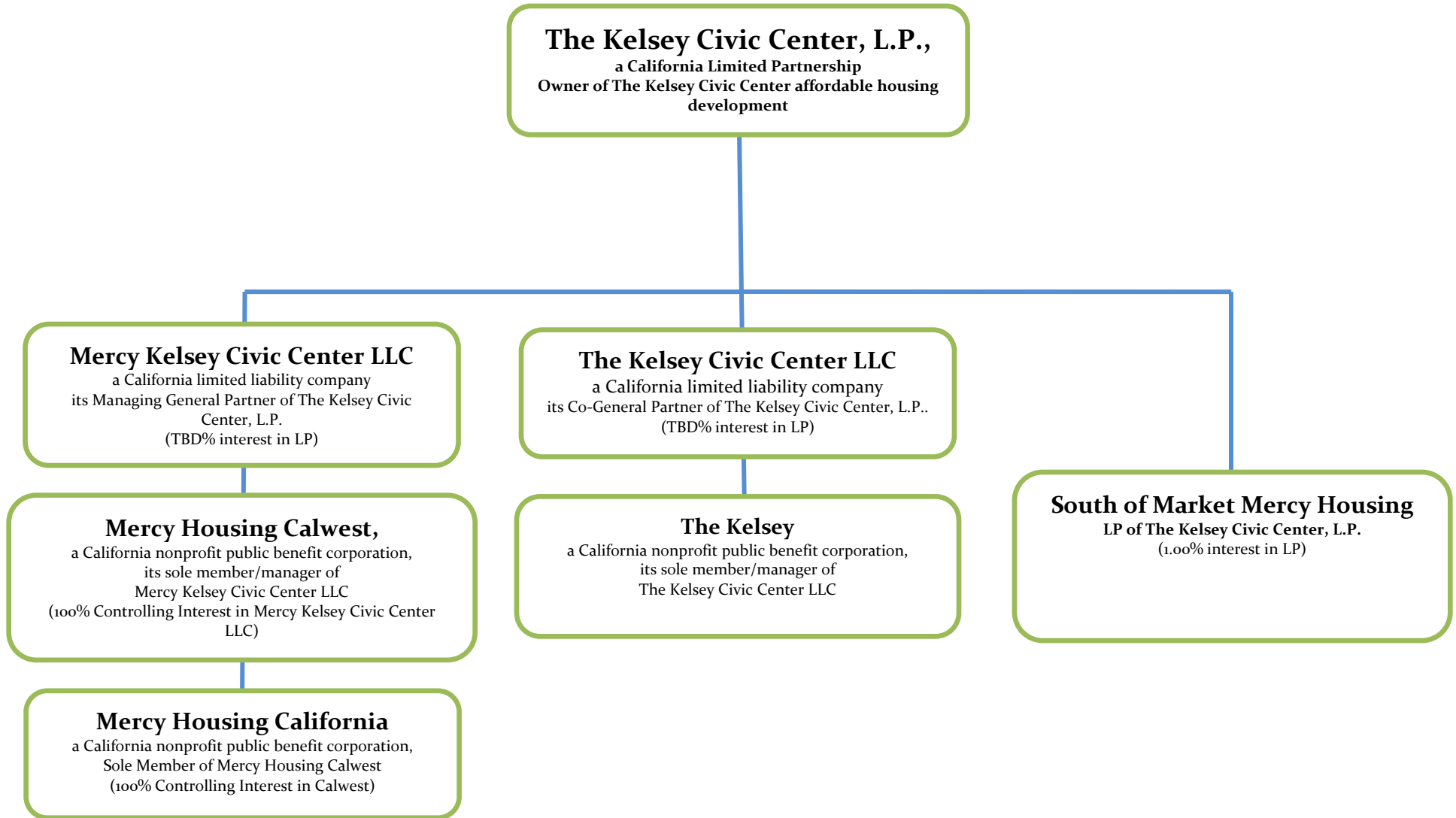
No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	<u>2/15/2021</u>	<u>Complete</u>
1	Acquisition/Predev Financing Commitment	<u>1/15/2021</u>	<u>Complete</u>
2.	Site Acquisition	—	
a.	Exchange Agreement Signed	<u>3/21/2022</u>	<u>Complete</u>
b.	MOHCD Ground Lease Executed	<u>2/17/2022</u>	
3.	Development Team Selection		
a.	Architect	—	<u>Complete</u>
b.	General Contractor	—	<u>Complete</u>
c.	Owner's Representative	—	<u>Complete</u>
d.	Property Manager	<u>7/29/2020</u>	<u>Complete</u>
e.	Service Provider	—	<u>Complete</u>
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>3/24/2021</u>	<u>Complete</u>
b.	Submittal of Design Development & Cost Estimate	<u>10/29/2021</u>	<u>Complete</u>
c.	Submittal of 50% CD Set & Cost Estimate	<u>1/27/2022</u>	<u>Complete</u>
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	—	
5.	Commercial Space		
a.	Commercial Space Plan Submission	<u>10/19/2022</u>	<u>Complete</u>
b.	LOI/s Executed	<u>7/19/2022</u>	<u>Complete</u>
6.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	<u>12/22/2020</u>	<u>Complete</u>
b.	CEQA Environ Review Submission	—	<u>N/A</u>
c.	NEPA Environ Review Submission	—	<u>N/A</u>
d.	CUP/PUD/Variances Submission	—	<u>N/A</u>

7.	PUC/PG&E		
a.	Temp Power Application Submission	<u>5/20/2021</u>	<u>Complete</u>
b.	Perm Power Application Submission	<u>6/4/2021</u>	
8.	Permits		
a.	Building / Site Permit Application Submitted	<u>1/4/2021</u>	<u>Complete</u>
b.	Addendum #1 Submitted	<u>4/12/2022</u>	<u>Complete</u>
c.	Addendum #2 Submitted	<u>3/22/2022</u>	<u>Complete</u>
9.	Request for Bids Issued	<u>6/3/2022</u>	<u>Complete</u>
10.	Service Plan Submission		
a.	Preliminary	<u>10/19/2022</u>	<u>Complete</u>
b.	Final	<u>2/15/2024</u>	
11.	Additional City Financing		
a.	Preliminary Gap Financing Application	<u>2/18/2022</u>	<u>Complete</u>
b.	Gap Financing Application	<u>12/9/2022</u>	
12.	Other Financing		
a.	HCD Application (AHSC, IIG)	<u>6/9/2021</u>	<u>Complete</u>
b.	Construction Financing RFP	<u>5/25/2022</u>	<u>Complete</u>
c.	AHP Application	<u>2/28/2023</u>	<u>Anticipated</u>
d.	CDLAC Application	<u>3/9/2022</u>	<u>Complete</u>
e.	TCAC Application	<u>3/9/2022</u>	<u>Complete</u>
f.	Other Financing Application (HCD CHA)	<u>4/8/2022</u>	<u>Complete</u>
g.	LOSP Funding Request	—	<u>N/A</u>
13.	Closing		
a.	Construction Loan Closing	<u>2/17/2022</u>	
b.	Conversion of Construction Loan to Permanent Financing	—	
14.	Construction		
a.	Notice to Proceed	<u>2/24/2022</u>	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>11/1/2024</u>	
15.	Marketing/Rent-up		

a.	Marketing Plan Submission	<u>11/1/2023</u>	
b.	Commence Marketing	<u>5/1/2024</u>	
c.	95% Occupancy	<u>4/1/2025</u>	
16.	Cost Certification/8609	<u>2/1/2026</u>	
17.	Close Out MOH/OCII Loan(s)	<u>2/1/2026</u>	

Attachment B: Borrower Org Chart

The Kelsey Civic Center, L.P., a California limited partnership Ownership Structure



Attachment C: Development Staff Resumes

The Kelsey is a California nonprofit organization committed to accelerating and advocating for housing that is inclusive for people with and without disabilities. Since its formation in 2018, they have worked to unlock new capital for disability and affordable housing; leverage best in class local public, private, and nonprofit partners; create housing models that are sustainable and replicable; and advance strategies, policies, and design in our field to make more housing possible for more people. They have 200+ units under development in San Jose and San Francisco and will breaking ground on their first project in 2021.

The Kelsey is a pre-approved vendor service provider with the Golden Gate Regional Center to provide Housing Services for people with intellectual and developmental disabilities. They have been a resident service provider since 2020 for below market rate units within Atlas in Oakland, California.

Mercy Housing California (“Mercy”) Mercy Housing California (MHC) will be the co-Developer, acting as Sponsor and Managing General Partner of the eventual ownership partnership. MHC has developed over 50 properties in San Francisco over the past 35 years. Many of these properties were the result of strong affordable housing expertise, commitment, and perseverance to combine unique financing sources to create innovative housing models. Additionally, MHC has a long track record in developing, leasing, and managing commercial space, with a current portfolio of approximately 117,000 sq ft of community- serving retail or service spaces in San Francisco.

MHC’s success at obtaining competitive funding is evidenced by over 50 HCD loans or commitments and its strong track record in obtaining competitive 9% tax credits, AHP, and HUD 202/811. MHC accesses very competitive tax credit pricing terms due to our extensive experience and relationships with limited partners. The size and success of our portfolio assures investors that MHC has the expertise needed to ensure that their credits will not be jeopardized. MHC has a breadth of experience across California, with multiple tax credit deals a year, and is backed by the national strength of Mercy Housing, Inc.

MHC has decades of experience developing for low-income families and households with special needs, including formerly homeless households. In San Francisco, MHC has developed 18 properties (1,493 units) for families and 11 properties (748 units) for formerly homeless households. Total in California, MHC has developed 74 properties (4,857 units) for families and 22 properties (1,414 units) for formerly homeless households. MHC has experience working with LOSP, Shelter + Care, VASH, and Project-Based Section 8 subsidies, among others, and wide range of funding sources including HCD (MHP, NPLH, AHSC, IIG), HUD, AHP, and state and federal low-income housing tax credits.

MHC maintains development offices in San Francisco (headquarters), Sacramento, and Los Angeles. The San Francisco office presently has over 2,622 units in development, from feasibility to project closeout, with a development staff of 22 people.



DOUGLAS SHOEMAKER

President

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California

President, July 2011-Present

Responsible for leading MHC's operations in California including the oversight of affordable housing development, fund raising and resident services. Serves as lead in community and government relations. Works with the Board of Directors and other regional staff to achieve regional and system goals.

Mayor's Office of Housing, San Francisco, California

Director, 2008 to 2011

Led various key mayoral initiatives, including the launch of HOPE SF, San Francisco's groundbreaking effort to revitalize five distressed public housing sites into mixed income communities. Responsible for a wide-range of interagency housing policy work, including the city's Citywide Loan Committee which coordinates funding from four city agencies for affordable housing and supportive housing development. Directed the development of housing plans for the Candlestick Point/Hunters Point Shipyard Plan, Treasure Island, and the Eastern Neighborhoods Plan.

Deputy Director, 2006 to 2008

Managed the strengthening of the City's inclusionary housing ordinance and program management. San Francisco's inclusionary ordinance is now among the most successful inclusionary programs in the country.

Non-Profit Housing Association of Northern California, San Francisco, California

Deputy Director, 2001 to 2006

Directed NPH's policy and advocacy work with housing finance agencies as well as the State Legislature. Served as the Northern California campaign coordinator for Proposition 46, a successful \$2.1 billion affordable housing bond passed by voters in 2002. Supervised regional advocacy work on inclusionary housing.

Mission Housing Development Corporation, San Francisco, California

Project Manager, 1995 to 2000

Developed the first affordable housing community in the Mission Bay neighborhood of San Francisco and helped to develop numerous supportive housing developments in the Mission District and South of Market. Managed the re-design of the 16th Street BART plaza in the Mission District.



DOUGLAS SHOEMAKER

President

EDUCATION

Duke University

Bachelor of Arts, Comparative Area Studies, 1992

University of California at Berkeley

Masters of Arts in Latin American History, 1993 - 1995

CURRENT PROFESSIONAL AFFILIATIONS & COMMUNITY INVOLVEMENT

Board of Directors for California Housing Consortium

Northern California Leadership Council for Enterprise Community Partners

Board of Directors for SPUR

Affordable Housing Advisory Council Member of the Federal Home Loan Bank of San Francisco



EDWARD HOLDER

Vice President, Real Estate Development

PROFESSIONAL EXPERIENCE

Mercy Housing California

Vice President, Real Estate Development, 2011-Present

Vice President, Business Development, 2007-2011

Joined Mercy Housing California (MHC) in 2007 as Vice President of Business Development. In this role, responsible for the identification of new development opportunities and strategic partnerships in MHC's Southern California, Bay Area, and Sacramento markets. Recently assumed responsibility for Mercy Housing California's real estate department, which includes a development portfolio of over 4700 units.

The Olson Company

Vice President of Development, 2005-2007

Led Olson's East Los Angeles County regional team; Manage development pipeline of 1100 units with a build out value of \$500 million; Develop and implement strategies for land acquisition, land disposition, entitlement, environmental cleanup, and design. Build out pipeline has grown by \$390 million in last 15 months; Achieved significant expansion and recognition within the 710/605 corridor cities; Emphasis on community outreach, engagement, and involvement through local volunteer programs and events. Currently managing four major developments in the cities of Compton (136 townhomes), Santa Fe Springs (346 townhomes), Whittier (280 townhomes), and El Monte (237 townhomes). Region is exceptionally focused on creating strong city relationships, with city partnership projects in the cities of Compton, Irwindale, Whittier, Santa Fe Springs, Montebello, Cerritos, and El Monte.

Director of Development, 2002-2005

In three years, entitled over 740 homes with buildout value of \$350 million in the cities of Carson, Simi Valley, Santa Fe Springs, Irwindale, Compton, and Fullerton. Led entitlements for Fullerton's SoCo Walk, a 120 unit Transit Oriented Development which has received considerable press coverage; Led team that created innovative design and functionality within community. Negotiated Disposition and Development Agreements in the cities of Compton and Irwindale. Led disposition of \$6 million property in Simi Valley, CA. Created Olson's initial pro forma and project management scheduling templates.

J.P. Morgan Securities, Inc.

Associate, Public Finance Investment Banking, 1998- 2000

Raised capital, negotiated with rating agencies and bond insurers, developed financing recommendations, prepared analysis, reviewed legal documents, and formulated investment strategies for public and nonprofit sector clients; Clients included the State of California, Tri-County Metropolitan Transportation Dt. (OR), City of Mission Viejo RDA, and COPIA (Napa Valley).

Analyst, Public Finance Investment Banking 1995-1998

Provided analytical and documentation support to senior bankers; given considerable project management responsibility, including the primary leadership role on a \$30 million financing for the California DWR.

EDUCATIONAL BACKGROUND

Stanford University Graduate School of Business

Masters, Business Administration, 2002

Occidental College

Bachelor of Arts, Economics, 1995



BARBARA GUALCO

Director, Real Estate

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California

Associate Regional Director, Housing Development, September 2003 to Present

Direct the multi-family housing and commercial development work in the San Francisco office of a national leader in the acquisition and production of quality affordable multi-family housing developments. Currently overseeing 15 developments, with a budget of \$380 Million. Responsibilities include developing an acquisitions strategy, negotiating site control; conducting market and demographic analysis, feasibility assessments, preliminary land use analysis, asset repositioning and work-outs; obtaining neighborhood acceptance and land use approvals; managing the bidding and design process; assembling public equity and private debt financing for complex tax credit and bond financing packages. Responsible for the selection and management of retained development team professionals from financing, legal, design, construction and management disciplines. Manage and assist a staff of 7 development professionals.

Mercy Housing California, San Francisco, California

Senior Project Manager, November 1987 to August 2003

Perform site analysis and prepare proformas to determine feasibility of new development opportunities. Identify and structure development and operating financing; obtain commitments; close financing including various public sector subsidy sources and conventional financing. Obtain land use entitlements; coordinate community acceptance plans; represent agency in public forums. Identify, select, contract and coordinate team of development professionals including architects, engineers, attorneys, financial consultants, property management, etc. Oversee construction progress including processing construction change orders and payment applications. Develop and administer development budgets and schedules; provide reporting to multiple funding sources. Provided direct project management for nine distinct housing developments comprised of approximately 500 units. These developments included new construction, renovation and adaptive re-use with a wide range of financing including the HUD 202 Capital Advance Program, Low Income Housing Tax Credits both 9% and 4%, McKinney Programs and Shelter + Care.

EDUCATION

Master of City Planning, Land Use Concentration, University of California Berkeley, 1987

B.A., Economics San Francisco State University, Phi Beta Kappa 1983

PROFESSIONAL AFFILIATIONS & COMMUNITY INVOLMENT

Board Member, Treasure Island Homeless Development Initiative (TIHDI)

Board Member, Non-Profit Housing Association of Northern California



RAMIE K. DARE

Director, Real Estate

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California

Senior Housing Developer, May 1997 to Present

Developer of affordable rental housing for families, seniors, and people with special needs utilizing 4% and 9% tax credits, tax exempt bonds, conventional financing and rental subsidies. Experienced in all aspects of development, including feasibility study, contract negotiation, project management, financing and community acceptance planning. Developments include Bermuda Garden Apartments (80 unit rehab), Eden House Apartments (116 unit rehab) Marlton Manor (150 unit special needs, rehab), Tolton Court and Montclair Court (26 units urban infill), La Costa Paloma Apartments (180 units inclusionary housing), Carter Terrace (106 family units), 10th and Mission Family Housing (136 high rise family units, mixed use), and 9th and Jessie Senior Housing (107 high rise senior units, HUD 202 mixed finance) and Sunnydale HOPE SF (50 acre master planned mixed income community).

CREDO Housing, Inc, Oakland, California

Housing Developer, September 1993 - April 1997

Developer of affordable rental housing in Oakland, Berkeley and unincorporated Alameda County totaling \$19 million and 273 units. Experience in developing projects financed by low income housing tax credits, tax exempt bond, cities of Oakland and Berkeley, Alameda County, HUD and institutional lenders.

EDUCATION

University of California Los Angeles

Bachelor of Arts, Urban Studies major, 1991

Harvard University, John F. Kennedy School of Government

Master in Public Policy, 1993

Bank of America Leadership Academy

Development Training Institute, 2002

PROFESSIONAL & COMMUNITY INVOLVEMENT

Member of Board of Directors of Community Housing Partnership, which develops permanent affordable housing and services for formerly homeless individuals and families in San Francisco, April 2004 to Present.

Co-Chair of EBHO Community Acceptance Strategies Committee to build community acceptance of affordable housing amongst policymakers and the public. Served on EBHO Board of Directors, January 1996 to February 1997.

Member of Board of Directors of Californians for Justice, a statewide organization engaged in community organizing in low-income communities for racial justice, 1995 - 2001

December, 2000



FIONA RUDDY

Project Developer I

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California

Project Developer I, February 2020 to present

- Manage and perform all tasks related to the development of affordable housing associated with acquisition and new construction.
- Responsible for reviewing sites for potential housing developments, preliminary land use analysis to determine feasibility; secure local approvals and neighborhood acceptance; prepare financial analysis and secure project funding; oversee design and construction process and close out with the investors and lender.
- Projects include: Hunters Point Shipyard Block 56 - 73 units of affordable family housing; the Kelsey Civic Center - 112 units of affordable housing with over 1,400 sq ft of commercial space.

San Francisco Housing Development Corporation San Francisco, California

Real Estate Project Manager, September 2018 to February 2020

- Project managed three Rental Assistance Demonstration public housing preservation projects.
- Led internal healthy communities initiative, bridging community development and public health sectors in order to reduce racial health disparities with a lens on creating healthy neighborhoods through housing.
- Represented organization in policy and public relations settings, including facilitating community and working group meetings, partnering with organizations in the public and private sector.

The San Francisco Foundation San Francisco, California

Fellow, Great Communities Collaborative, July 2016 to June 2017

- Developed strategy and communications documents for emerging multi-issue grantmaking initiative.
- Created documents for collective impact table of funders and advocacy groups identifying locations for and policy mechanisms to foster affordable housing development.
- Conducted cross-cutting research identifying policy and potential funding sources to influence implementation of green infrastructure and adaptive regional transportation plans to create a climate-resilient Bay Area.

Eastern Market Partnership Detroit, Michigan

Director of Food Access Programs, May 2013 to July 2015

- Conceived and implemented community engagement, marketing, and grantmaking strategy for growth of Detroit Community Markets collaborative, responsible for \$450,000 program budget over four seasons.
- Managed growth of Eastern Market Farm Stand; including maintaining positive program culture with 12+ direct reports and cultivating sponsorships totaling over \$90,000, ending program reliance on grant funding.

Alternative Food Program Coordinator, May 2011 to May 2015

- Launched Detroit Community Markets, Detroit's first coalition of faith-based and non-profit community stakeholders working to advance food justice and diversify the city's grocery economy.
- Recruited, hired, and trained 40+ individuals to run Eastern Market Farm Stand, a pop-up mobile market advancing nutritional behavior change, created all systems tracking for program grant reporting.

EDUCATIONAL BACKGROUND

University of California, Berkeley

Master of City Planning, Housing, Community & Economic Development, 2018

Master of Public Health, Health & Social Behavior, 2018

University of Michigan, Ann Arbor

Bachelor of Arts, Political Science, 2010

Minor, Peace & Social Justice

University of the Witwatersrand, Johannesburg, South Africa

Guest Student, International Human Rights Exchange, 2009

CURRENT COMMUNITY INVOLVEMENT & PROFESSIONAL AFFILIATIONS

Member, NPH Emerging Leaders Peer Network

Board of Directors, The San Francisco Wholesale Produce Market

Chair, Strategy Committee, The San Francisco Wholesale Produce Market

HONORS AND AWARDS

The James R. Boyce Affordable Housing Competition Studio, Individual & Team Award, 2018

University of California, Berkeley School of Public Health Academic Excellence Scholarship, 2016

Crain's Detroit Business "20 in their 20s" award, 2013



RILEY JONES

Associate Project Manager

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California

Assistant Project Manager, May 2022 to present

- Manage and perform all tasks related to the development of affordable housing associated with acquisition and new construction.
- Responsible for reviewing sites for potential housing developments, preliminary land use analysis to determine feasibility; secure local approvals and neighborhood acceptance; prepare financial analysis and secure project funding; oversee design and construction process and close out with the investors and lender.
- Projects include: 1939 Market - LGBT+ affirming affordable senior housing high-rise; Hunters Point Shipyard Block 56 - 73 units of affordable family housing; The Kelsey Civic Center - 112 units of affordable housing with over 1,400 sq ft of commercial space.

Community Development Resource Group (CD-RG), Los Angeles, California

Project Manager, October 2018 to August 2021

- Worked on the assembly and management of state grant applications to fund affordable housing developments in California.
- Provided technical assistance to local agencies applying for California Climate Initiatives (CCI) programs.
- Analyzed project greenhouse gas emissions and identified opportunities for GHG emissions reductions. Conducted local policy/planning research for housing and neighborhood-scale projects.
- Performed feasibility analysis to assess competitiveness of projects for grant applications.
- While working at CD-RG, assisted our clients in securing over \$1 Billion of HCD & SGC state funds.

NAI Capital San Francisco, Los Angeles, California

Broker Assistant Internship with Michael Jacobs, May 2018 to September 2018

- Conducted market analysis research on multifamily properties in South Bay and South LA.
- Provided support on legal documents and created write ups for property & location overviews.

EDUCATIONAL BACKGROUND

University of California, Berkeley

Master of Development Engineering, Sustainable Design Innovations, 2021

University of Southern California

Bachelor of Science, Real Estate Development, 2019

EXPERIENCE AND INTERESTS

Boyce Affordable Housing Development-Design Competition Studio (UC Berkeley) Jan - May 2022

- Strategize the development of 48-acres of state-owned land near Folsom State Prison.
- Create a master plan for a mixed-income housing neighborhood.
- Coordinate with teammates to plan an innovative multi-phase project.
- Model affordable multifamily apartments and market rate townhome products.
- Present to an outside jury of housing industry professionals and submit to State government officials.

Senior Capstone Project (USC) May - June 2018

- Coordinated & planned tax-increment financing district along the Lafitte Greenway, New Orleans, LA
- Researched and modeled a vacant land tax to address the district's vacant & blighted lots.
- Designed strategy to strengthen & maintain the area's economic & environmental resiliency.
- Proposed catalytic project to redevelop Lindy Boggs Medical Center into mixed use affordable housing and hotel.

Coaching Corps, Heart of Los Angeles (HOLA) Sept 2017 - May 2018

- Volunteer youth soccer coach in the Westlake neighborhood of Los Angeles, CA

Wilderness EMT Training June 2016

- Specific training in wilderness/remote medicine. Earned NREMT, REMT, MCPIC, and CPR certifications.

MICAELA CONNERY



[LINKEDIN](#)

Social entrepreneur focused on inclusive community development solutions. Believer that all people, of all abilities should have access to affordable housing and vibrant community.

EXPERIENCE

Founder and CEO, The Kelsey – 2017-Present

Addressing the shortage affordable housing for individuals with disabilities by building fully inclusive mixed income, mixed ability, multifamily housing that is financed through blended capital sources. Leading local and statewide organizing efforts to support a more inclusive housing pipeline. Seed funding from the Chan Zuckerberg Initiative and first investment from Google's affordable housing fund. Over 240 homes in development and over \$29M in funding unlocked.

Consultant, Various Organizations – 2016-2017

Consultant for housing development and disability service organizations in various capacities. Led projects for Mercy Housing California and Bay Area Housing Corporation that are currently being implemented to provide disability housing.

Research Fellow, Harvard Joint Center for Housing Studies – 2015

Published internationally recognized paper for the Joint Center on disability housing and adult services: Disability Housing: What's happening? What's challenging? What's needed? Recipient of a Dubin Summer Fellowship.

Founder and CEO, Unified Theater – 2002-2014

Founded at 15 with a mission to foster inclusion and develop student leaders through the arts. CEO from 2009-2014, expanded into six states and led 5 year strategic planning. Served students in over 100 schools. Collaborated with Board of Directors on succession planning and executive transition.

EDUCATION

Harvard Kennedy School, MPP, 2016

University College Dublin Smurfit School, MBA, 2017

University of Virginia, BA, 2009

AWARDS AND FELLOWSHIPS

Harvard Social Innovation and Change Initiative Cheng Fellow, Mitchell Scholar., Coca Cola Scholar, Bluhm/Helfand Social Innovation Fellow, VH1 DoSomething Award Winner, Gloria Barron Young Hero, CNN Breakthrough Woman, World Economic Forum Global Shaper

SPEAKING AND WRITING

Boston Globe, Huffington Post, Annual Meeting of the World Economic Forum in Davos, London Olympics, The Vatican World Economic Forum Summit on Social & Economic Exclusion, International Conference on Inclusion, Chicago Ideas Week, Harvard Joint Center for Housing Studies, Google's The Keyword Blog

CAROLINE BAS

San Francisco, CA • (415) 203-0642 • caroline@thekelsey.org

- Summary**
- 15 years of managing executive and governance bodies across corporate, startup, non-profit, and philanthropic sectors
 - Corporate and real estate finance professional

Professional Experience

- 2019-2020 **The Kelsey, Chief Operating Officer** San Francisco, CA
Dual mission housing nonprofit, accelerating disability-forward housing through co-development and advocacy
- Managed all aspects of financing related to the development of 115 affordable units in downtown San Jose
 - Managed organizational budget and operations growing from \$400K org to \$1.1M org in 18 months
 - Supervise field building and advocacy programs that elevate leaders with disabilities as housing advocates

- 2013-2019 **Deloitte Consulting** San Francisco, CA
Associate Partner (2019), **Manager** (2016-2019), **Senior Consultant** (2014-2016), **Summer Associate** (2013)
- Managed Deloitte Consulting's \$70M investment in enterprise applications built on the Salesforce platform
 - Led business model transformation investment programs for large technology companies:
 - Developed and socialized business cases securing \$200M+ in investment
 - Designed and managed business requirement workshops engaging 1,000+ stakeholders
 - Designed "White Glove" and other sales programs targeted at C-level executives
 - Designed and facilitated "design thinking" engagements uncovering business innovations and key strategies within the software, professional services, and philanthropic sectors

- 2011-2012 **HumanConcepts – Sales Operations Manager** Sausalito, CA
SaaS workforce modeling start-up with 150 employees across 5 countries; acquired by Saba Software in 2012
- Managed all aspects of sales operations and finance - including new year readiness, territory planning, and sales incentive calculation and analysis - enabling 80% new sales staff who achieved 20%+ top-line growth
 - De-facto chief of staff to president for acquisition-related projects, such as due diligence presentations, revenue and pricing audits, ordering and CRM systems integration, and sales commission plan alignment

- 2007-2010 **Full Circle Fund** San Francisco, CA
Venture philanthropy network of professionals leveraging their time, talent and connections for social impact
Strategic Programs Manager (2010); **Membership & Communication Associate** (2007-2010)
- Owned organization's technology strategy; led implementation and training for CRM and other tools
 - Project manager for business development taskforce resulting in the 35% growth in membership
 - Worked alongside board of directors to define and develop tracking system for our program's impact metrics positioning the organization for 200% increase in funding from private foundations

- 2006-2007 **Rotaplast International** San Francisco, CA
International medical humanitarian nonprofit providing over \$15 million of pro-bono services annually
Resource Manager (promoted from Volunteer Coordinator after 3 months)

Education **University of California Berkeley**
MBA, Haas School of Business, May 2014

California Polytechnic University, San Luis Obispo
B.A. in Political Science, *cum laude*, 2002-2006

- Volunteer**
- Co-founder and board member of Northern Neighbors, and urbanist neighborhood association in San Francisco - grew membership to 300+ engaged residents within 9 months
 - Volunteer trainer for Crisis Intervention Training (CIT) with National Alliance on Mental Illness (NAMI)
 - Board Member of Home Owners Association (HOA) for Inner Richmond condo with 15 units

ARIANA C. CERNIUS

(310)916-6426 | cernius2017@lawnet.ucla.edu | linkedin.com/in/arianacernius/

EDUCATION

UCLA ANDERSON SCHOOL OF MANAGEMENT

M.B.A., Full-Time Program, Real Estate, Entrepreneurship, Social Impact

Los Angeles, CA
June 2021

UCLA SCHOOL OF LAW

Juris Doctorate (J.D.), David J. Epstein Public Interest Law Program Specialization

Los Angeles, CA
May 2017

HARVARD COLLEGE

A.B., Philosophy; History of Art and Architecture (Joint Degree)

Cambridge, MA
May 2013

EXPERIENCE

THE KELSEY

Senior Project Manager, Affordable Housing

Los Angeles, CA
July 2021 - Present

Project Management and Finance

- Drive forward existing 240-unit pipeline of mixed ability, mixed income multifamily housing in the Bay Area and beyond by working with CEO, COO, and real estate development partners
- Maintain project feasibility while ensuring inaugural San Jose Ayer Station and Civic Center San Francisco projects are executed in alignment with The Kelsey's vision of a community where residents across incomes are connected in a mutually supportive space
- Support real estate partners on public financing applications, approach, and close; position project to philanthropic partners and own philanthropic lending close process, lenders, and tax credit investors; submit monthly draws to pre-development lender

New Market Identification and Process Development

- Identify and oversee new pipeline project site by working with technical partners to identify structural/architectural possibilities that are both cost-effective and accessible
- Work with financing partners to determine a capital stack that leverages concessionary lending sources
- Work with The Kelsey's Manager of Housing Services to design and execute services plan

Collaboration and Field Building

- Represent The Kelsey in value engineering processes, property management and other cross-partnership discussions
- Contribute to technical assistance programs for disability organizations, support services model pilot program in Oakland, and market and promote newly released Inclusive Design Standards
- Support organization capacity, and policy efforts to further the existence of safe, affordable, community-based housing for disabled tenants by providing real estate perspectives for California and federal housing policy advocacy

RELATED AFFORDABLE

Analyst Intern, Affordable Housing Development & Finance

Los Angeles, CA
June 2020 - August 2021

Finance and Modeling

- Built excel models for financing the acquisition and rehabilitation of 3 Northern California 100+ unit multifamily properties
- Reconciled financing packaging including use of Low Income Housing Tax Credits (LIHTC), bonds, and federal grant funds
- Compiled and submitted applications for 4% tax credits and bonds for 5 prospective multifamily acquisitions in five different cities in Texas, including securing project approval from the local communities and government

Project Management and Compliance

- Initiated review of 16 company-held rehabilitated affordable properties to ensure compliance with contractual Land Use Restrictive Agreement (LURA) terms; collaborated with property managers to secure new service provision contracts with local nonprofits
- Reviewed, summarized, and ensured compliance with affordable housing related COVID-19 legislation, including the CARES Act
- Created schedule for financial application and notification deadlines for 5 Texas multifamily properties and ensured timelines were met

Resident Services and Program Development

- Worked cross-functionally with Property Managers and Resident Service Coordinators to develop and improve evaluative procedures to collect data in order to better identify and meet tenant needs in newly rehabilitated Texas multifamily property
- Developed relationships with both local Texas-based and national nonprofits to provide robust child care, transportation, technology, education, and other services to low-income resident families in newly rehabilitated Texas multifamily property
- Researched and composed application to HUD for company participation in Family Self-Sufficiency (FSS) program in newly renovated Texas multifamily property; garnered 36% tenant participation and secured program implementation leaders to oversee execution

BET TZEDEK LEGAL SERVICES

Skadden Fellow Attorney, Disability Rights/Homelessness Prevention

Law Clerk, Government Benefits/Homelessness Prevention

Law Clerk, Family Caregiver Unit

Los Angeles, CA
September 2017 - August 2019
May 2016 - August 2016
May 2015 - December 2015

Direct Representation and Project Management

- Designed and implemented a fellowship project funded by Skadden Arps to improve the food and housing security of low-income disabled adults through direct legal services, policy research and advocacy, and community education and engagement

- Advocated for over 35 disabled adults by writing legal briefs; reversed unjust denials of government food and housing benefits, and secured back-payment awards ranging from \$10,000 - \$64,000 per individual
- Managed case load of 140 clients in collaboration with 2 attorneys; trained, supervised, and mentored 2 summer law clerks in preparation, submission, and arguing of government benefits appeals and waivers

Housing Regulatory Research and Community Outreach

- Researched sources of government funding for housing needs of disabled adults including Supplemental Security Income (SSI), Section 8 Vouchers, and the Lanterman Act; identified one relatively unused source of funding in California Code of Regulations
- Created capital structuring benchmarking study on community housing for developmentally disabled adults by researching 20 group home models throughout the U.S. and interviewing executive directors about budgeting, hiring, and oversight
- Wrote 60-page community education handbook: “The Full Benefit: A User-Friendly Guide to Understanding Supplemental Security Income (SSI) for Adults with Intellectual and/or Developmental Disabilities”; solicited and obtained \$42,200 in funding from L.A. City to publish 7,500 copies of the guide in English, Spanish, and Mandarin

Process Development and Client Relations

- Developed a targeted intake form to better diagnose client needs, expanding populations served by 150%
- Built and managed relations with external law firms and law schools; recruited and trained law students, paralegals, and attorneys to host clinics serving high volumes of SSI disability clients with immediate financial auditing and legal defense needs
- Collaborated cross-departmentally and cross-functionally to host monthly regulatory review meetings with homelessness, federal benefits, and disability practice teams to address recurring SSI financial eligibility barriers and propose policy changes, expected to improve program accessibility for thousands of claimants

HARVARD PFORZHEIMER FOUNDATION PUBLIC SERVICE FELLOWSHIP

Boston, MA

Postgraduate Fellow, Director, Friday Night Club Boston

July 2013 - June 2014

- Addressed social isolation experienced by developmentally disabled youth by expanding Friday Night Club for Friends with Special Needs from Harvard to Boston University and MIT, as a sustainable student service project on those campuses
- Recruited high school, college, and graduate student volunteers, organized presentations and pitches to sponsors and community partners, conceptualized and executed 20 themed social events, and grew participation from 100 to 300 people in one year
- Worked with three partnering universities (Harvard, MIT, BU) to draft comprehensive liability and photo release forms to allow disabled students to attend events on campus; worked with local community partner Toward Independent Living and Learning (TILL) to gather and process required Massachusetts CORI Background Check forms for volunteers
- Threw quarterly fundraisers at local restaurants within the greater Boston community to raise money to support yearly activities

ADDITIONAL

Community Engagement: Alumni Interviewer - Harvard College; Alumni mentor & interview representative - UCLA Law School; Member - National Hellenic Society; Member - UCLAW Women LEAD; Independent Law School and Bar Exam Tutor, and Fellowship Adviser

Personal: Health and Fitness (tennis, karate, running, hot yoga); Art, History, and Music (classical piano, museums, historical fiction, ancient and Byzantine art); Cooking Greek food and traveling to Greece

Attachment D: Asset Management Evaluation of Project Sponsor

Mercy Housing California (MHC) will assume asset management duties for 240 Van Ness. Asset Management falls under the National Portfolio Management department of Mercy Housing Inc, which is led by Senior Vice President Melissa Clayton.

Total Number of Projects and Average Number of Units Per Project Currently in Developer's Asset Management Portfolio

California represents the largest portion of the portfolio with 156 operating properties across the state; 55 Mercy owned and occupied properties are located in the City of San Francisco.

Developer's Current Asset Management Staffing Including Job Titles, Full Time Employees, an Organizational Chart and the Status of Each Position (filled/vacant)

Yelena Zilberfayn is the Vice President of Asset Management at Mercy Housing where she has worked for the past 22 years, 9 of which in the Asset Management Department, and is responsible for a portfolio of real estate assets serving families, seniors, and special needs individuals. She leads a team of five Asset Managers, four in San Francisco, one in Sacramento. Two Asset Management Analysts and one Commercial Asset Management Analyst based in the National Office in Denver, CO, and one Commercial Asset Manager based in San Francisco are supporting Yelena's team. In addition, there are two Asset Managers overseeing other regions in CA and one Capital Project Investment Manager, reporting directly to Melissa Clayton.

Yelena is located in the San Francisco office and interfaces directly with Doug Shoemaker, President of Mercy Housing California (MHC), and Lilli Lew-Hailer, Vice President of Operations of MHC. Yelena and her team act as Mercy Housing's representatives in relation to the physical and financial status of each asset and protect its financial health and long-term viability. Mercy's portfolio management also includes Transaction Team comprised of 2 staff devoted to other specialized needs such as the Year 15 buy out and the refinance of properties.

All positions are currently filled and they are all full time. The breakdown of the Bay Area asset management staff positions is as follows:

- (1) Vice President of Asset Management
- (1) Director of Portfolio Analysis
- (4) Asset Managers
- (2) Asset Management Analysts
- (1) Commercial Asset Management Analyst
- (1) Commercial Asset Manager

Each Asset Manager oversees a portfolio of up to 25 assets. The Asset Managers in the San Francisco office currently have 90 assets in their portfolio. Eight of these properties are in predevelopment, under construction or in rehab in the City of San Francisco or Bay Area. In San Francisco, Asset Managers manage fewer than the maximum of 25 assets in order to free up capacity for future developments. Once development is complete, a San Francisco based Asset Manager will assume asset management duties for 1530 18th Street.

Description of Scope and Range of Duties of Developer's Asset Management Team

Asset Management staff has oversight over all operations of the properties. The portfolio is analyzed monthly through the Portfolio Scorecard, which looks at physical

and economic occupancy, trade and intercompany payables. In addition, the team performs quarterly risk ratings according to Affordable Housing Investment Council (AHIC) standards, of every property to evaluate occupancy, reserves, management, capital needs and available reserves. If a property is placed on the watchlist, there is a quarterly meeting with the Asset Management team, Mercy Housing Management Group and Mercy Housing California President to find a solution to get the property off the watchlist.

Asset Managers are responsible for tracking all capital needs on their portfolio on a quarterly basis as part of Mercy's watchlist process. They are assisted by various staff of Mercy Housing Management Group, including the Regional Facilities Manager and the various Area Directors of Operations assigned to the properties. Using various analysis including our watchlist and budget planning, reviewing CNAs, and Reserve analysis, the Asset Managers determine when the necessary capital needs can be completed in the short and long term.

The analyst team submits reserve replacement requests bi-annually. In addition, the analyst team helps with the compliance with financing requirements and various reporting regulatory requirements by sending quarterly and annual reporting to investors and funders. Portfolio preservation planning is accomplished through balancing the use of reserves with the payment of scheduled partnership and deferred development fees through cash flow.

The transaction team handles some of the longer term needs of the portfolio such as Year 15 analysis and investor buyout and a property restructuring such as a refinance.

Description of Developer's Coordination Between Asset Management and Other Functional Teams, Including Property Management, Accounting, Compliance, Facilities Management, etc.

There is constant coordination between Property Management, related departments and Asset Management. Asset management oversees all aspects of operations so there is ongoing coordination with property management on a daily basis in regards to those issues. Asset and Property Management work together on the annual audits and budgets. In addition, there is constant coordination around cash management and the financial oversight of the property. There is also contact around preparation of the financials. Asset Management and Compliance primarily coordinate around compliance issues that directly affect ownership and the partnership. Asset management and facilities coordinate around preparation the budget and capital projects. The Asset Management staff also coordinates around emergencies.

Developer's Budget for Asset Management Team Shown as Cost Center (nationwide)
Asset Management staffing budget is \$2,460,839.

Number of Projects Expected to be in Developer's Asset Management Portfolio in 5 Years and, If Applicable, Plans to Augment Staffing to Manage Growing Portfolio
Mercy Housing anticipates that the portfolio will grow from 156 buildings to approximately 170 buildings in the next 5 years. Two new Asset Manager positions based in San Francisco were added in 2017 and one in 2019.

MOHCD Asset Management Staff assessment of Sponsor's asset management capacity: The Sponsor's description of their asset management functions, duties and coordination with related teams within the organization demonstrate an adequate asset management operation for their existing portfolio. With 7 FTE asset managers statewide and a portfolio of 156 projects in California, the project/asset management staff ratio is 22, which is in line with the industry standard of 20-25 recommended by NeighborWorks America. In addition, the Sponsor's asset management staff also includes Asset Management Analysts who support the Asset Managers. The full range of asset management responsibilities are covered by the asset managers and the analysts. With an increase of 15-16 projects in the Sponsor's portfolio anticipated over the next 5 years, the ration will increase but remain within the industry standard.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

N/A

Attachment F: Site Map with amenities



Attachment G: Elevations and Floor Plans



Grove Street



Van Ness Avenue

The Kelsey Civic Center



Sensory Garden Courtyard From Resident Commons Porch



Courtyard View From Community Cultural Space

The Kelsey Civic Center



The Kelsey



mercyHOUSING

WRNSSTUDIO

Santos Prescott and Associates



Courtyard Experience From Residential Level



Courtyard View From Resident Level

The Kelsey Civic Center



The Kelsey



mercyHOUSING

WRNSSTUDIO

Santos Prescott and Associates

THE KELSEY CIVIC CENTER: GMP

240 Van Ness Avenue Block 0811-18-19
APPLICATION NUMBER 2021-0104-2034

CIVIL, LANDSCAPE, ARCHITECTURAL
PRIORITY PROCESSING: AFFORDABLE HOUSING

PROJECT INFORMATION

CONSTRUCTION TYPE:

TYPE I-B

UNIT MIX AND COUNT:

TYPE A: STUDIO (302 SF AVG.) 80 units
TYPE B: 2 BEDROOM (737 SF AVG.) 32 units

TOTAL COUNT: 112 UNITS 112 units
BUILDING OCCUPANCY R-2 AND B

OPEN SPACE:

REQUIRED PER SEC 135
C-3-G OPEN SPACE REQUIREMENT 36 SF / DU
IF COMMON (RATHER THAN PRIVATE) x 1.33
IF UNITS ARE LESS THAN 350 SF x 1/3
OF UNITS PROPOSED SMALLER THAN 350 SF 22 DU
OF UNITS PROPOSED LARGER THAN 350 SF 90 DU
SPACE REQUIRED IF ALL COMMON: 4,660 SF
(22 X 36 X 1.33 X 1/3) + (90 X 36 X 1.33)

PROVIDED 3,507 SF
GROUND LEVEL GARDEN (INNER COURT)

GROSS FLOOR AREA BY FLOOR:

LEVEL 1	10,917 SF
LEVEL 2	11,433 SF
LEVEL 3	11,433 SF
LEVEL 4	11,433 SF
LEVEL 5	11,433 SF
LEVEL 6	11,433 SF
LEVEL 7	11,433 SF
LEVEL 8	7,678 SF

TOTAL BUILDING AREA 87,193 SF

PARKING:

VEHICLES	0
BICYCLES CLASS 1	56
BICYCLES CLASS 2	5

PROJECT SCOPE

This Addendum: Civil, Landscape & Architectural Only.

The Kelsey Civic Center Project is an inclusive affordable housing project offering 112 rental apartments for residents of all abilities, and lower incomes. The project is located in San Francisco's Civic Center Historic District on an L-shaped site facing City Hall. The proposed project will consolidate four current parcels: 234 and 240 Van Ness Avenue (Block 0811/Lots 18 & 19), 155 Grove (Block 0811/Lot 16), and 165 Grove Street (Block 0811/Lot 21) for a total site area of approximately 13,815 SF. All existing structures on these parcels have been demolished under a separate permit.

The entire site is zoned C-3-G (Downtown General). The Site is classified in the 70-X height and bulk district, which allows for a maximum height of 70 feet above street level and full lot coverage with no required setbacks. The building will have a floor-to-floor height of 9'-10" at the typical floors, and 14'-8" at the ground floor level for total height of 83'-6" (<75' max to the highest occupiable floor).

The primary occupancy of the building is Group R-2. At street level the building will include management offices, residential commons, community rooms and service spaces. The commercial space facing City Hall will be developed as shell space under this permit and will have separate permit for the tenant improvements. The Project is proposed to include a garden courtyard and bicycle parking for the residents.

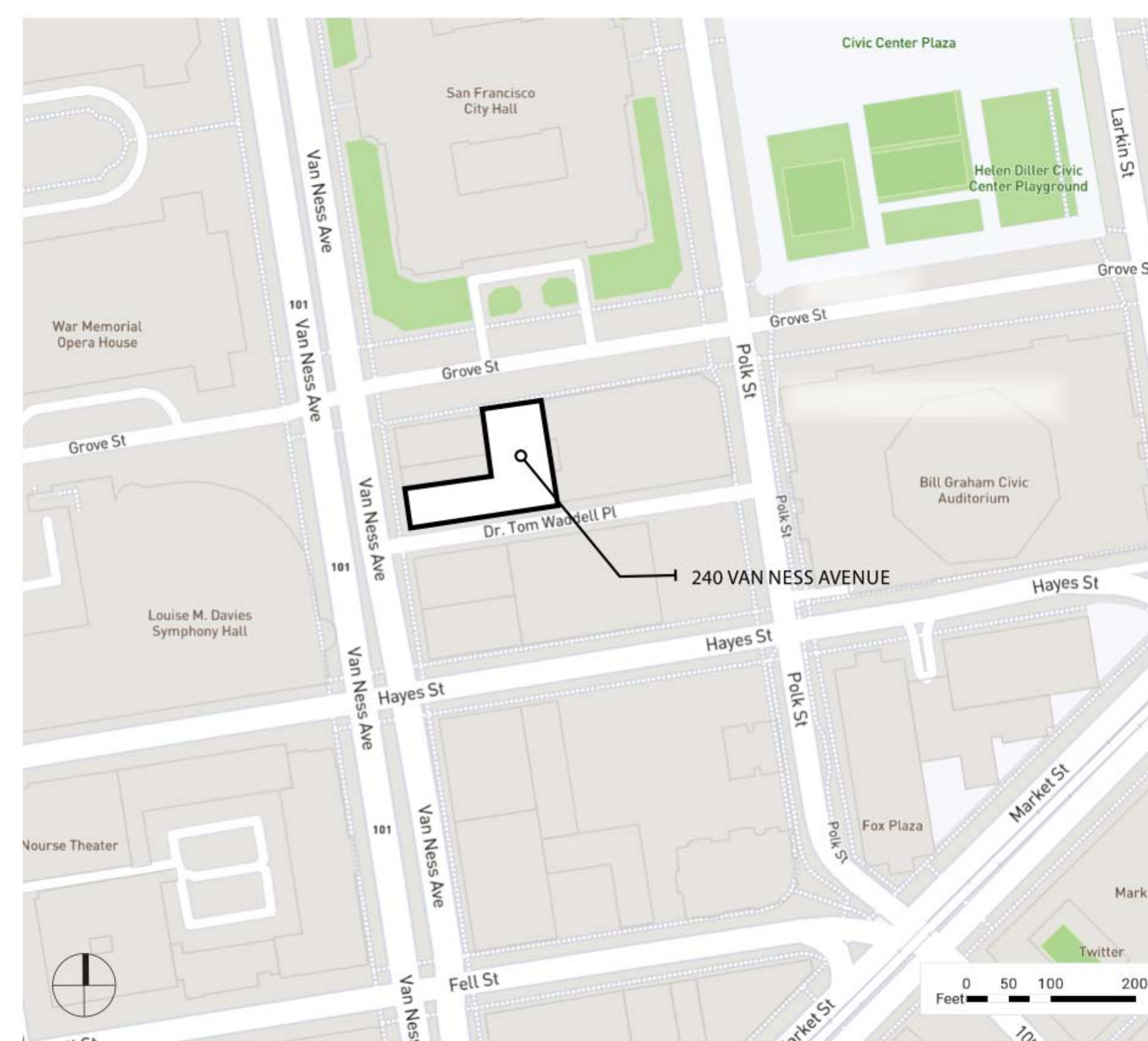
The building will consist of 8 levels of Type I-B. The gross area of the building is approximately 87,193 GSF. The building will be protected by fire sprinklers per NFPA 13 and will have a fire alarm system.

PROJECT TEAM

ARCHITECT
WRNS STUDIO
501 2ND STREET, #402
SAN FRANCISCO, CA 94107
T. 415.489.2224
ATTN: PAULINE SOUZA
PSOUZA@WRNSSTUDIO.COM

SANTOS PRESCOTT AND ASSOCIATES
725 CLEMENTINA ST.
SAN FRANCISCO, CA 94107
T. 415.908.3767
ATTN: BRUCE PRESCOTT, C23687
BRUCE@SANTOSPRESOTT.COM

DEVELOPER
MERCY HOUSING
1256 MARKET STREET
SAN FRANCISCO, CA 94102
T. 415.355.7111
ATTN: FIONA RUDDY
FRUDDY@MERCYHOUSING.ORG



VICINITY MAP

SITE INFORMATION

APN: 0811-019, 0811-016, AND 0811-021
ADDRESS: 240 VAN NESS AVE, 165 GROVE STREET, AND 155 GROVE STREET
ZONING DISTRICT: C-3-G
HEIGHT & BULK DISTRICT: 70-X
LOT AREA: 13,815 SF (0.31 ACRES)

Mayor's Office on Disability



London N. Breed
Mayor
Naomi Kelly
City Administrator
Nicole Bohn
Director

DISABILITY ACCESS COMPLIANCE FOR CITY FUNDED PROJECTS

Permit applicant: Fill in project name and address and then scan onto plans.

PROJECT:
Project Address:

Leave Area Below Blank – For MOD Staff Use Only

PLAN REVIEW STAGE: MOD has approved:

- Unreasonable Hardship / technically infeasible Date:
- Playground ADA Inventory Form Date:
- Pre-application review / site permit Date:
- Final Construction Plans Date:

INSPECTION STAGE: The following inspections are required, if selected. Call MOD at 554-6789 to schedule:

- Pre-Construction Conference
- Rough framing, after plumbing and electrical rough is complete
- Mock up inspection of bathrooms / kitchens
- Demonstration of adaptable cabinetry
- Signage, including proofs and color samples prior to fabrication
- Door closer pressure and timing
- Power door operator testing per BHMA A156.19
- Playground equipment, surface, and path of travel
- Final Signoff of Project

The following additional documents are required:

- Reasonable Accommodation Notices
- Signage approval from Lighthouse for the Blind
- Illustrated instruction manual to adapt unit interiors
- Inspection matrix listing each covered dwelling unit or common space

By: MOD Access Compliance Officer Date:

6 February 2022

Department of Building Inspection
City of San Francisco
49 South Van Ness Avenue
San Francisco, CA 94103

RE: Proposed Addendum Schedule for
240 Van Ness Avenue #2021 0104 2034

To Whom It May Concern:

We propose the following schedule of addenda to the above referenced site permit:

PROPOSED ADDENDA

- Addendum 1: Ground Improvement
- Addendum 2: Foundation, Concrete Superstructure and Underground Utilities
- Addendum 3: Architectural, Landscape and Civil
- Addendum 4: Mechanical, Electrical and Plumbing
- Addendum 5: Tower Crane (Design Build)
- Addendum 6: Metal Stairs (Design Build)
- Addendum 7: Fire Protection (Design Build) - **SPRINKLER SYSTEM**
- Addendum 8: Fire Alarm System and Elevator Landing and Horizontal Exit 2-way Solar Photovoltaic System
- Addendum 9: Emergency Communication System (Design Build)
- Addendum 10: Dept. of Public Health: Maher/Article 22A

Please review this schedule and acknowledge below that it is acceptable.

Very truly yours,

Bruce C. Prescott, AIA

Accepted,

Mark Walls, DBI
MAR 02 2022

For the San Francisco Department of Building Inspection

Mayor's Office of Housing and Community Development
City and County of San Francisco



London N. Breed
Mayor

Eric Shaw
Director

January 20, 2022

Mr. Patrick O'Riordan
Director, Department of Building Inspection City and County of San Francisco
1660 Mission Street
San Francisco, CA 94103

RE: Request for Permit Fee Deferral: 234-240 Van Ness Avenue, 155-156 Grove St. (Block 0811, Lots 18, 19, 16, 21)

Dear Director O'Riordan:

On behalf of the Mayor's Office of Housing and Community Development, I would like to request approval of fee deferral for the above described project. This 100% affordable housing project with approximately 100 units for low and very low income individuals and families is being constructed by Mercy Housing California (Mercy), and The Kelsey, both 501(c)(3) nonprofits. Payment of fees will be made upon issuance of Addenda 1.

If this request meets with your approval, please sign below and return to my attention. If you have questions or need anything further regarding this request, please feel free to contact me (415-602-2745 or erin.carson@sfgov.org). Thank you in advance for your assistance. Sincerely,

Erin Carson

Mayor's Office of Housing and Community Development

Department of Building Inspection
Approval to defer fees as requested:

Patrick O'Riordan
Director, Department of Building Inspection
Date: 1/21/22

1 South Van Ness Avenue – Fifth Floor, San Francisco, CA 94103



San Francisco Planning

Application for Priority Application Processing

This form is to be used for requests for Priority Application Processing as set forth in Director's Bulletin No. 2. Please submit completed applications to the Office of the Planning Director.

For Staff Use Only
Case and/or Permit Application No. Date Received Time Received

PROPERTY ADDRESS:
BLOCKS & LOTS:
CITY AND COUNTY:

DESCRIPTION OF PROPOSED WORK (IN HIGH ADDITIONAL FEES IF NECESSARY):
C-3-G 70-X Civic Center Historic District

The proposed building will consist of approximately 100 units of 100% affordable housing with 25% of units serving individuals with intellectual/developmental disabilities. The project will have a mix of approximately 60% studios and 40% two bedroom units. The affordable housing units will be regulated by MOHCD and the California Tax Credit Allocation Committee with income restrictions ranging from 20%-80% of SF AMI. The ground floor on Grove St. will contain approximately 1,200 sq ft of community/cultural space. This project is sponsored by MOHCD.

Basis for Priority Application Review

Check Type:
 1 100% affordable housing 1A HOME SF 8 - 100% aff. housing 3 clean construction 4 seismic retrofit 5 HCIMP 6 other

Findings of consistency with Director's Bulletin No. 2 (attach additional pages if necessary). For Type 2 Applications, you must also submit the Supplemental Application.

Applicant's Declaration

I hereby declare that the information I have provided is accurate to the best of my knowledge and that I intend to complete the project described herein in compliance with the requirements for Priority Processing of Applications described in Director's Bulletin No. 2 for the particular type of application indicated above. I understand that failure to do so may lead to suspension of permits, stoppage of construction, assessment of penalties and/or other remedies articulated in the Municipal Code.

Fiona Ruddy, Project Manager, Mercy Housing California
NAME OF APPLICANT AND RELATIONSHIP TO PROJECT (PRINT)
415.355.7160 / fiona.ruddy@mercyhousing.org
PHONE NUMBER AND EMAIL ADDRESS

For Staff Use Only
Check One: ACCEPTED REJECTED
Signature and Printed Name of Staff (Director's Office staff only) Date:

STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

REVISION LIST DATE

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19058.00

DATE: 05/31/21

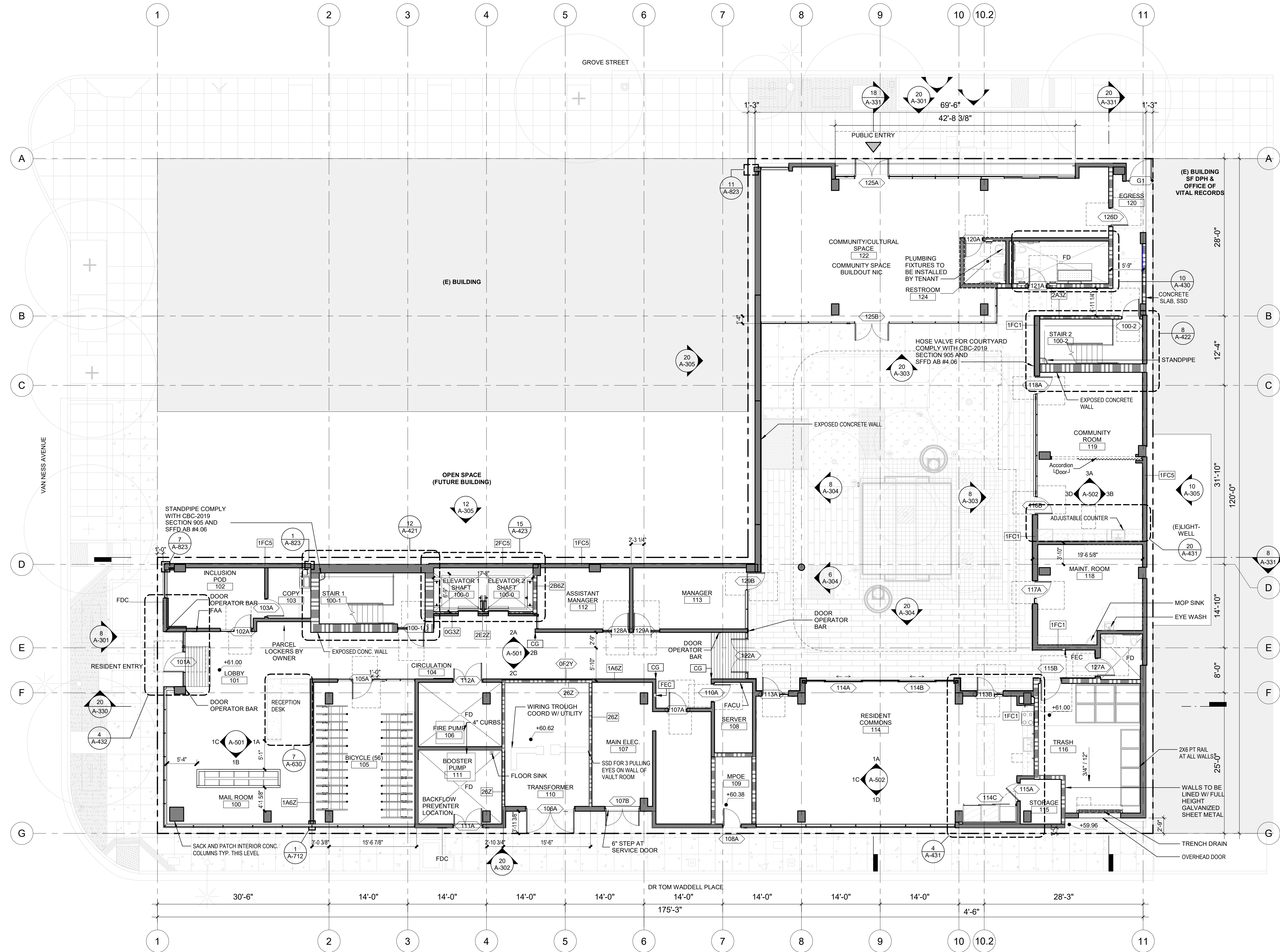
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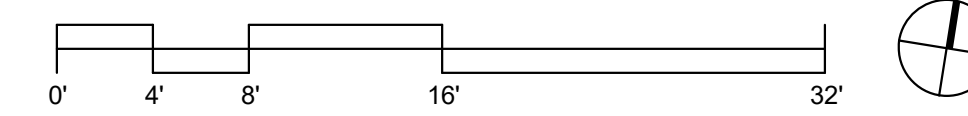
GMP COVER SHEET

SHEET NO.:

G-000.1



1 FLOOR PLAN - LEVEL 1
1/8" = 1'-0"



STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
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ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

#	REVISION LIST	DATE
1	REVISION 1	3/19/2021
2	REVISION 2	4/19/2021
5	BULLETIN 1: SUNSHADE	12/07/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00

DATE: 05/31/21

SCALE: 1/8" = 1'-0"

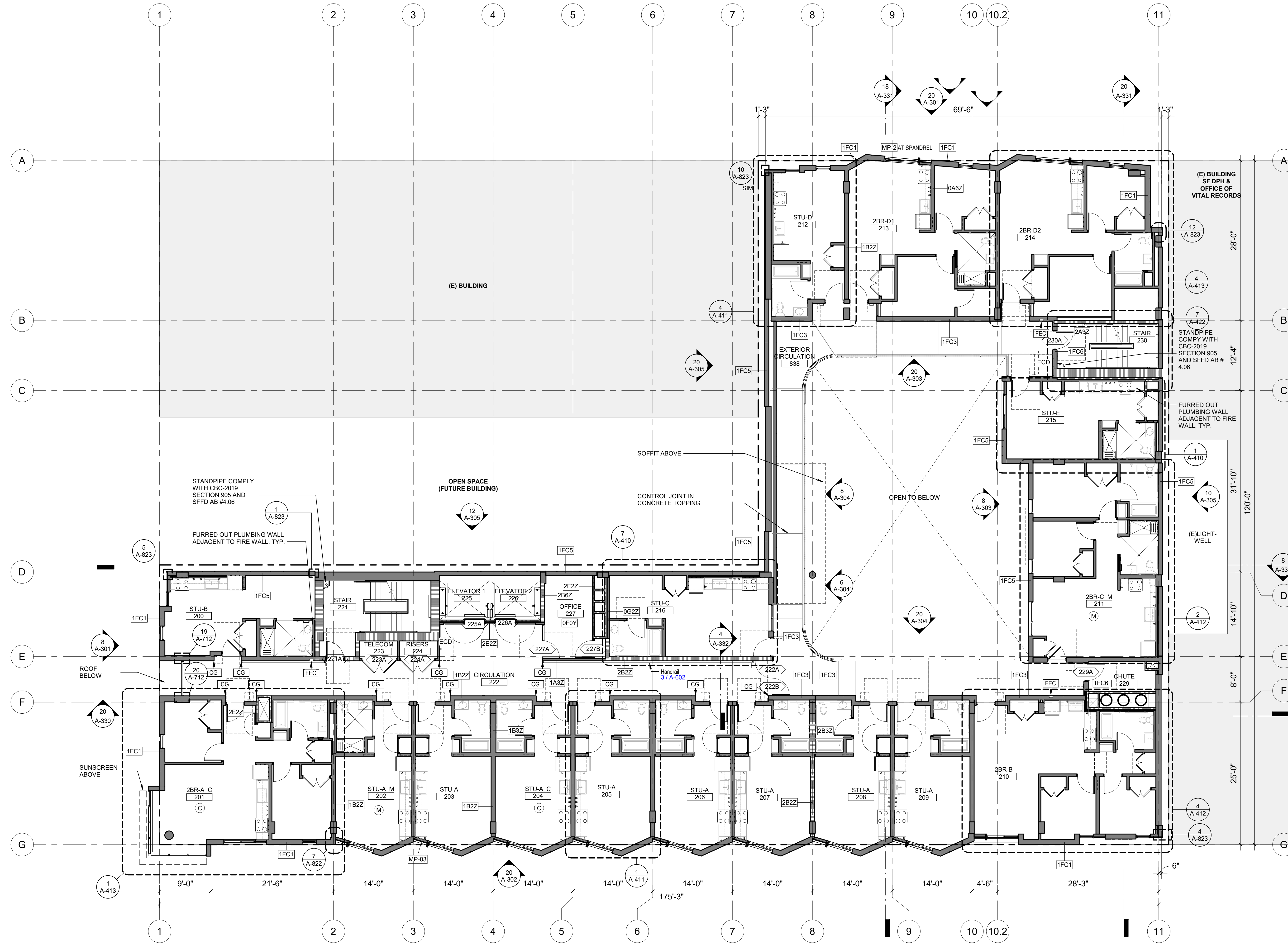
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FLOOR PLAN - LEVEL 1

SHEET NO.:

A-101

5/20/2022 11:21:41 AM



1 FLOOR PLAN - LEVEL 2
1/8" = 1'-0"

STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

#	REVISION LIST	DATE
1	REVISION 1	3/19/2021
5	BULLETIN 1: SUNSHADE	12/07/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00

DATE: 05/31/21

SCALE: 1/8" = 1'-0"

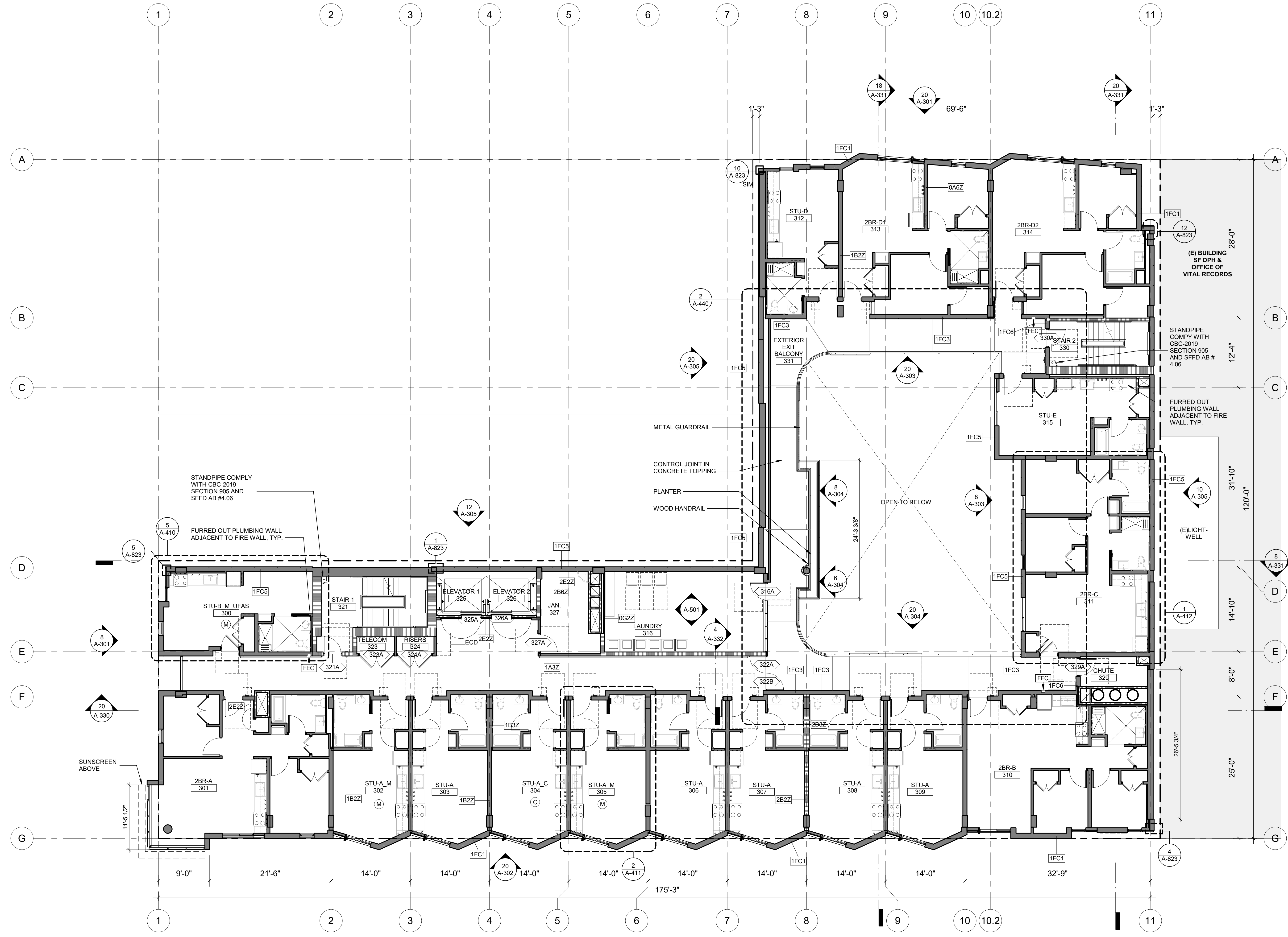
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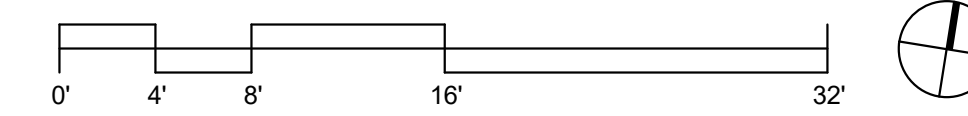
SHEET NO.:

A-102

5/20/2022 11:21:50 AM



1 FLOOR PLAN - LEVEL 3
1/8" = 1'-0"



STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

#	REVISION LIST	DATE
1	REVISION 1	3/19/2021
5	BULLETIN 1: SUNSHADE	12/07/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00

DATE: 05/31/21

SCALE: 1/8" = 1'-0"

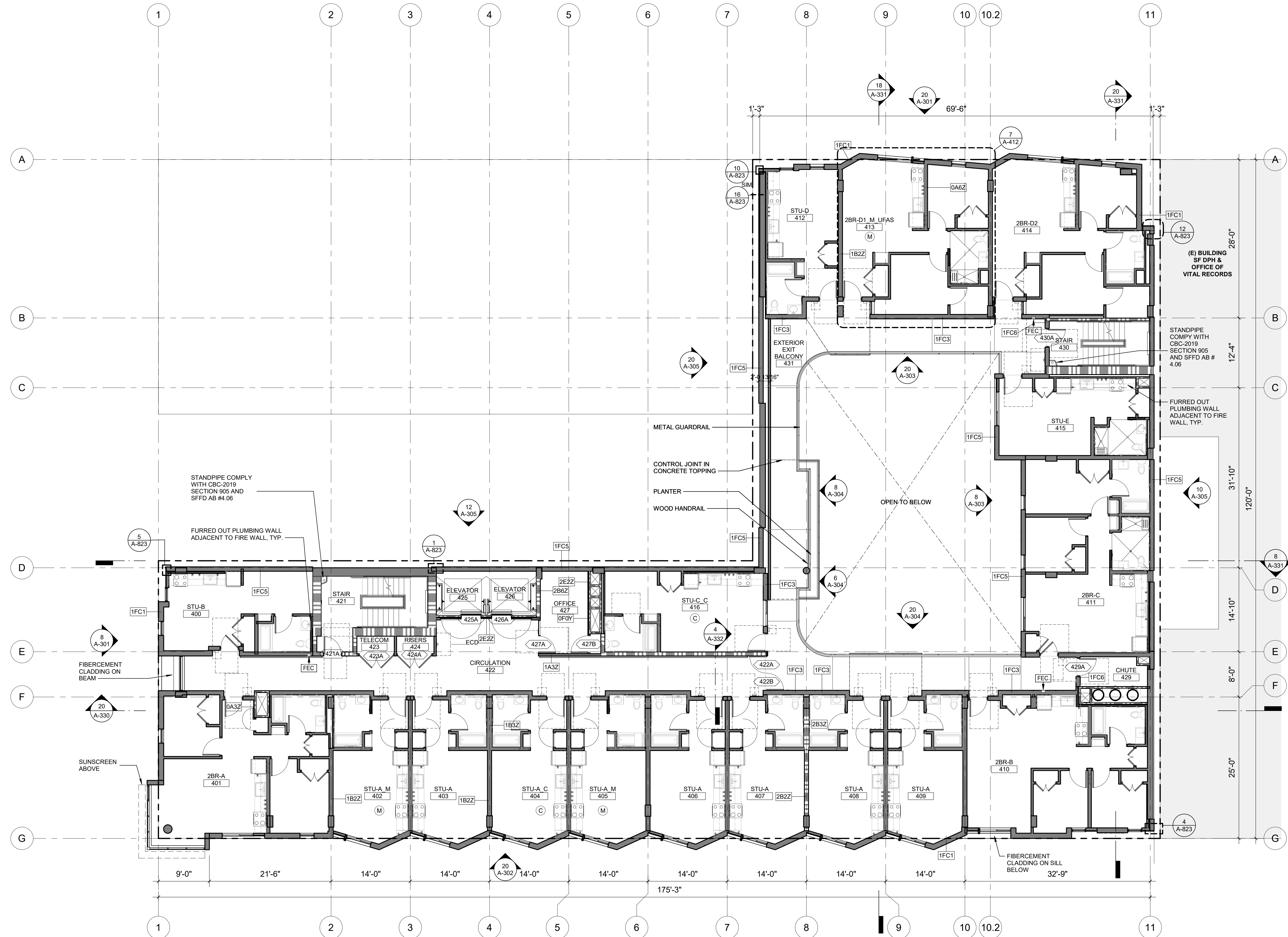
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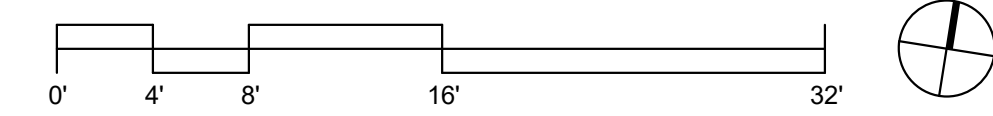
SHEET NO.:

A-103

5/20/2022 11:22:00 AM



1 FLOOR PLAN - LEVEL 4
1/8" = 1'-0"



STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

#	REVISION LIST	DATE
1	REVISION 1	3/19/2021
3	REVISION 3	8/2/2021
5	BULLETIN 1: SUNSHADE	12/07/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00

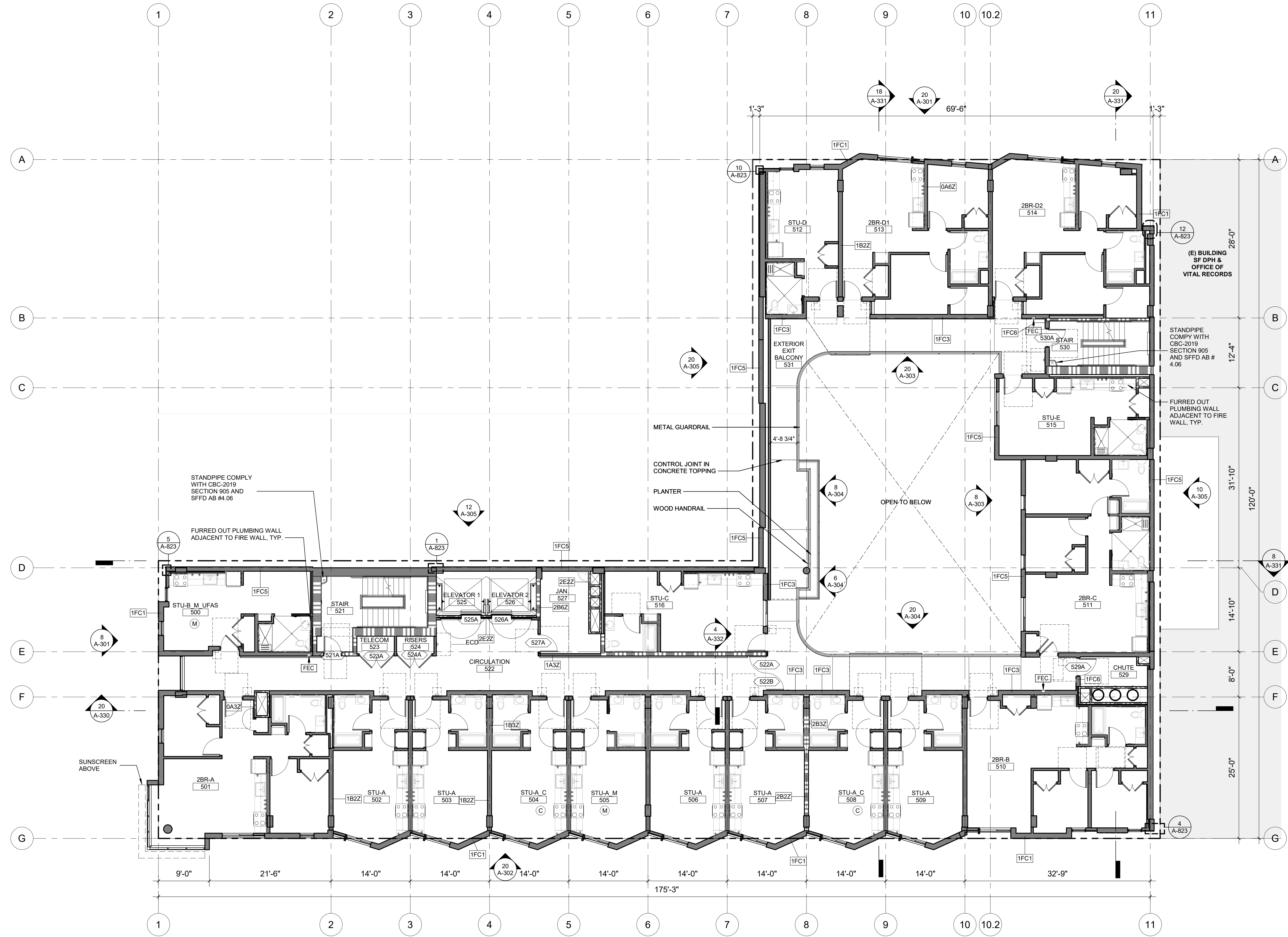
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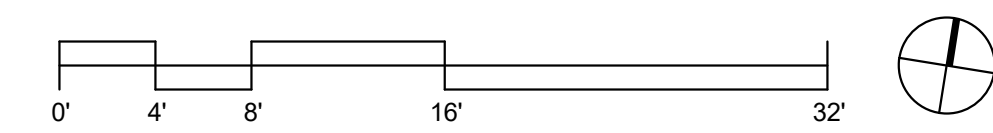
SHEET TITLE:

FLOOR PLAN - LEVEL 4

SHEET NO.:



1 FLOOR PLAN - LEVEL 5
1/8" = 1'-0"



STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

#	REVISION LIST	DATE
1	REVISION 1	3/19/2021
5	BULLETIN 1: SUNSHADE	12/07/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00

DATE: 05/31/21

SCALE: 1/8" = 1'-0"

SHEET TITLE:

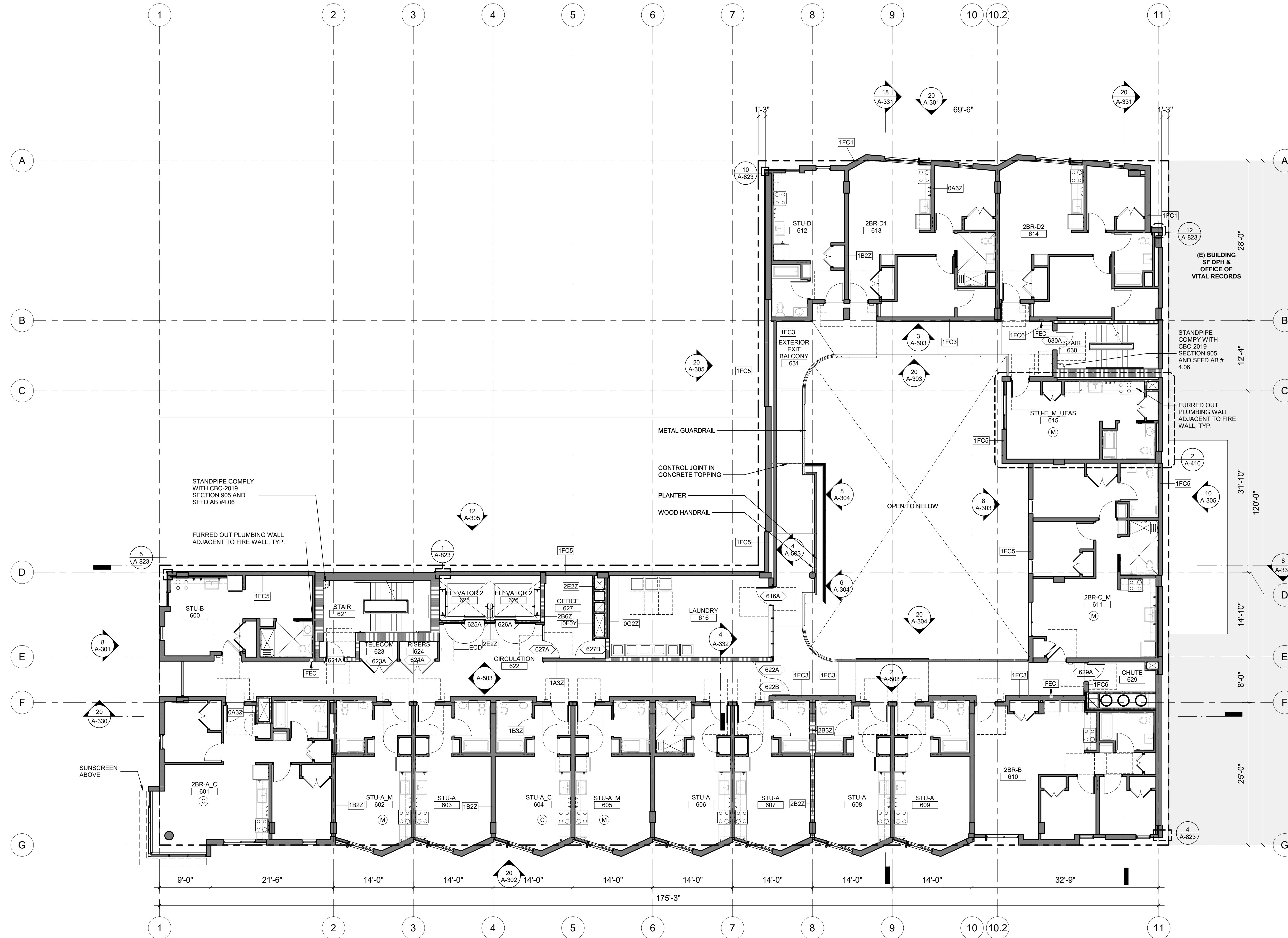
FLOOR PLAN - LEVEL 5

SHEET NO.:

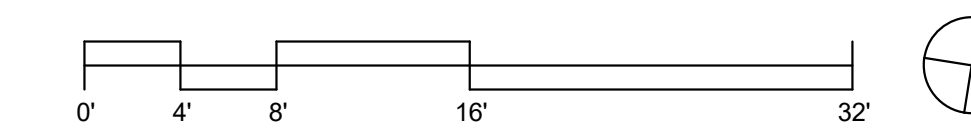
A-105

5/20/2022 11:22:19 AM

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1 FLOOR PLAN - LEVEL 6
1/8" = 1'-0"



STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

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1	REVISION 1	3/19/2021
5	BULLETIN 1: SUNSHADE	12/07/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00

DATE: 05/31/21

SCALE: 1/8" = 1'-0"

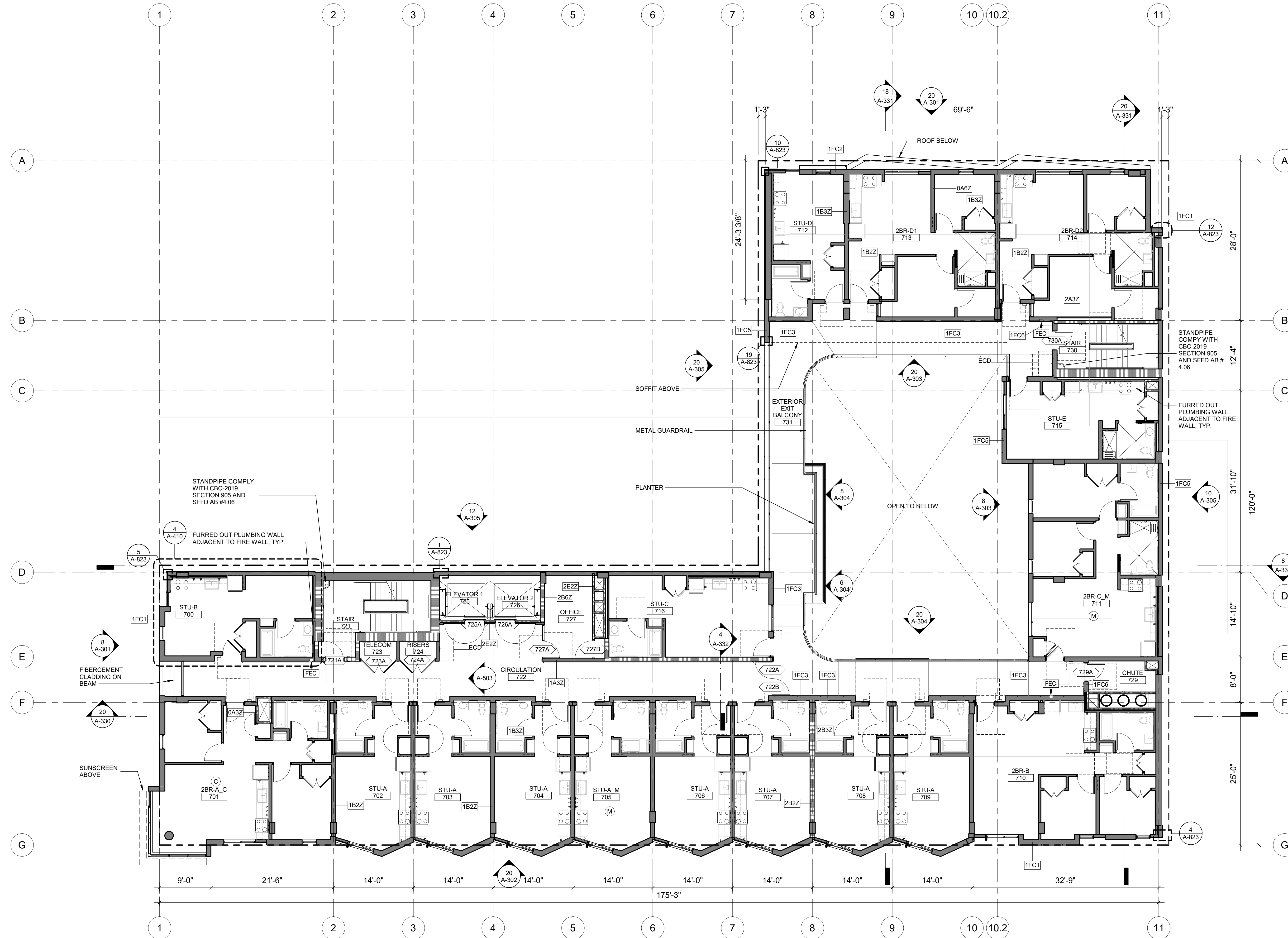
SHEET TITLE:

FLOOR PLAN - LEVEL 6

SHEET NO.:

A-106

5/20/2022 11:22:29 AM



1 FLOOR PLAN - LEVEL 7
1/8" = 1'-0"

STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

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1	REVISION 1	3/19/2021
5	BULLETIN 1: SUNSHADE	12/07/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00

DATE: 05/31/21

SCALE: 1/8" = 1'-0"

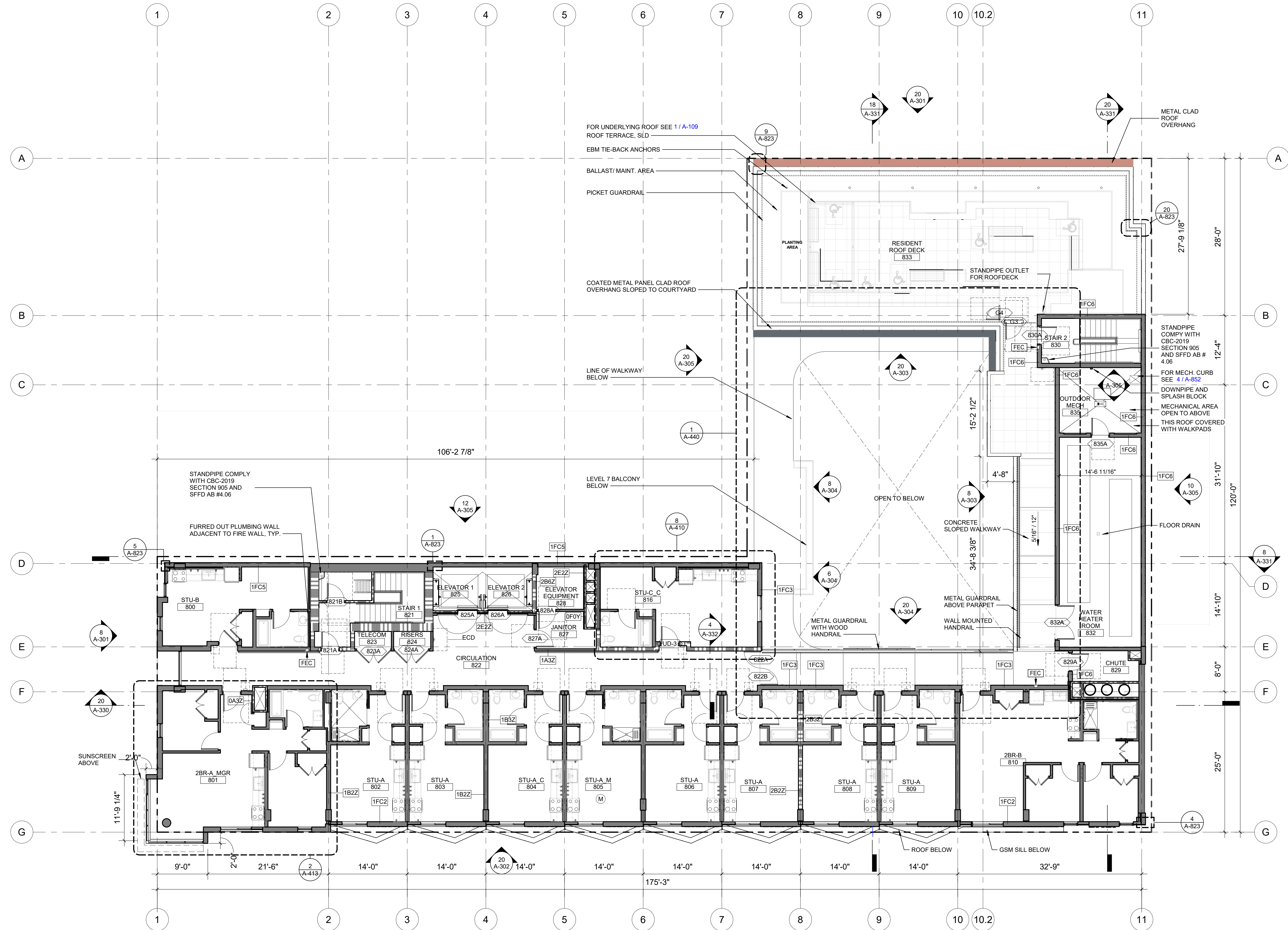
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FLOOR PLAN - LEVEL 7

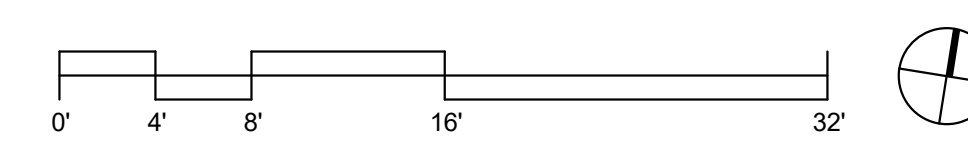
SHEET NO.:

A-107

5/20/2022 11:22:39 AM



1 FLOOR PLAN - LEVEL 8
1/8" = 1'-0"



STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

#	REVISION LIST	DATE
5	BULLETIN 1: SUNSHADE	12/07/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00

DATE: 05/31/21

SCALE: 1/8" = 1'-0"

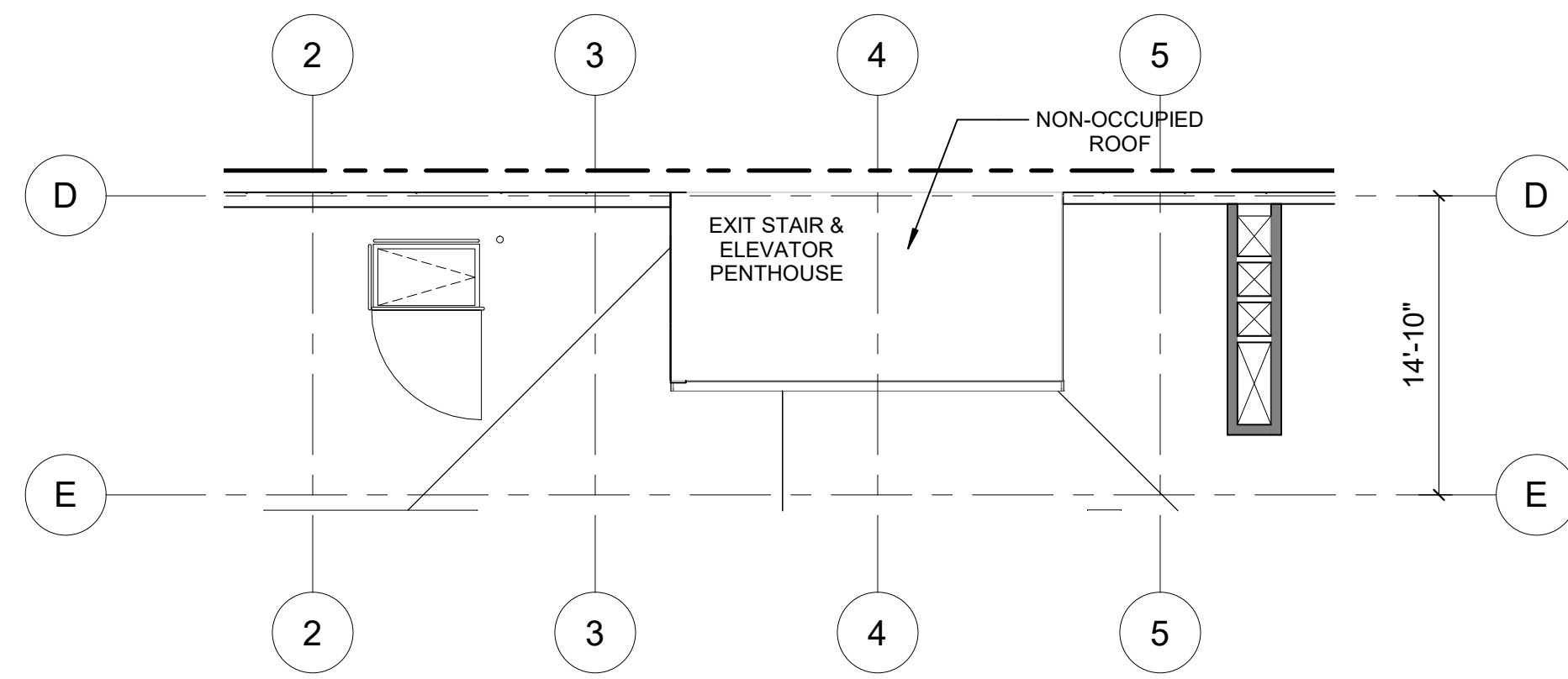
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FLOOR PLAN - LEVEL 8

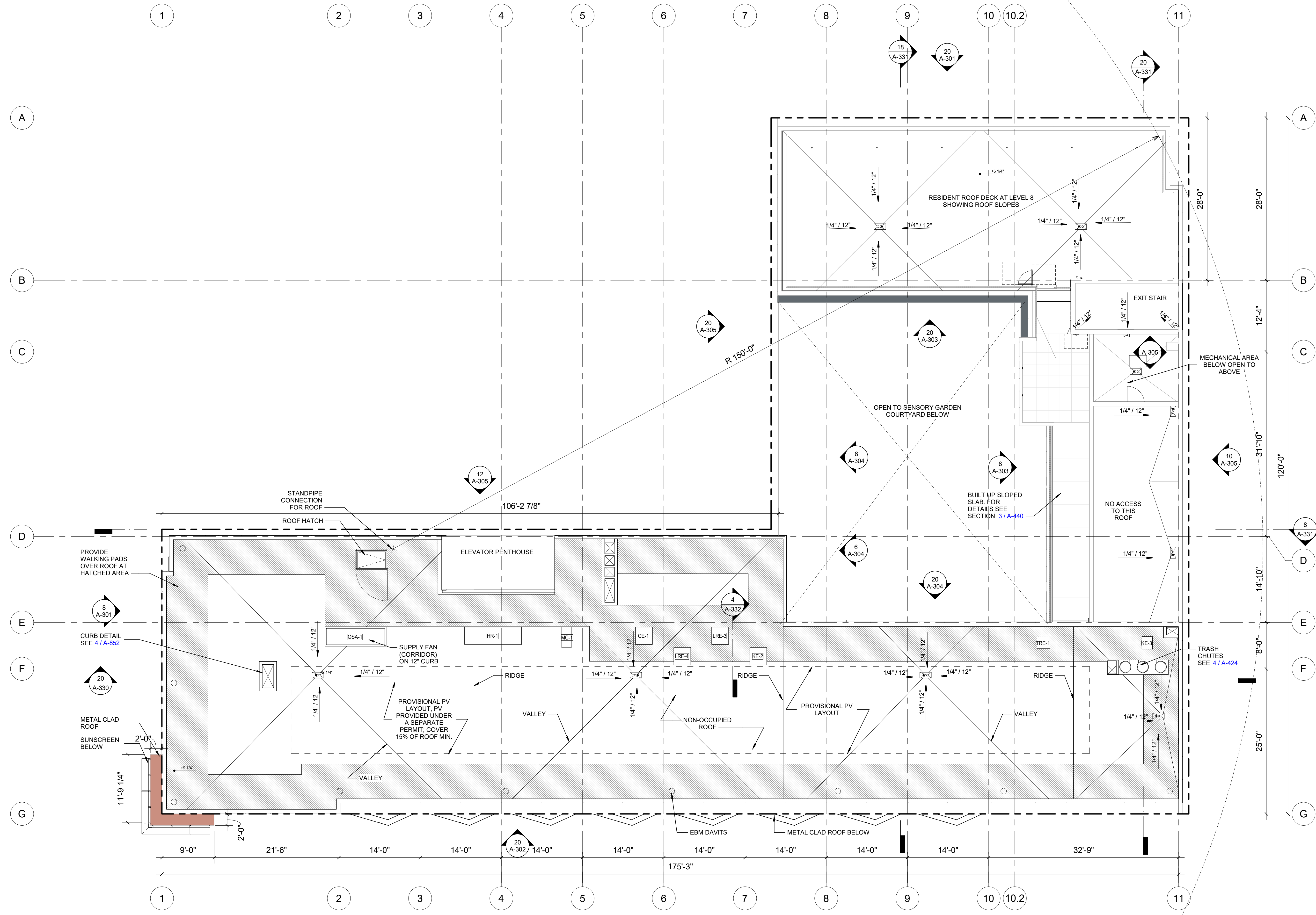
SHEET NO.:

A-108

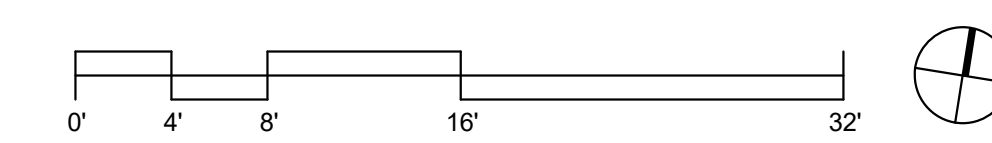
5/20/2022 11:22:47 AM



2 FLOOR PLAN - PENTHOUSE ROOF
1/8" = 1'-0"



1 FLOOR PLAN - LEVEL ROOF
1/8" = 1'-0"



STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

#	REVISION LIST	DATE
5	BULLETIN 1: SUNSHADE	12/07/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00

DATE: 05/31/21

SCALE: 1/8" = 1'-0"

SHEET TITLE:

FLOOR PLAN - LEVEL ROOF

SHEET NO.:

A-109

Per Section 403.1.2, all floors used for human occupancy are located less than 75' above the lowest floor level having fire department building access.

Per Section 504.3, the building height does not exceed 85'.



20 NORTH ELEVATION - GROVE STREET
1/8" = 1'-0"



8 WEST ELEVATION - VAN NESS
1/8" = 1'-0"

STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

#	REVISION LIST	DATE
1	REVISION 1	3/19/2021
2	REVISION 2	4/19/2021
5	BULLETIN 1: SUNSHADE	12/07/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19058.00

DATE: 05/31/21

SCALE: As indicated

SHEET TITLE:

BUILDING ELEVATIONS

SHEET NO.:

A-301

STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

#	REVISION LIST	DATE
1	REVISION 1	3/19/2021
2	REVISION 2	4/19/2021
5	BULLETIN 1: SUNSHADE	12/07/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00

DATE: 05/31/21

SCALE: As indicated

SHEET TITLE:

BUILDING ELEVATIONS

SHEET NO.:

A-302



20 SOUTH ELEVATION - TOM WADDELL
1/8" = 1'-0"

Per Section 403.1.2, all floors used for human occupancy are located less than 75' above the lowest floor level having fire department building access.

Per Section 504.3, the building height does not exceed 85'.

5/20/2022 11:23:50 AM

STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
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BID SET	05/06/2022

#	REVISION LIST	DATE
1	REVISION 1	3/19/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00

DATE: 05/31/21

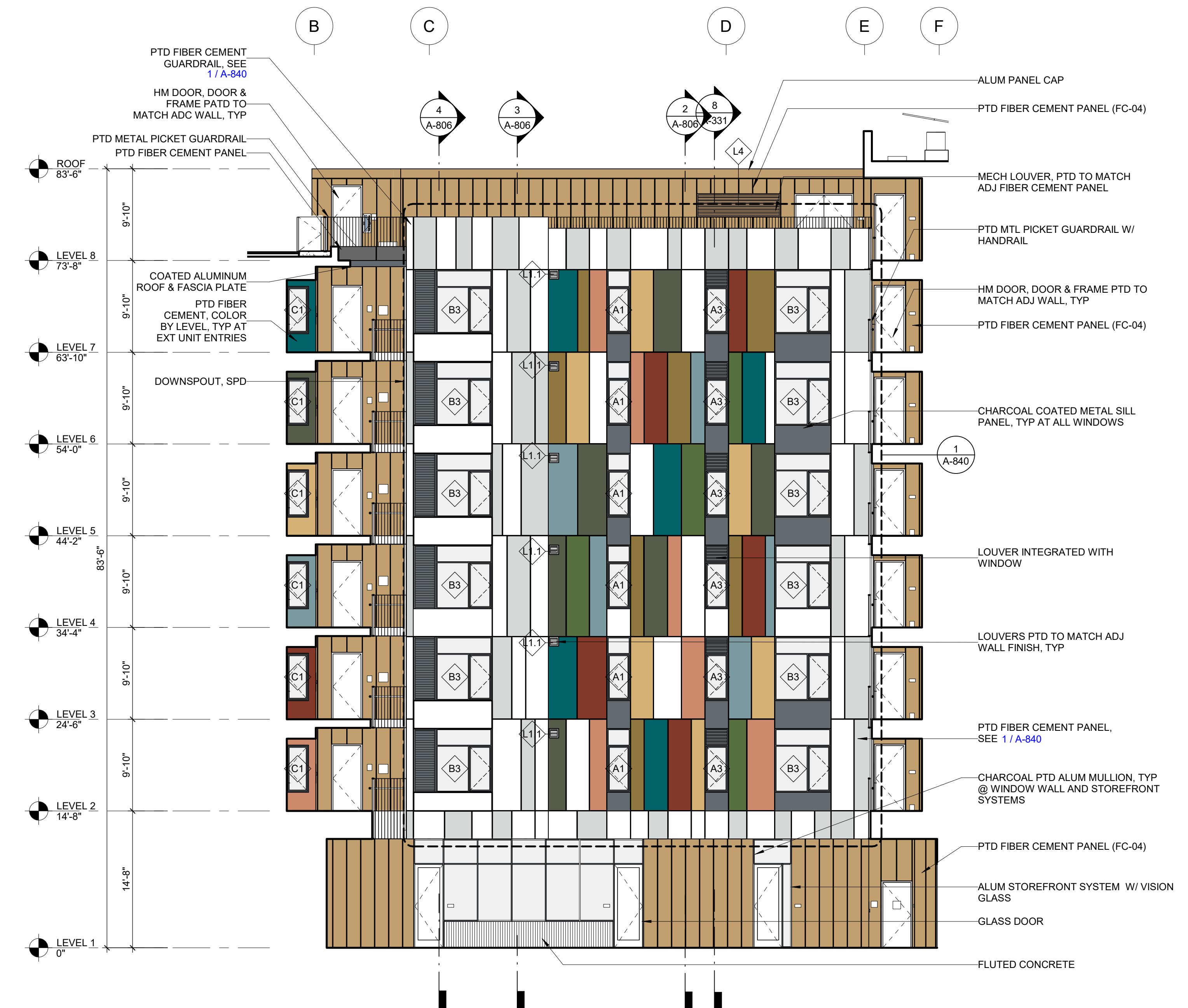
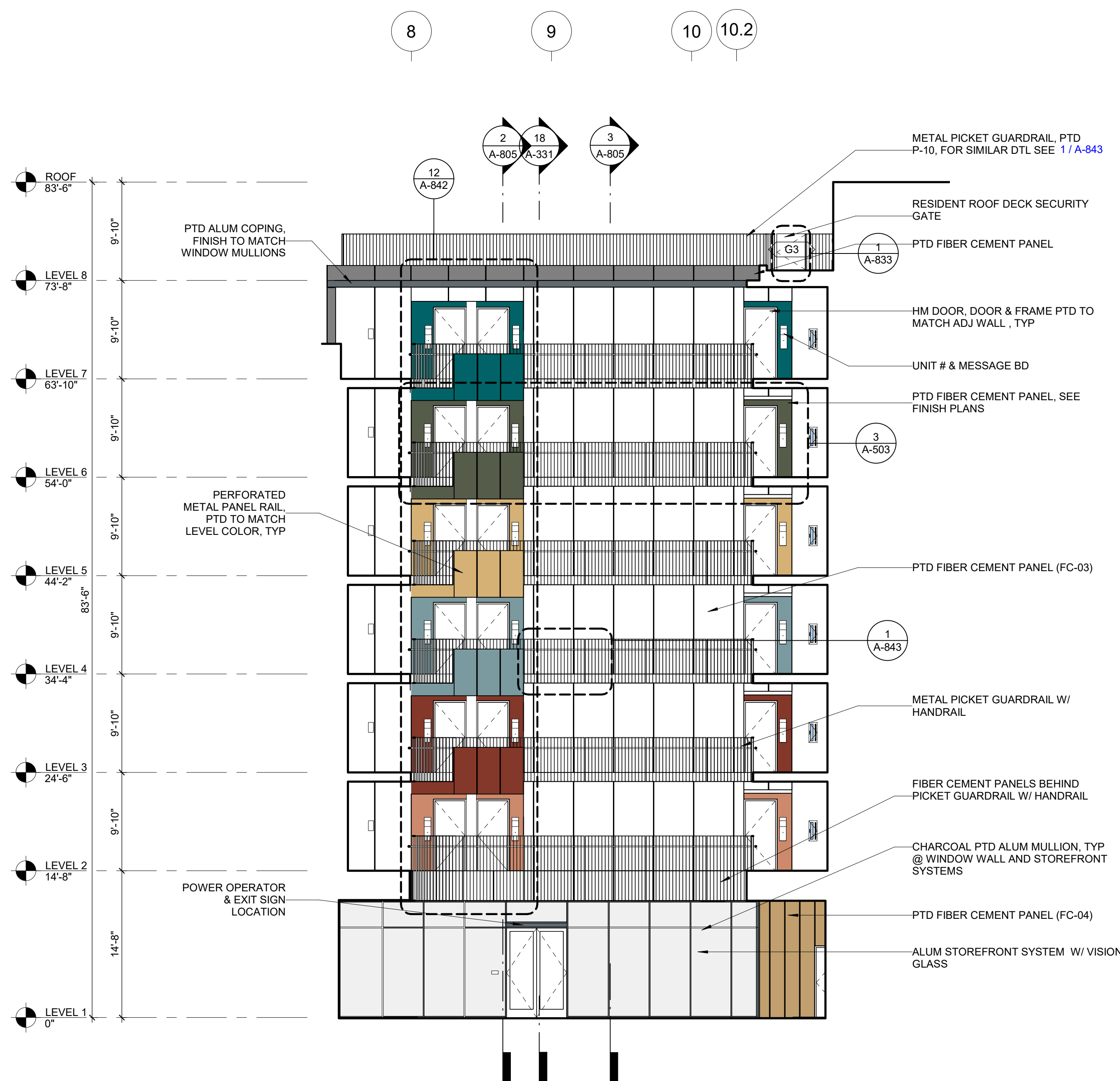
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SHEET TITLE:

**COURTYARD
ELEVATIONS**

SHEET NO.:

A-303



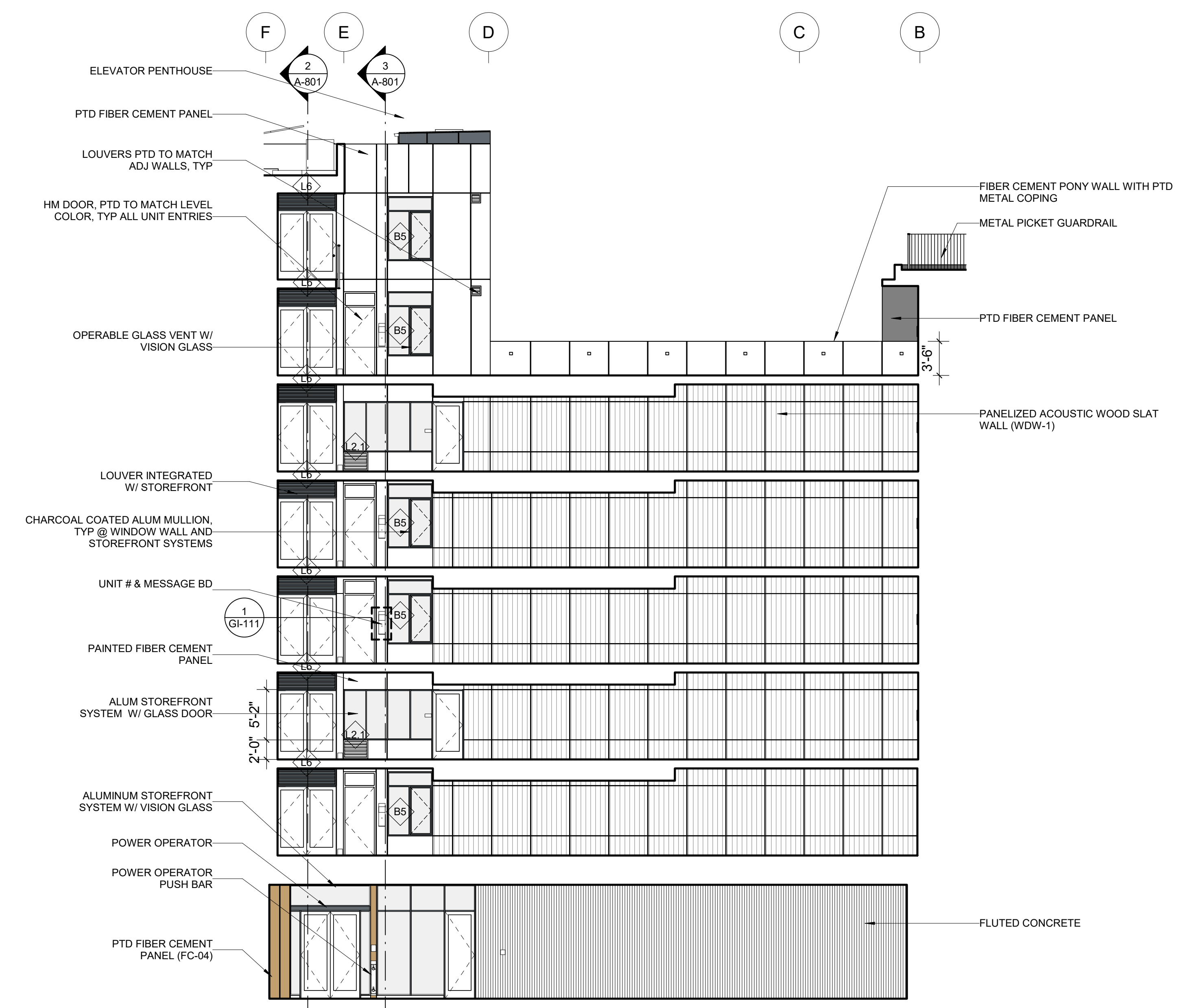
5/20/2022 11:23:56 AM

20 COURTYARD NORTH ELEVATION
1/8" = 1'-0"

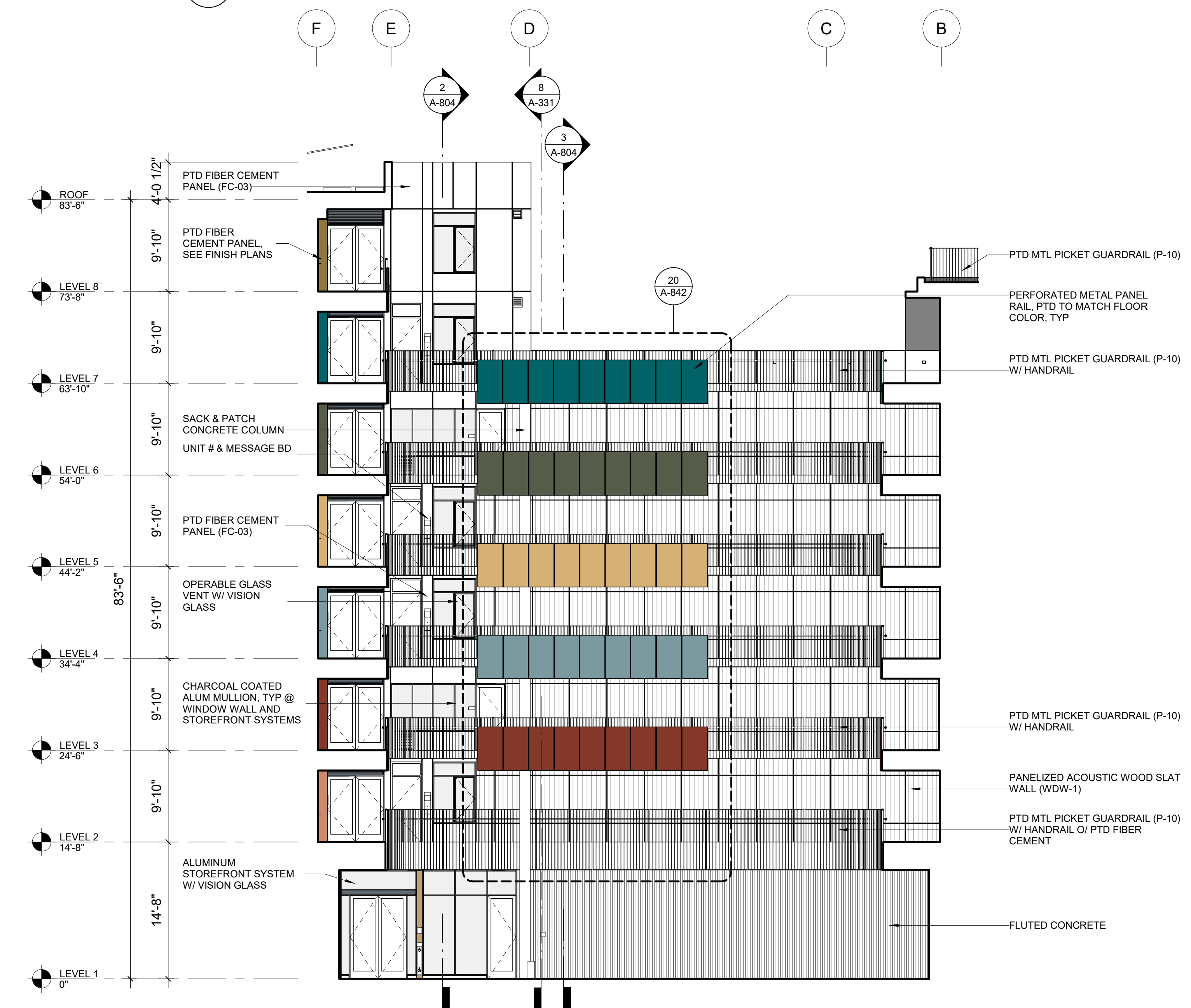
8 COURTYARD EAST ELEVATION
1/8" = 1'-0"

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If this drawing is not 30"x42", then the drawing has been revised from its original size. Noted scales must be adjusted. This line should be equal to one inch.



6 COURTYARD WEST ELEVATION
1/8" = 1'-0"



8 COURTYARD WEST ELEVATION
1/8" = 1'-0"



20 COURTYARD SOUTH ELEVATION
1/8" = 1'-0"

STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

#	REVISION LIST	DATE
1	REVISION 1	3/19/2021

Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00
DATE: 05/31/21
SCALE: 1/8" = 1'-0"

SHEET TITLE:
COURTYARD ELEVATIONS

SHEET NO.:

A-304

5/20/2022 11:24:05 AM

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STAMP

ISSUES	DATE
SITE PERMIT	12/21/2020
SCHEMATIC DESIGN	1/22/2021
50% DESIGN DEVELOPMENT	06/01/2021
100% DESIGN DEVELOPMENT	08/05/2021
50% CONSTRUCTION DOCUMENTS	11/24/2021
ADDENDUM 2: SUPERSTRUCTURE	03/04/2022
BID SET	05/06/2022

#	REVISION LIST	DATE
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Kelsey Civic Center

240 Van Ness Ave
165 Grove Street
155 Grove Street

KEYPLAN

PROJECT NO.: 19068.00

DATE: 05/31/21

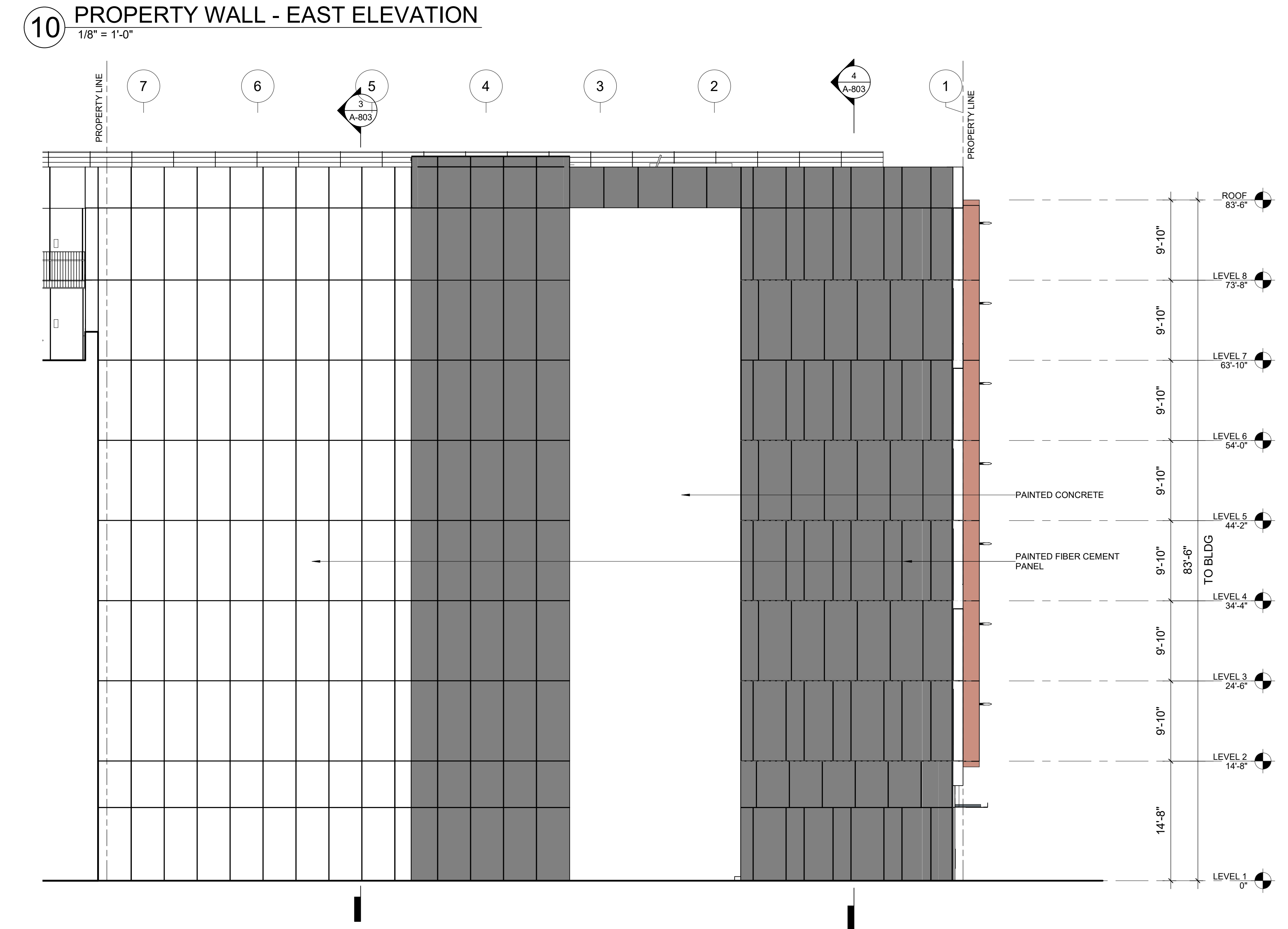
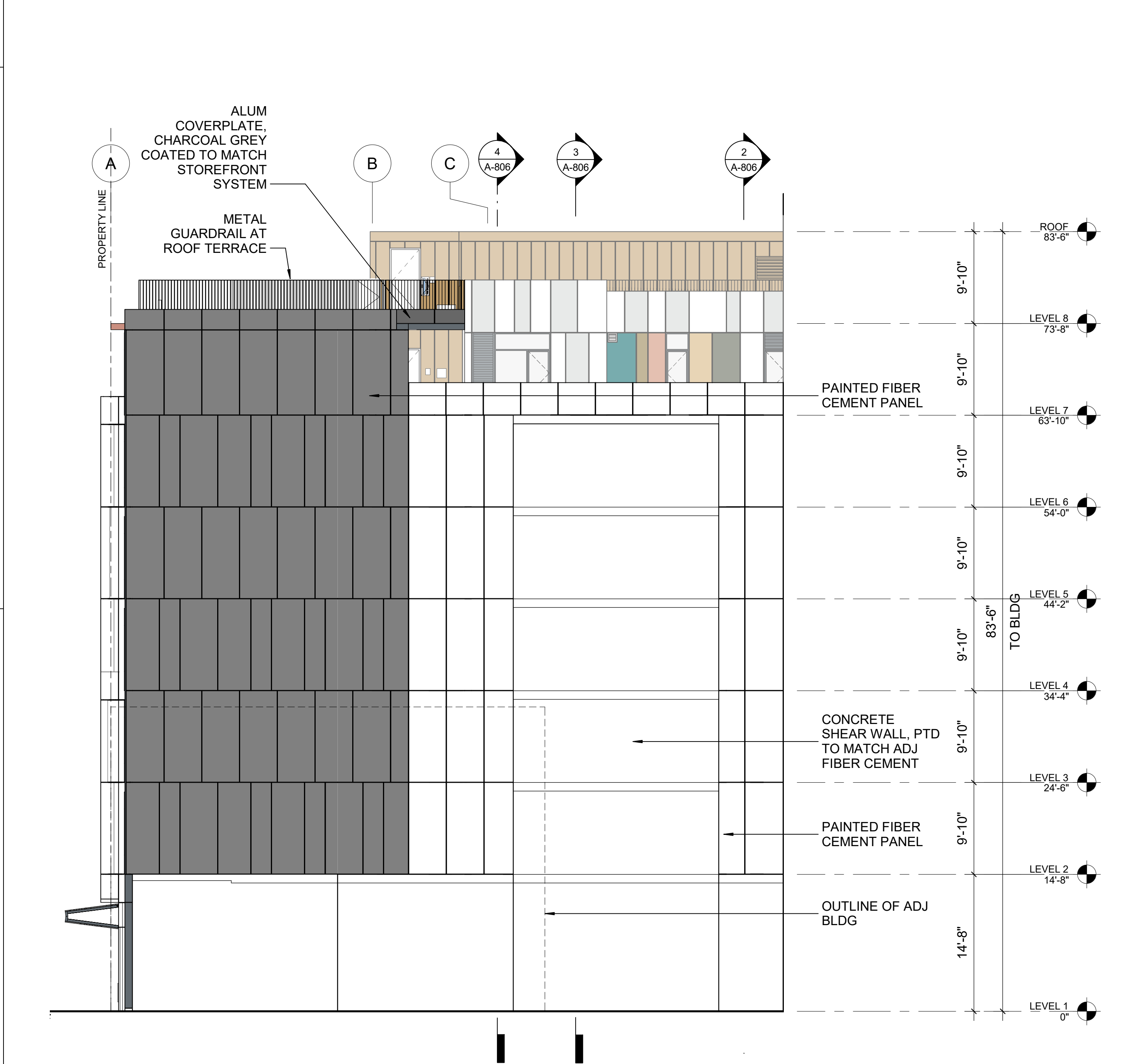
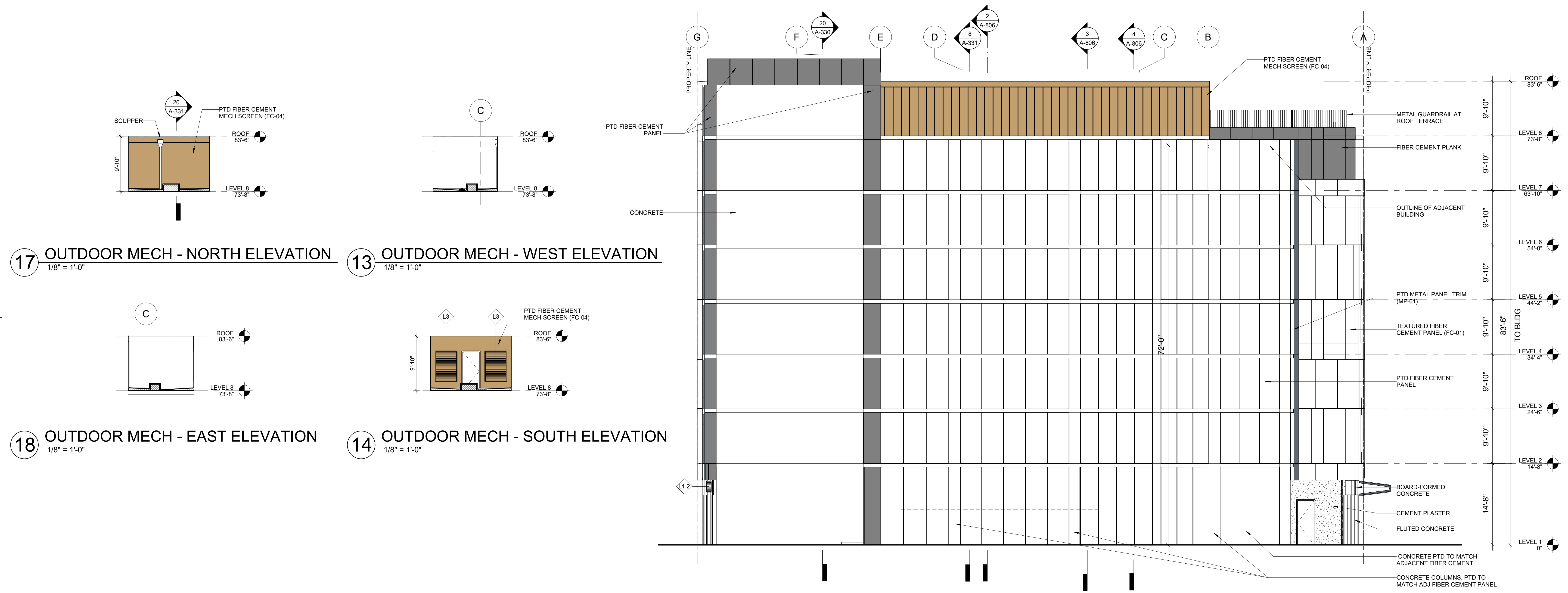
SCALE: 1/8" = 1'-0"

SHEET TITLE:

**BUILDING ELEVATIONS
@ PROPERTY WALL**

SHEET NO.:

A-305



17 OUTDOOR MECH - NORTH ELEVATION
1/8" = 1'-0"

13 OUTDOOR MECH - WEST ELEVATION
1/8" = 1'-0"

18 OUTDOOR MECH - EAST ELEVATION
1/8" = 1'-0"

14 OUTDOOR MECH - SOUTH ELEVATION
1/8" = 1'-0"

10 PROPERTY WALL - EAST ELEVATION
1/8" = 1'-0"

12 PROPERTY WALL - NORTH ELEVATION - GROVE
1/8" = 1'-0"

20 PROPERTY WALL - WEST ELEVATION - VAN NESS
1/8" = 1'-0"

5/20/2022 11:24:15 AM

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**Attachment H: Comparison of City Investment in Other Housing
Developments**

Affordable Multifamily Housing New Construction Cost Comparison

Updated 11/14/2022
Review Instructions tab before beginning

	Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/ sq.ft ⁶	Soft/unit	Soft/BR	Soft/ sq.ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/ sq.ft ⁶	Subsidy / unit	Leveraging ⁷
Delta of Subject and Comparable Projects	\$ (23,115)	\$ (14,577)	\$ (125)	\$ (25,022)	\$ 74,248	\$ 173	\$ (16,718)	\$ 10,860	\$ 31	\$ (64,257)	\$ 70,910	\$ 182	\$ (28,975)	54.9%
Delta Percentage	-99%	-99%	-99%	-4%	18%	28%	-10%	10%	20%	-8%	14%	23%	-11%	80%
The Kelsey - 240 Van Ness	\$ 223	\$ 174	\$ 2	\$ 617,875	\$ 480,570	\$ 794	\$ 146,999	\$ 114,333	\$ 189	\$ 765,098	\$ 595,076	\$ 983	\$ 228,740	70.1%
Comparable Projects	Average: \$ 23,339	\$ 14,750	\$ 127.14	\$ 642,897	\$ 406,322	\$ 620	\$ 163,717	\$ 103,472	\$ 158	\$ 829,355	\$ 524,166	\$ 800	\$ 257,715	68.9%

Costs lower than comparable average (within 10%) Costs higher than comparable average (within 10%)

	Lot sq.ft	Completion/ start date	# of Units	# of BR ¹	Building Square Footage			Total Project Costs			Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
					Res. ²	Non-Res. Sq. ft.	Total sq. ft.	Acq. Cost ³	Constr. Cost ⁴	Soft Cost							
ALL PROJECTS	Average: 20,586		112	177	103,101	14,159	116,212	\$ 2,617,270	\$ 72,096,359	\$ 18,359,721	\$ 93,006,209	\$ 28,900,925	\$ 90,456,080				
Comparable Projects Completed (filtered)	Average: 22,619		111	183	100,861	17,425	118,286	\$6,303,865	\$69,315,687	\$12,490,035	\$88,109,588	\$28,399,819	\$81,805,722				
Comparable Projects Under Construction (filtered)	Average: 19,474		121	178	109,184	6,396	115,579	339,404	69,188,575	21,553,237	91,081,216	25,637,529	90,741,812				
Comparable Projects In Predevelopment (filtered)	Average: 19,667		105	171	99,258	18,655	114,770	1,208,540	77,784,814	21,035,891	99,827,822	32,665,428	98,820,705				
Total Comparable Projects	Average: 20,586		112	177	103,101	14,159	116,212	\$2,617,270	\$72,096,359	\$18,359,721	\$93,006,209	\$28,900,925	\$90,456,080				
The Kelsey - 240 Van Ness	240 Van Ness	May-23	112	144	85,923	1,270	87,193	\$ 25,000	\$ 69,202,040	\$ 16,463,880	\$ 85,690,920	\$ 25,618,912	\$ 85,665,920	4% LIHTC , IIG,	Type I-B, 8 stories	8	Universal design
Delta of Subject and Comp Project Averages	-6,771		0	-33	-17,178	-12,889	-29,019	(\$2,592,270)	(\$2,894,319)	(\$1,895,841)	(\$7,315,289)	(\$3,282,013)	(\$4,790,160)				
Delta Percentage	-33%		0%	-19%	-17%	-91%	-25%	-99%	-4%	-10%	-8%	-11%	-5%				

PROJECTS COMPLETED		Building Square Footage							Total Project Costs			Total Dev. Cost w/land	Local Subsidy ⁵	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost							
Transbay 7 - Natalie Gubb Comm	222 Beale Street	29,209	Oct-18	120	208	118,251	5,000	123,251	\$ 35,000	\$ 71,287,392	\$ 16,314,468	\$ 87,636,860	\$ 25,560,000	\$ 87,601,860	HCD AHSC Loan	Type I Podium	4-8	3 Buildings - Pueblo structural system, plus Childcare shell
Mission Family Housing	1036 Mission	15,200	Oct-18	88	134	92,462	6,955	99,417	\$ 5,551,029	\$ 48,171,912	\$ 6,583,453	\$ 60,306,394	\$ 17,704,400	\$ 54,755,365	2 HCD Loans (MHP & Type IB	IB	9	
Eddy and Taylor Family Housing	222 Taylor	22,344	Jun-19	113	211	108,440	21,086	129,526	\$ 9,300,000	\$ 66,485,357	\$ 14,837,459	\$ 90,622,816	\$ 22,187,436	\$ 81,322,816	2 HCD Loans (MHP & Type IB	IB	8	Extensive PG&E regional switch required
1296 Shotwell Senior	1296 Shotwell	11,667	Jan-20	94	94	66,153	-	66,153	\$ 831,098	\$ 52,911,717	\$ 1,029,389	\$ 54,772,204	\$ 27,812,014	\$ 53,941,106	4% LIHTC HOME AHP	Type IA	9	Over partial basement
490 South Van Ness	490 S. Van Ness Avenue	14,250	Apr-21	81	121	51,639	28,985	80,624	\$ 18,500,000	\$ 55,011,208	\$ 13,393,811	\$ 86,905,019	\$ 28,892,030	\$ 68,405,019		Type IA	7+	
1950 Mission Street	1950 Mission Street	36,590	Mar-21	157	262	113,432	48,142	161,574	\$ 9,775,000	\$ 106,050,188	\$ 15,171,496	\$ 130,996,684	\$ 44,945,740	\$ 121,221,684	HCD AHSC Loan	Type IA	9	30% of sf art and PDR spaces and Paseo Des Artes
2060 Folsom Street	2060 Folsom	29,075	May-21	127	252	155,648	11,810	167,458	\$ 134,331	\$ 85,292,035	\$ 20,100,172	\$ 105,527,138	\$ 31,697,110	\$ 105,392,207	HCD AHSC Loan	Type IB	9	SEMM
Completed Projects:	Average:	22,619		111	183	100,861	17,425	118,286	6,303,865	69,315,687	12,490,035	88,109,588	28,399,819	81,805,722				

PROJECTS UNDER CONSTRUCTION		Building Square Footage							Total Project Costs			Total Dev. Cost w/land	Local Subsidy ⁵	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost							
500 Turk Street (555 Larkin)	500 Turk Street	18,906	Sep-22	108	186	101,752	7,639	109,391	\$ 1,853,895	\$ 54,251,461	\$ 29,815,020	\$ 85,920,376	\$ 32,400,000	\$ 84,066,481	HCD AHSC Loan	Type I	8	Type I 8 stories on constrained site
681 Florida	681 Florida Street	19,000	Oct-22	130	199	126,830	9,250	136,080	\$ 125,091	\$ 69,184,293	\$ 20,545,793	\$ 89,855,177	\$ 33,826,507	\$ 89,730,066	HCD MHP Loan	Type IB	9	8,400+- PDR
BPUY - Balboa Park Upper Yard	2430 San Jose Ave	30,699	May-23	131	217	164,636	10,741	175,377	\$ -	\$ 91,871,410	\$ 25,522,152	\$ 117,394,562	\$ 30,493,722	\$ 117,394,562	4% Credits: HCD IIG & Type IB	IB	8-9	not incl. (GMP Draft Contract 5/21)
180 Jones Street	180 Jones Street	4,853	Nov-24	70	70	36,166	3,304	39,470	\$ 10,000	\$ 38,293,496	\$ 15,262,708	\$ 53,566,204	\$ 12,858,477	\$ 53,556,204	4% LIHTC + MHP	Type I	9	Small very tight site; studios (95% CD est. updated est at close)
Central Freeway Parcel U	78 Haight Street	5,583	Dec-23	63	63	44,185	3,216	47,401	\$ 37,439	\$ 35,861,808	\$ 18,518,268	\$ 54,417,515	\$ 26,746,467	\$ 54,380,076	9% Fed & SL Credits M	Type I	7	
600 7th Street (fml. 801 Brannan)	600 7th Street	37,800	Jul-24	221	334	181,534	4,223	185,757	\$ 10,000	\$ 125,668,982	\$ 19,654,482	\$ 145,333,464	\$ 17,500,000	\$ 145,323,464	4% Credits: HCD IIG & Type I	I	8	Bids GMP 7/2022; commercial semi-warm shell 4 spaces
Under Construction:	Average:	19,474		121	178	109,184	6,396	115,579	339,404	69,188,575	21,553,237	91,081,216	25,637,529	90,741,812				

PROJECTS IN PREDEVELOPMENT		Building Square Footage							Total Project Costs			Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost							
Mission Bay S. Bl. 9A-HomeOwn	400 China Basin Street	29,939	May-22	148	281	129,712	50,351	180,063	\$ -	\$ 105,209,208	\$ 29,936,428	\$ 135,145,636	\$ 75,184,522	\$ 135,145,636	OClI, IIG	Type I	8	Homeownership. (Loan Eval August 2021 data)
266 4th Street (4th & Folsom)	266 4th Street	8,400	Apr-22	70	99	62,095	1,580	63,675	\$ 133,100	\$ 13,943,417	\$ 15,629,817	\$ 64,058,730	\$ 15,629,817	\$ 63,925,630	4% Credits: AHSC, SL	Type I	8	structurally complex, small footprint
730 Stanyan	730 Stanyan Street	37,813	Apr-23	160	282	173,030	19,728	192,758	\$ -	\$ 124,194,710	\$ 25,845,337	\$ 150,040,047	\$ 34,325,853	\$ 150,040,047	4% Credits: HCD MHP	Type I	8	small spaces, complex design (110% CD), over 3000 sq ft
2550 Irving	2550 Irving Street	19,125	Apr-24	90	161	107,821	-	107,821	\$ -	\$ 70,979,265	\$ 24,948,857	\$ 95,928,122	\$ 25,573,912	\$ 95,928,122	4% LIHTC, HCD - IIG	Type I	7	no PDR space, pkg stacker system; to rez estimate w/10% CD
772 Pacific Avenue	772 Pacific Avenue	9,219	Apr-24	86	86	45,458	8,847	54,305	\$ -	\$ 58,265,200	\$ 17,129,912	\$ 75,395,112	\$ 25,176,182	\$ 75,395,112	4% Credits: MHP, AHP	Type IA	8	Control of Area SF; rest (9/30/21 Loan Eval)
Homeless Prenatal Program Hsq	2530 18th Street	13,504	Sep-23	73	117	79,010	12,768	91,778	\$ 5,909,600	\$ 58,078,289	\$ 14,413,395	\$ 78,401,284	\$ 20,102,281	\$ 72,491,684	4% Credits: MHP, IIG	Type I	8	Schematic Design Dates 3/17/22
In Predevelopment	Average:	19,667		105	171	99,258	18,655	114,770	1,208,540	77,784,814	21,035,891	99,827,822	32,665,428	98,820,705				

Project Name	Compl. Date	Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
		Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft ⁶	Soft/unit	Soft/BR	Soft/sq.ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft ⁶	Subsidy / unit	Leveraging ⁷
Natalie Gubb Commons (TB7)	Oct-18	292	168	1	\$ 594,062	\$ 342,728	\$ 578	\$ 135,954	\$ 78,435	\$ 132	\$ 730,307	\$ 421,331	\$ 711	\$ 213,000	70.8%
Mission Family Housing	Oct-18	63,080	41,426	365	\$ 547,408	\$ 359,492	\$ 485	\$ 74,812	\$ 49,130	\$ 66	\$ 685,300	\$ 450,048	\$ 607	\$ 201,186	70.6%
Eddy & Taylor Family Housing	Jan-19	82,301	44,076	416	\$ 588,366	\$ 315,096	\$ 513	\$ 131,305	\$ 70,320	\$ 115	\$ 801,972	\$ 429,492	\$ 700	\$ 196,349	75.5%
1296 Shotwell Sr	Jan-20	8,841	8,841	71	\$ 562,891	\$ 10,951	\$ 800	\$ 10,951	\$ 800	\$ 420	\$ 582,683	\$ 828	\$ 295,872	\$ 49,2%	
490 South Van Ness	Apr-21	228,395	152,893	1,298	\$ 679,151	\$ 454,638	\$ 682	\$ 166,356	\$ 110,933	\$ 560	\$ 1,072,901	\$ 718,223	\$ 1,078	\$ 356,692	66.8%
1950 Mission Street	Mar-21	62,261	37,309	267	\$ 675,479	\$ 404,772	\$ 656	\$ 96,634	\$ 57,906	\$ 396	\$ 834,374	\$ 811	\$ 286,279	\$ 65.7%	
2060 Folsom Street	May-21	1,062	535	5	\$ 671,591	\$ 338,460	\$ 509	\$ 158,269	\$ 79,763	\$ 204	\$ 830,922	\$ 418,758	\$ 630	\$ 249,584	70.0%
Completed Projects:	Average:	55,790	35,667	314	\$ 616,992	\$ 396,868	\$ 603	\$ 110,469	\$ 65,314	\$ 270	\$ 791,209	\$ 502,932	\$ 766	\$ 256,995	67%

PROJECTS UNDER CONSTRUCTION		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft ⁶	Soft/unit	Soft/BR	Soft/sq.ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft ⁶	Subsidy / unit	Leveraging ⁷
500 Turk Street (555 Larkin)	Sep-22	17,166	9,967	98	\$ 502,328	\$ 291,675	\$ 496	\$ 276,065	\$ 160,296	\$ 273	\$ 759,559	\$ 481,938	\$ 785	\$ 300,000	62.3%
681 Florida	Oct-22	962	629	7	\$ 532,187	\$ 347,860	\$ 508	\$ 158,045	\$ 103,245	\$ 151	\$ 691,				

Attachment I: Development Budget

Application Date: 12/8/22
 Project Name: The Kelsey Civic Center
 Project Address: 240 Van Ness Ave
 Project Sponsor: Mercy Housing California/The Kelsey

Units: 112
 # Bedrooms: 144
 # Beds: 144

SOURCES	23,684,459	1,551,000	37,334,401	20,000,000	1,000,000	868,044	1,000,000	2,942,391	143,559	-	Total Sources	88,523,854	Comments
Name of Sources:	MOHCD/OCII	Perm Loan	HCD - Accelerator	HCD - ASHC	MOHCD Bridge for AHP	MOHCD Accrued Deferred Interest	GGRC	The Kelsey Sponsor Loan	The Kelsey Accrued Deferred Interest				

USES

ACQUISITION

Acquisition cost or value	24,590											24,590	
Legal / Closing costs / Broker's Fee													
Holding Costs													
Transfer Tax													
TOTAL ACQUISITION	24,590	0	0	0	0	0	0	0	0	0	0	24,590	

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab	165,529	1,551,000	37,334,401	15,088,796								54,139,726	FF&E below in soft costs. Includes GC contingency in Comm S&U
Commercial Shell Construction													
Demolition	850,000											850,000	Demolition not a part of positive construction deal. Structured as forgivable loan, but still shown here as a part of the MOHCD contribution.
Environmental Remediation													
Onsite Improvements/Landscaping				1,843,945								1,843,945	
Offsite Improvements													
Infrastructure Improvements													
Parking				49,180								49,180	HOPE SF/OCII costs for streets etc.
GC Bond Premium/GC Insurance/GC Taxes				2,318,595								2,318,595	Rent for McBaines Lot for staging/layout. Not in Cahill contract.
GC Overhead & Profit				544,830	1,000,000			573,829	2,224,218			2,118,659	
GC General Conditions	139,802			154,654				426,171	2,224,218			2,944,845	
Sub-total Construction Costs	1,155,331	1,551,000	37,334,401	20,000,000	1,000,000	0	1,000,000	2,224,218	0	0	0	64,264,950	
Design Contingency (remove at DD)													
Bid Contingency (remove at bid)													
Plan Check Contingency (remove/reduce during Plan Review)								518,392				518,392	0% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM-\$75MM
Hard Cost Construction Contingency	3,001,110											3,200,891	0% up to \$30MM HC, 4% \$30-\$45MM, 2% \$45MM-\$75MM
Sub-total Construction Contingencies	3,001,110	0	0	0	0	0	0	718,173	0	0	0	3,718,283	0.0% new construction / 15% rehab
TOTAL CONSTRUCTION COSTS	4,156,441	1,551,000	37,334,401	20,000,000	1,000,000	0	1,000,000	2,942,391	0	0	0	67,983,233	

SOFT COSTS

Architecture & Design

Architect design fees	1,560,506											1,560,506	See MOHCD A&E Fee Guidelines: http://smhohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)	504,060											504,060	
Architect Construction Admin	566,500											566,500	
Reimbursables													
Additional Services													
Sub-total Architect Contract	2,631,066	0	0	0	0	0	0	0	0	0	0	2,631,066	
Other Third Party design consultants (not included under Architect contract)	398,447											398,447	Title 24, CUAC modeling, GPR, Commissioning, Waterproofing, Building Maintenance, Security Design, Universal Design, Telecom/WiFi
Total Architecture & Design	3,029,513	0	0	0	0	0	0	0	0	0	0	3,029,513	

Engineering & Environmental Studies

Survey	33,670											33,670	Survey and lot line adjustment
Geotechnical studies	56,728											56,728	
Phase I & II Reports	109,179											109,179	Includes asbestos and lead reports
CEQA / Environmental Review consultants													
NEPA / 106 Review													
CNA/PNA (rehab only)													
Other environmental consultants	207,540											207,540	Acumen Industrial Hygiene - air quality monitoring during demolition and construction, \$150k estimate for generator tax.
Total Engineering & Environmental Studies	407,117	0	0	0	0	0	0	0	0	0	0	407,117	

Financing Costs

Construction Financing Costs

Construction Loan Origination Fee	335,990											335,990	
Construction Loan Interest	6,112,437											6,112,437	
Title & Recording	122,950											122,950	
CDLAC & CDIAC fees	0											0	
Bond Issuer Fees	37,600											37,600	Construction Lender Expenses
Other Bond Cost of Issuance												0	
Apple/HSY Construction Loan Interest + Fees	351,667											351,667	
Sub-total Const. Financing Costs	6,960,644	0	0	0	0	0	0	0	0	0	0	6,960,644	

Permanent Financing Costs

Permanent Loan Origination Fee												0	
Credit Enhance. & Appl. Fee												0	
Title & Recording	49,180											49,180	
Sub-total Perm. Financing Costs	49,180	0	0	0	0	0	0	0	0	0	0	49,180	
Total Financing Costs	7,009,824	0	0	0	0	0	0	0	0	0	0	7,009,824	

Legal Costs

Borrower Legal fees	137,704											137,704	Construction and perm closings
Land Use / CEQA Attorney fees													
Tax Credit Counsel													
Bond Counsel													
Construction Lender Counsel	70,000											70,000	
Permanent Lender Counsel													
Other Legal (specify)													
Total Legal Costs	207,704	0	0	0	0	0	0	0	0	0	0	207,704	

Other Development Costs

Appraisal	14,754											14,754	
Market Study	23,819											23,819	
Insurance	885,240											885,240	Based on Mercy Risk team estimate + escalating to 2022 new rate
Property Taxes												0	
Accounting / Audit	60,000											60,000	
Organizational Costs												0	
Entitlement / Permit Fees	1,066,468											1,066,468	School Impact Fees, Site Permit/Addenda, SIP, Public Art
Marketing / Rent-up	701,799											701,799	Includes staff salaries, marketing, and concessions for 80% units
Furnishings	224,000											224,000	See MOHCD UW Guidelines on: http://smhohcd.org/documents-reports-and-forms
PGE / Utility Fees	843,808											843,808	SFPUC water/wastewater, PG&E primary, Comcast trenching allowance
TCAC App / Alloc / Monitor Fees												0	
Financial Consultant fees	89,500											89,500	
Construction Management fees / Owner's Rep	550,206											550,206	Includes Construction Manager/Owners Rep, Construction Testing and Inspections, and Window Water Testing
Security during Construction												0	
Relocation	49,180											49,180	Only \$3k spent to date. Budgeting \$50,000 in the unlikely event there is a late claim.
Financial Consultant fees: AHSC	24,787											24,787	
MOHCD Financial Advisor	45,000											45,000	
Other (specify)												0	
Total Other Development Costs	4,578,561	0	0	0	0	0	0	0	0	0	0	4,578,561	

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,127,850	0	0	0	0	0	0	0	0	0	0	1,127,850	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	16,360,569	0	0	0	0	0	0	0	0	0	0	16,360,569	

RESERVES

Operating Reserves	978,940											978,940	
Replacement Reserves												0	
Tenant Improvements Reserves												0	
Other (specify)												0	
Other (specify)												0	
Other (specify)												0	
TOTAL RESERVES	978,940	0	0	0	0	0	0	0	0	0	0	978,940	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	1,145,000											1,145,000	
Developer Fee - Cash-out At Risk	1,018,919											1,018,919	In Commercial S&U
Commercial Developer Fee												0	
Developer Fee - GP Equity (also show as source)												0	
Developer Fee - Deferred (also show as source)												0	
Development Consultant Fees												0	
Accrued Deferred Interest (MOHCD + AHP / The Kelsey)						868,044			143,559			1,011,603	Need MOHCD approval for this cost, N/A for most projects
TOTAL DEVELOPER COSTS	2,163,919	0	0	0	0	868,044	0	0	143,559	0	0	3,175,522	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	23,684,459	1,551,000	37,334,401	20,000,000	1,000,000	868,044	1,000,000	2,942,391	143,559	0	88,523,854	
Development Cost/Unit as % of TDC by Source	211,468	13,848	333,343									

Attachment J: 1st Year Operating Budget

Application Date: 12/8/2022 Project Name: The Kelsey Civic Center
 Total # Units: 112 Project Address: 240 Van Ness Ave
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2025 Project Sponsor: Mercy Housing California/The Kelsey
Correct errors noted in Col N!

INCOME	Total	Comments
Residential - Tenant Rents	1,834,980	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	294,696	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Space	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	Links from 'Utilities & Other Income' Worksheet
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	6,240	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	
Gross Potential Income	2,135,916	

Vacancy Loss - Residential - Tenant Rents	(92,061)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(14,735)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
EFFECTIVE GROSS INCOME	2,029,120	PUPA: 18,117

OPERATING EXPENSES

Management		
Management Fee	87,360	1st Year to be set according to HUD schedule.
Asset Management Fee	26,009	
Sub-total Management Expenses	113,369	PUPA: 1,012

Salaries/Benefits		
Office Salaries	156,885	Includes 1 PM, 1 APM
Manager's Salary		
Health Insurance and Other Benefits		
Other Salaries/Benefits		
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits	156,885	PUPA: 1,401

Administration		
Advertising and Marketing	3,120	
Office Expenses	44,970	
Office Rent		
Legal Expense - Property	6,000	
Audit Expense		
Bookkeeping/Accounting Services	27,800	Includes audit
Bad Debts		
Miscellaneous		
Sub-total Administration Expenses	81,890	PUPA: 731

Utilities		
Electricity	91,000	Used Natalie Gubb Commons as comp.
Water	174,688	Includes water and sewer. Used Natalie Gubb Commons as comp.
Gas		
Sewer		
Sub-total Utilities	265,688	PUPA: 2,372

Taxes and Licenses		
Real Estate Taxes	5,500	Includes CBD fees
Payroll Taxes	117,419	Staff taxes and benefits
Miscellaneous Taxes, Licenses and Permits	2,500	
Sub-total Taxes and Licenses	125,419	PUPA: 1,120

Insurance		
Property and Liability Insurance	170,000	
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
Sub-total Insurance	170,000	PUPA: 1,518

Maintenance & Repair		
Payroll	132,051	1 FTE Maintenance, 1 FTE Janitor
Supplies	104,256	Includes external maintenance contracts
Contracts		
Garbage and Trash Removal	56,013	
Security Payroll/Contract	134,400	After hours/weekend front desk coverage
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses	22,480	
Sub-total Maintenance & Repair Expenses	448,200	PUPA: 4,002

Supportive Services	204,036	2 FTE Inclusion Concierge, includes weekday front desk coverage, supervision, and
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%

TOTAL OPERATING EXPENSES 1,565,487 PUPA: 13,978

Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	15,000	Ground lease with MOHCD Provide additional comments here, if needed.
Bond Monitoring Fee	n/a	
Replacement Reserve Deposit	56,000	
Operating Reserve Deposit		
Other Required Reserve 1 Deposit		
Other Required Reserve 2 Deposit		
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	71,000	PUPA: 634

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees) 1,636,487 PUPA: 14,611

NET OPERATING INCOME (INCOME minus OP EXPENSES) 392,633 PUPA: 3,506

DEBT SERVICE/MUST PAY PAYMENTS (*hard debt/amortized loans)		
Hard Debt - First Lender	209,918	Perm Loan Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd L)	84,000	HCD - AHSC Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
TOTAL HARD DEBT SERVICE	293,918	PUPA: 2,624

CASH FLOW (NOI minus DEBT SERVICE) 98,715

USES OF CASH FLOW BELOW (This row also shows DSCR.) 1.34

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		
Partnership Management Fee (see policy for limits)	25,130	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		
Other Payments		
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)		Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		Def. Develop. Fee split: 0% Provide additional comments here, if needed.

TOTAL PAYMENTS PRECEDING MOHCD 25,130 PUPA: 224

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) 73,585

Residual Receipts Calculation		
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease? Yes
Will Project Defer Developer Fee?	No	
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1	33%	
% of Residual Receipts available for distribution to soft debt lenders if	67%	

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. recs	\$22,668,930	52.94%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$150,000	0.35%
HCD (soft debt loan) - Lender 3	HCD - AHSC	\$20,000,000	46.71%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	26,143	67% of residual receipts, multiplied by 53.29% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	26,143	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Leas	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 47,442

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	22,913	67% of residual receipts, multiplied by 46.71% -- HCD - AHSC's pro rata share of all soft debt
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	22,913	

REMAINDER (Should be zero unless there are distributions below)		
Owner Distributions/Incentive Management Fee	24,528	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses	0	
Final Balance (should be zero)	0	

Attachment K: 20-year Operating Proforma

The KeyCity Civic Center

Total # Units: 712

	% Annual Increase	Comments	Year																			
			2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
INCOME			Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	
Residential - Lease Fees	0.0%	Contract to contract (no assumptions)	1,500,000	1,512,000	1,524,000	1,536,000	1,548,000	1,560,000	1,572,000	1,584,000	1,596,000	1,608,000	1,620,000	1,632,000	1,644,000	1,656,000	1,668,000	1,680,000	1,692,000	1,704,000	1,716,000	
Residential - Future Maintenance Deposits (Res-LCDP)	0.0%	Contract to contract (no assumptions)	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	
Commercial Parking	0.0%	Contract to contract (no assumptions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Commercial Services	0.0%	Contract to contract (no assumptions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential Services	0.0%	Contract to contract (no assumptions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Residential - Special Operations	0.0%	Contract to contract (no assumptions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Leasehold Improvements	0.0%	Contract to contract (no assumptions)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	
Leasehold - Other	0.0%	Contract to contract (no assumptions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Multi-Family Residential Income	0.0%	Contract to contract (no assumptions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Income	0.0%	Contract to contract (no assumptions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal			2,100,000	2,124,000	2,148,000	2,172,000	2,196,000	2,220,000	2,244,000	2,268,000	2,292,000	2,316,000	2,340,000	2,364,000	2,388,000	2,412,000	2,436,000	2,460,000	2,484,000	2,508,000	2,532,000	
Expenses			Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	
Construction - Building	0.0%	Contract to contract (no assumptions)	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	
Construction - Other	0.0%	Contract to contract (no assumptions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operating Expenses	0.0%	Contract to contract (no assumptions)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	
Capital Expenditures	0.0%	Contract to contract (no assumptions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Expenses	0.0%	Contract to contract (no assumptions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Subtotal			2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	2,100,000	
NET OPERATING INCOME (INCOME minus EXPENSES)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
DEBT SERVICE (MOHCO) (INCOME minus DEBT SERVICE)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
RESIDUAL RECEIPTS CASH FLOW (INCOME minus PAYMENTS PRECEDING MOHCO)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	

Attachment L: Exchange Agreement

FILE NO. 210118

RESOLUTION NO. 95-21

1 [Conveyance and Exchange of Real Property - 234 Van Ness, LLC - 240 Van Ness Avenue
and 234 Van Ness Avenue]

2

3 **Resolution approving and authorizing the Director of Property to convey a portion of**
4 **City-owned real property, located at 240 Van Ness Avenue, in exchange for the real**
5 **property located at 234 Van Ness Avenue with 234 Van Ness, LLC; such conveyance is**
6 **preceded by reconfiguring the properties to deliver a single developable parcel to the**
7 **City for the purposes of building affordable housing; adopting findings that the**
8 **conveyance and exchange is consistent with the General Plan, and the eight priority**
9 **policies of Planning Code, Section 101.1; authorizing the Director of Property to**
10 **execute documents, make certain modifications and take all actions necessary or**
11 **advisable to effectuate the purpose of this Resolution, as defined herein; and adopting**
12 **findings under the California Environmental Quality Act.**

13

14 WHEREAS, The Mayor’s Office of Housing and Community Development
15 (“MOHCD”) is responsible for the funding and development of affordable housing in the City of
16 and County of San Francisco; and

17 WHEREAS, Mercy Housing California, a California non-profit housing developer,
18 and the Kelsey, a California non-profit corporation, received an award from Reinventing Cities,
19 a global design competition organized by C40, for the design of the Kelsey Civic Center
20 project (“Affordable Project”); and

21 WHEREAS, The Affordable Project will include units set aside for individuals with
22 disabilities and fully accessible units and all-electric features to address climate change; and

23 WHEREAS, The City desires to exchange a portion of real property (Assessor’s
24 Parcel Block No. 0811, Lot No. 019) located at 240 Van Ness Avenue (“City Property”) in
25 exchange for the entirety of 234 Van Ness Avenue (“Seller Property”), in order to reconfigure

1 the properties for the delivery of a single developable parcel ("Parcel A") to the City that will be
2 the site of the Affordable Project; and

3 WHEREAS, The Director of Property determines the fair market value of the
4 property being acquired by the City to be of equal or greater value than the City property
5 being transferred to the Seller; and

6 WHEREAS, The Director of Property will initiate the process for Parcel A to be
7 assembled through the application of lot line adjustments and recordation of a new parcel
8 map consisting of Seller Property, 155 Grove Street, currently under the jurisdiction of the
9 Director of Property, and 165 Grove Street, currently under the jurisdiction of MOHCD, to
10 deliver a new single parcel to the City with jurisdiction to MOHCD; and

11 WHEREAS, Mercy Housing Corporation has an exclusive negotiation agreement
12 with the City, acting by and through the Director of Property, dated November 30, 2019, to
13 construct the Affordable Project on Parcel A, a copy of which is on file with the Clerk of the
14 Board in File No. 191111; and

15 WHEREAS, 234 Van Ness, LLC (the "Seller") and City, through the Real Estate
16 Division, after consultation with the Office of the City Attorney, have negotiated an Agreement
17 for the Exchange and Conveyance of Real Estate, a copy of which is on file with the Clerk of
18 the Board in File No. 210118 (the "Exchange Agreement"), to convey the City Property and
19 acquire the Seller Property; and

20 WHEREAS, The Planning Department, through General Plan Referral letter dated
21 January 25, 2021, found that the Affordable Project and Exchange Agreement are not defined
22 as a Project under the California Environmental Quality Act ("CEQA") Guidelines, Sections
23 15378 and 15060(c)(2) (the "CEQA Determination"), and is consistent with the General Plan,
24 and the eight priority policies of Planning Code, Section 101.1 (the "General Plan Findings"),
25

1 which letter is on file with the Clerk of the Board of Supervisors in File No. 210118, and
2 incorporated herein by reference; and

3 RESOLVED, That MOHCD has legal authority, is willing, and is in a position
4 financially and otherwise to assume jurisdiction of Parcel A; and, be it

5 FUTHER RESOLVED, This Board affirms the CEQA determination and adopts
6 General Plan Findings, that this proposed conveyance and acquisition is consistent with the
7 General Plan; and, be it

8 FURTHER RESOLVED, That in accordance with the recommendation of the
9 Director of MOHCD and the Director of Property, the Board of Supervisors approves the
10 Exchange Agreement in substantially the forms presented to the Board, and authorizes the
11 Director of Property (or the Director's designee, to be applied throughout) to accept the deed
12 to Seller Property upon the closing in accordance with the terms and conditions of the
13 Exchange Agreement, reconfigure the Seller Property with 155 Grove Street and 165 Grove
14 Street to assemble Parcel A, and to take any and all actions (including, but not limited to, the
15 execution and delivery of any and all certificates, agreements notices, consents, escrow
16 instructions, closing documents and other instruments or documents) as the Director of
17 Property, after consultation with the Director of MOHCD and the Office of the City Attorney,
18 deems necessary, or appropriate in order to convey the City Property in exchange for the
19 Seller Property pursuant to the Exchange Agreement, or to otherwise effectuate the purpose
20 and intent of this Resolution, such determination to be conclusively evidenced by the
21 execution and delivery by the Director of Property of any such documents; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
23 Property and Director of MOHCD (or the Director's designee), in consultation with the City
24 Attorney, to enter into any additions, amendments, or other modifications to the Exchange
25 Agreement and any other documents or instruments necessary in connection therewith, that

1 the Director of Property and Director of MOHCD determines are in the best interests of the
2 City, do not materially decrease the benefits to the City with respect to the Seller Property, do
3 not materially increase the obligations or liabilities of the City, and are necessary or advisable
4 to complete the transaction contemplated in the Exchange Agreement and that effectuate the
5 purpose and intent of this Resolution, such determination to be conclusively evidenced by the
6 execution and delivery by the Director of Property of any such additions, amendments, or
7 other modifications; and, be it

8 FURTHER RESOLVED, That under the Exchange Agreement City shall indemnify
9 and hold harmless the Seller from, and agree to defend the Seller against, any and all claims,
10 costs and expenses, including without limitation, reasonable attorneys' fees, incurred as a
11 result of any negligent acts or omissions of City, its agents or invitees in, on or about the City
12 Property and, or Seller Property; and, be it

13 FURTHER RESOLVED, That all actions heretofore taken by the offices of the City
14 with respect to the Exchange Agreement and effectuating the purpose of this Resolution are
15 hereby approved, confirmed and ratified; and, be it

16 FURTHER RESOLVED, That MOHCD is hereby authorized to pay 50% of the
17 customary costs associated with escrow and closing, plus any costs City incurs if it elects to
18 procure title insurance, related to the Exchange Agreement; and, be it

19 FURTHER RESOLVED, That within thirty (30) days of the contract being fully
20 executed by all parties, MOHCD shall provide the final contract to the Clerk of the Board for
21 inclusion into the official file.

22
23
24
25

AGREEMENT FOR THE EXCHANGE
AND CONVEYANCE OF REAL ESTATE

by and between the

CITY AND COUNTY OF SAN FRANCISCO
("City")

and

234 VAN NESS, LLC
("234 LLC")

For the conveyance and exchange of

a portion of City owned real property located at 240 Van Ness Avenue (APN 0811-019)

and

234 LLC owned real property located at 234 Van Ness Avenue (APN 0811-018)

January __, 2021

**AGREEMENT FOR THE EXCHANGE
AND CONVEYANCE OF REAL ESTATE**

This Agreement for the Exchange and Conveyance of Real Estate (this "**Agreement**"), dated for reference purposes only as of _____, 2021, by and between the City and County of San Francisco, a municipal corporation, acting by and through the Director of Property (the "**City**"), and 234 Van Ness, LLC, a California limited liability company ("**234 LLC**"), on the basis of the following facts. The City and 234 LLC are each sometimes referred to herein as a "**Party**" and collectively as the "**Parties**".

RECITALS

A. The City, under the jurisdiction of the General Services Administration, Real Estate Division ("**RED**") is the owner of the following real property located in San Francisco, California: 240 Van Ness Avenue (Assessor's Parcel Number 0811-019, referred to herein as "**240 VN**" or "**Parcel 2**"), a 50 X 109 foot lot (approximately 5,450 total square feet) with a 50 X 105 foot building currently located on it ("**240 Building**"). 240 VN is further described in the attached **Exhibit A** ("**Current Diagram**").

B. 234 LLC is the owner of the following real property located in San Francisco, California: 234 Van Ness Avenue (Assessor's Parcel Number 0811-018, referred to herein as "**234 VN**" or "**Parcel 3**"), a 25 X 109 foot lot (approximately 2,725 total square feet,) with a 25 X 109 foot building currently located on it ("**234 Building**"). 234 VN is further described in the attached **Exhibit A**.

C. 250 Van Ness, LLC, a California limited liability company ("**250 LLC**"), which is under common ownership with 234 LLC, is the owner of the following property located in San Francisco: 250 Van Ness Avenue (Assessor's Parcel Number 0811-020, referred to herein as "**250 VN**"), with a building currently located on it ("**250 Building**"). 250 VN is further described in the attached **Exhibit A**. Hereinafter the owner of 234 VN or 250 VN may be referred to as "**McBaine**."

D. 234 VN and 250 VN may be referred to collectively, or individually as "**McBaine Property**". 240 VN and the 240 Building and 234 VN and the 234 Building are sometimes collectively referred to as the "**Property**."

E. The City, under the jurisdiction of RED, is the owner of the following real property located in San Francisco, California: 155 Grove Street (Assessor's Parcel Number 0811-016, referred to herein as "**155 Grove**") with a building currently located on it ("**Grove Building**"). 155 Grove is further described in the attached **Exhibit A**.

F. The City, under the jurisdiction of the Mayor's Office of Housing and Community Development ("**MOHCD**"), is the owner of the following real property located in San Francisco, California: 165 Grove Street (Assessor's Parcel Number 0811-021, referred to herein as "**165 Grove**"). 165 Grove is further described in the attached **Exhibit A**.

G. The Parties have identified mutual benefit from exchanging an approximately

25.95 X 105 square foot portion of the 240 VN (“**Parcel B**”) to McBaine, and 234 VN in its entirety to the City, in order to allow for a reconfiguration of the above referenced parcels, and eventual delivery of a single developable parcel to the City (Parcel A) and a new parcel (“Parcel B”) adjacent to 250 VN to McBaine. This new configuration is further described in **Exhibit B** (“**New Diagram**”).

H. Mercy Housing Corporation (“**Mercy**”) has an exclusive negotiation agreement with City, acting by and through the Director of Property, dated November 30, 2019, to negotiate its potential lease of Parcel A for construction of an affordable housing project (the “**Mercy ENA**”), which was concurred to by The Kelsey, a California non-profit corporation working with Mercy in support of the affordable housing project. By signing this Agreement, Mercy consents to, and The Kelsey concurs with, the reconfiguration of 240 VN as contemplated under this Agreement.

I. To allow for the reconfiguration, the Parties will enter into separate contracts with Mercy for the demolition of the 234 Building, the 240 Building and the Grove Building (collectively referred to herein as the “**Buildings**”).

J. To effectuate this exchange and reconfiguration of the parcels described above, the Parties will cooperate with Mercy to effectuate the conveyance of a deed for 234 VN to City, demolition of the Buildings, application for a lot line adjustment with the relevant City agencies and or departments, recordation of a new parcel map, and recordation and delivery of a Parcel B deed to McBaine and Parcel A deed to City, with jurisdiction to MOHCD. The formal maps and legal descriptions being used in the lot line adjustment application are attached as **Exhibit C** (“**Lot Line Adjustment**”).

K. Each Party acknowledges and agrees that this Agreement is subject to the approval of the Board of Supervisors, and in itself does not grant either Party the right to develop Parcels A or B. Development of any parcel is subject to the approval of the Board of Supervisors, and any relevant City regulatory agencies or departments.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1: PROPERTY EXCHANGE AND ESCROW

1.1. **Exchange of Property.** Subject to the terms and conditions in this Agreement, McBaine agrees to cause the conveyance of the 234 VN to City. The City agrees to deliver to the McBaine at Closing (as defined below), clear title to the new Parcel B (such actions are the “**Exchange**”).

1.2. **Exchange Values.** The Parties agree that, for purposes of the Exchange, the fair market value for Parcel B shall be deemed to be \$1,900,000 and that the fair market value for 234 VN shall be deemed to be \$1,900,000. Neither City nor McBaine will not be required to pay any consideration towards any purchase price.

1.3. **Effective Date and Escrow.** The Effective Date of this Agreement is the date the Director of Property executes this Agreement. Within ten (10) days following the Effective Date, the Parties shall open an escrow for the Exchange (“**Escrow**”) with Chicago Title Company in San

Francisco (the "**Title Company**") and deposit a fully executed copy of this Agreement with Title Company. This Agreement shall serve as instructions to Title Company as the escrow holder for consummation of the Exchange. McBaine and City agree to execute such additional or supplementary instructions as may be reasonably appropriate to enable the Title Company to comply with the terms of this Agreement and effect Closing; provided, however, that if there is any conflict between the provisions of this Agreement and any additional supplementary instructions, the terms of this Agreement shall control.

ARTICLE 2: INVESTIGATION; PROPERTY OPERATION

2.1 Investigation of City Property.

(a) Entry. At all times prior to the Closing Date (as defined in Section 6.1), City shall afford McBaine and its Agents (as defined in Section 9.14) access to 240 VN so McBaine, at its sole election, may independently conduct its due diligence review of all aspects of 240 VN and verify City's representations, warranties and covenants in this Agreement. McBaine shall give City notice of any planned entry of the 240 VN by email or phone to City at least twenty four (24) hours before such entry and shall conduct such entry and any inspections in a manner that reasonably minimizes interference with the current uses of the 240 VN.

(b) On-Site Testing. Notwithstanding anything to the contrary in this Section 2.1, McBaine shall not perform any on-site testing at the City Property without first obtaining the prior written consent of the Director of City's Administrative Services Real Estate Division (the "**Director of Property**"). To obtain such consent, McBaine shall notify the Director of Property of the identity of the party that will perform the testing, the proposed scope of the testing, and any other information reasonably requested by the Director of Property. City shall have the right to reasonably approve or disapprove of the proposed testing within ten (10) business days after receipt of such notice. In addition, City may condition any such approval on the maintenance of adequate general liability, pollution legal liability, business auto and workers compensation insurance by the entity performing such activities, the naming of City as additional insured under such insurance, and the release of any claims against City by the party performing such testing. . If McBaine or its Agents takes any sample from the 240 VN, upon written request, McBaine shall provide to City a portion of such sample being tested to allow City, if it so chooses, to perform its own testing. City or its representative may be present to observe any testing or other inspection performed on 240 VN. If Closing does not occur for any reason, McBaine shall promptly deliver, or cause to be delivered, to City copies of any reports relating to any testing or other inspection of the 240 VN performed by McBaine or its respective Agents. Neither McBaine nor its Agents shall otherwise disclose such information to other parties unless and except to the extent required by Applicable Law (as defined in Section 9.8).

(c) Insurance. McBaine shall maintain, and shall require that its Agents maintain, public liability and property damage insurance in amounts and in form and substance adequate to insure against all liability of McBaine and its Agents, arising out of any entry or inspection of 240 VN, and McBaine shall provide City with evidence of such insurance coverage upon request from City. If McBaine conducts any on-site testing at 240 VN, McBaine, and any of its Agents performing such testing, shall maintain an occurrence-based commercial general liability insurance policy during the period of such testing, with coverage of at least One Million Dollars (\$1,000,000), to insure against all liability of McBaine and its Agents that arises out of any such testing. McBaine shall provide City with (or cause to be provided to City) evidence of such insurance coverage upon request from City.

(d) Indemnification. McBaine hereby agrees to indemnify, protect, defend and hold harmless City, including, but not limited to, all of its boards, commissions, departments, agencies and other subdivisions, all of the Agents of City, and their respective heirs, legal representatives, successors and assigns (collectively, the "**City Indemnified Parties**"), from and against any

Losses (defined as follows) arising out of or relating to the conduct of McBaine or its Agents, as applicable, or its or their activities during any entry on, under or about the 240 VN in performing any inspections, testings or inquiries thereof, whether prior to the date of this Agreement or during the term hereof, for any injuries or deaths to any party (including, without limitation, McBaine's Agents) and damage to any property, from McBaine's and its Agents activities, except to the extent caused by the negligence or willful misconduct of City or its Agents. The foregoing indemnity shall not include any claims resulting from the discovery or disclosure of pre-existing environmental conditions or the non-negligent aggravation of pre-existing environmental conditions on, in, under or about 240 VN. If McBaine's investigation of 240 VN causes any material alteration and this Agreement is terminated for any reason other than City's default hereunder, McBaine shall restore the 240 VN to substantially the same condition it was in prior to such investigation, subject to all Applicable Laws. This indemnity shall survive the termination of this Agreement or the Closing, as applicable.

"Loss" or "Losses" shall mean any and all claims, demands, losses, liabilities, damages (including foreseeable and unforeseeable consequential damages), liens, obligations, interest, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and reasonable costs and expenses of whatever kind or nature, known or unknown, foreseen or unforeseen, or contingent or otherwise, including, without limitation, Attorneys' Fees and Costs. **"Attorneys' Fees and Costs"** shall mean any and all reasonable attorneys' fees, costs, expenses and disbursements, including, but not limited to, expert witness fees and costs, travel time and associated costs, transcript preparation fees and costs, document copying, exhibit preparation, courier, postage, facsimile, long-distance and communications expenses, court costs and the costs and fees associated with any other legal, administrative or alternative dispute resolution proceeding, fees and costs associated with execution upon any judgment or order, and costs on appeal.

2.2 Investigation of McBaine Property.

(a) Entry. At all times prior to the Closing Date, McBaine shall afford City and its Agents access to McBaine Property so City, at its sole election, may independently conduct its due diligence review of all aspects of McBaine Property and verify McBaine's representations, warranties and covenants in this Agreement. Such activities may include tests of the environmental condition of McBaine Property, including, without limitation, the drilling of test wells and the taking of soil borings. City shall give McBaine notice of any planned entry of McBaine Property by email or phone to McBaine at least two (2) business days before such entry and shall conduct such entry and any inspections in a manner that reasonably minimizes interference with the current uses of McBaine Property.

(b) On-Site Testing. Notwithstanding anything to the contrary in this Section 2.2, before performing any on-site testing of McBaine Property, City shall obtain McBaine's prior written consent. To obtain such consent, City shall notify McBaine of the identity of the party that will perform the testing, the proposed scope of the testing, and any other information reasonably requested McBaine. McBaine shall have the right to reasonably approve or disapprove the proposed testing within three (3) business days after receipt of such notice. In addition, McBaine may condition any such approval on the maintenance of adequate general liability, pollution legal liability, business auto and workers compensation insurance by the entity performing such activities, the naming of McBaine as additional insured under such insurance, and the release of any claims against McBaine by the party performing such testing. If City or its Agents takes any sample from McBaine Property, upon written request, City shall provide to McBaine a portion of such sample being tested to allow McBaine, if it so chooses, to perform its own testing. McBaine or its representative may be present to observe any testing or other inspection performed on McBaine Property. If Closing does not occur for any reason, City shall promptly deliver, or cause to be delivered, to McBaine all copies of any reports relating to any testing or other inspection of McBaine Property performed by City or its Agents. Neither City

nor its Agents shall otherwise disclose such information to other parties unless and except to the extent required by Applicable Law.

(c) Insurance. McBaine acknowledges that City is self-insured and shall not be required to maintain insurance in connection with City's inspection of McBaine Property; provided, however, that if City's Agents enter McBaine Property in connection with City's inspection of McBaine Property and such Agents are not City employees or officers, City shall require such Agents to maintain the types and amounts of insurance set forth in Section 2.2(b).

(d) Indemnification. City hereby agrees to indemnify, protect, defend and hold harmless McBaine, including, but not limited to, all of its directors, officers, members, managers, employees, agents, and representatives, including all Agents of McBaine, and their respective heirs, legal representatives, successors and assigns (collectively, the "**McBaine Indemnified Parties**"), from and against any Losses arising out of or relating to the conduct of City or its Agents, as applicable, or its or their activities during any entry on, under or about McBaine Property in performing any inspections, testings or inquiries thereof, whether prior to the date of this Agreement or during the term hereof, including, without limitation, any injuries or deaths to any party (including, without limitation, City's Agents) and damage to any property, from any cause whatsoever, except to the extent caused by the negligence or willful misconduct of McBaine. The foregoing indemnity shall not include any claims resulting from the discovery or disclosure of pre-existing environmental conditions or the non-negligent aggravation of pre-existing environmental conditions on, in, under or about McBaine Property. If City's investigation of McBaine Property causes any material alteration and this Agreement is terminated for any reason other than McBaine's default hereunder, City shall restore McBaine Property to substantially the same condition it was in prior to such investigation, subject to all Applicable Laws. This indemnity shall survive the termination of this Agreement or the Closing, as applicable.

2.3 Property Agreements; No New Improvements. From the Effective Date until the Closing or earlier termination of this Agreement, neither Party shall enter into any binding lease or contract with respect to the Property or construct any improvements on the Property without first obtaining the other Party's prior written consent to such action, which consent shall not be unreasonably withheld or delayed.

ARTICLE 3: [reserved]

ARTICLE 4: TITLE

4.1 Permitted Title Exceptions to the New Parcel.

(a) Parcel B Permitted Title Exceptions. At the Closing, City shall convey all of its right, title and interest in and to Parcel B to McBaine by using the form of deed attached hereto as Exhibit D (the "**City Deed**"). Title to Parcel B shall be subject to (i) liens of local real estate taxes and assessments that are not yet payable, (ii) all existing exceptions and encumbrances, whether or not disclosed by a current preliminary title report or the public records or any other documents reviewed by in its due diligence investigation of Parcel B, but excluding any monetary liens other than for such taxes and assessments, and any other exceptions to title which would be disclosed by an accurate and thorough investigation, survey, or inspection of 240 VN, and (iii) all items of which McBaine has actual or constructive notice or knowledge. All of the foregoing permitted exceptions to title shall be referred to collectively as the "**Parcel B Permitted Title Exceptions**". Without limiting the foregoing, McBaine acknowledges receipt of a preliminary report issued by the Title Company under Order No. _____, dated as of _____, 202_, covering 240 VN and approves all of the exceptions contained therein. If McBaine elects to obtain a policy of owner's title insurance for the Parcel, B such insurance shall be at McBaine's sole cost and expense.

(b) McBaine Property Permitted Title Exceptions. Prior to Closing, within ten (10) business days following the adoption and approval of Resolution(s) submitted to the Board of Supervisors and Mayor of San Francisco authorizing this transaction, including the development of Parcel A for affordable housing, McBaine shall convey its right, title and interest in and to 234 VN to City by using the form of deed attached hereto as **Exhibit E** (the "**McBaine Deed**"). Title to McBaine Property shall be subject to (i) pro rated liens of local real estate taxes and assessments that are not yet payable, (ii) the exceptions shown as Item _____ in the preliminary report issued by the Title Company for Title No. _____, dated _____, 202_, and (iii) any other exceptions approved in writing by City in its sole discretion. All of the foregoing permitted exceptions to title shall be referred to collectively as the "**McBaine Property Permitted Title Exceptions**" and shall be reflected in a CLTA owner's title insurance policy (the "**City Title Policy**") issued by the Title Company to City, with such coinsurance or reinsurance and direct access agreements and endorsements as City may reasonably request, in an amount specified by City to the Title Company, insuring City's fee interest in 234 VN, subject only to McBaine Property Permitted Title Exceptions, all at the sole cost and expense of City.

(c) Title Defect. If at the time scheduled for Closing, any of the Property is (i) subject to possession by others, (ii) subject to rights of possession other than those of McBaine or City, as the case may be, or (iii) encumbered by a lien, encumbrance, covenant, assessment, easement, lease, tax or other matter (except for a Parcel B Permitted Title Exception or a McBaine Property Permitted Title Exception, or anything caused by the action or inaction of the acquiring Party) that would materially affect the proposed development or use of such Property, as determined by the acquiring Party in its sole discretion ("**Title Defect**"), City or McBaine, as the case may be, will have up to sixty (60) days from the date scheduled for Closing to cause the removal of the Title Defect. The Closing will be extended to the earlier of five (5) business days after the Title Defect is removed or the expiration of such sixty (60) day period (the "**Extended Closing**").

(d) Remedies With Respect to Uncured Title Defect. If a Title Defect still exists at the date specified for the Extended Closing, unless the Parties mutually agree to further extend such date, the acquiring Party of such affected Property may by written notice to the other Party either (i) terminate this Agreement or (ii) accept conveyance of such affected Property. If the acquiring Party accepts conveyance of such affected Property, the Title Defect will be deemed waived but solely with respect to any action by the acquiring Party against the other Party. If the acquiring Party does not accept conveyance of the affected Property and fails to terminate this Agreement within seven (7) days after the date specified for the Extended Closing, or any extension provided above, either Party may terminate this Agreement upon three (3) days' written notice to the other Party. If this Agreement is terminated under this Section, neither Party shall have any further remedies under this Agreement against the other Party with respect to such termination nor any other rights or remedies, except for those that expressly survive the termination of this Agreement.

4.2 Responsibility for Title Insurance. Each Party understands and agrees, on behalf of itself and its transferees, that the right, title and interest in the Property conveyed by such Party on the Closing Date shall not exceed that vested in such Party immediately prior to the Closing Date, and neither Party is under any obligation to furnish any policy of title insurance in connection with this transaction. Each Party recognizes that any physical monument of any of the Property's boundary lines may not correspond to the legal description of such Property. Neither Party shall be responsible for any discrepancies in the area or location of the property lines or any other matters that an accurate survey or inspection might reveal. It is the sole responsibility of each Party to obtain a survey and a policy of title insurance, if desired, and to investigate any and all title, survey and inspection matters affecting the Property it intends to acquire under this Agreement.

4.3 Legal Descriptions; Parcel Legal Status.

(a) Parcel B is currently not a separate legal parcel and the Parties agree to use the legal description for Parcel B within **Exhibit C** ("Lot Line Adjustment Application Legal Descriptions and Maps" and the legal description for McBaine Property (the "**McBaine Legal Description**") within **Exhibit C** to effect the Exchange; provided that Parcel B Legal Description shall be amended, if necessary, to conform to the Record Survey.

(b) Parcel B is a portion of 240 VN. As a condition to closing, City shall cause a Record Survey and the City Quitclaim Deed in the form of **Exhibit D** and 234 shall cause the 234 Grant Deed in the form of **Exhibit E** to be recorded in the Official Records of San Francisco County prior to Closing (the "**Record Survey Condition**"). The existing parcel map and the post-Exchange parcel maps are detailed in **Exhibit C**. McBaine acknowledges and agrees that City is accepting McBaine Property from McBaine pursuant to this Agreement in its proprietary capacity, not its regulatory capacity.

(c) The obligations of each Party to convey title to property not currently legally subdivided to the other under this Agreement are conditioned on the approval by the City exercising its regulatory authority of a subdivision creating such property as a legal parcel and the satisfaction of the Record Survey Condition.

ARTICLE 5: REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of McBaine. McBaine represents and warrants to and covenants with City as of the Effective Date and as of the Closing Date as set forth below. "**McBaine's actual knowledge**" means the actual knowledge of Justin McBaine, without a duty of independent inquiry and without personal liability.

(a) To McBaine's actual knowledge, no document or instrument furnished or to be furnished by McBaine to the City in connection with this Agreement contains or will contain any untrue statement of material fact or omits or will omit a material fact necessary to make the statements contained therein not misleading, under the circumstances under which any such statement shall have been made.

(b) The copies of the leases affecting 234 VN provided by McBaine to the City are true and complete copies of all leases in effect with respect to 234 VN.

(c) To McBaine's actual knowledge, no condemnation, has either been instituted or planned to be instituted by any governmental or quasi-governmental agency other than City which could detrimentally affect the use, operation or value of McBaine Property.

(d) To McBaine's actual knowledge, McBaine has not received notice of (i) a claim to any easements or rights of way which have been acquired by prescription or which are otherwise not of record with respect to McBaine Property, (ii) a claim to any easements, rights of way, permits, licenses or other forms of agreement which afford third parties the right to traverse any portion of McBaine Property to gain access to other real property, or (iii) any disputes with regard to the location of any fence or other monument of McBaine Property's boundary nor any claims or actions involving the location of any fence or boundary.

(e) There is no litigation pending or, after due and diligent inquiry, to McBaine's actual knowledge, threatened, against McBaine or any basis therefor that arises out of the ownership of McBaine Property or that might detrimentally affect the use or operation of McBaine Property for its intended purpose as an affordable housing site, or the value of McBaine Property or the ability of McBaine to perform its obligations under this Agreement.

(f) McBaine is the legal and equitable owner of McBaine Property, collectively own the entire McBaine Property and have the full right to convey the same, and without limiting the generality of the foregoing, McBaine has not granted any option or right of first refusal or first opportunity to any third party to acquire any interest in any of McBaine Property. The leases between 234 VN and the tenants in the 234 Building include provisions permitting 234 VN to terminate such leases upon no more than 60 days' prior notice and accordingly McBaine will terminate the leases pursuant to such provisions prior to demolition of 234 VN and therefore no entities or individuals will have a claim for relocation assistance related to the conveyance of 234 VN to City.

(g) 234 LLC and 250 LLC are limited liability companies, duly organized and validly existing under the laws of the State of California, and is in good standing under the laws of the State of California; this Agreement and all documents executed by McBaine which are to be delivered to City at the Closing are, or at the Closing will be, duly authorized, executed and delivered by each of the parties that comprise McBaine, are, or at the Closing will be, legal, valid and binding obligations of such party, enforceable against such party in accordance with their respective terms, and do not, and at the Closing will not, violate any provision of any agreement or judicial order to which such party is a party or to which McBaine or the McBaine Property is subject.

(h) McBaine represents and warrants to City that it has not been suspended by or prohibited from contracting with, any federal, state or local governmental agency. If McBaine has been so suspended or prohibited from contracting with any governmental agency, it shall immediately notify the City of same and the reasons therefore together with any relevant facts or information requested by City. Any such suspension or prohibition may result in the termination or suspension of this Agreement.

(i) McBaine hereby represents and warrants to and covenants with City that, to McBaine's actual knowledge, other than as set forth in the Phase 1 ESA and the Pre-Demo Report, the following statements are true and correct and will be true and correct as of the Closing Date: (i) the McBaine Property is not in violation of any Environmental Laws; (ii) the McBaine Property is not now has it ever been used in any manner for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Material; (iii) there has been no release and there is no threatened release of any Hazardous Material in, on, under or about the McBaine Property; (iv) there are not now any underground storage tanks, septic tanks or wells or any aboveground storage tanks at any time used to store Hazardous Material located in, on or under the McBaine Property; (v) the McBaine Property does not consist of any landfill or of any building materials that contain any Hazardous Material; and (vi) the McBaine Property is not subject to any claim by any governmental regulatory agency or third party related to the release or threatened release of any Hazardous Material, and there is no inquiry by any governmental agency (including, without limitation, the California Department of Toxic Substances Control or the Regional Water Quality Control Board) with respect to the presence of Hazardous Material in, on, under or about McBaine Property, or the migration of Hazardous Material from or to other property. As used in this Agreement, the following terms shall have the meanings below:

(i) "**Environmental Laws**" shall mean any present or future federal, state or local laws, ordinances, regulations or policies relating to Hazardous Material (including, without limitation, their use, handling, transportation, production, disposal, discharge or storage) or to health and safety, industrial hygiene or environmental conditions in, on, under or about the Property, including, without limitation, soil, air and groundwater conditions.

(ii) "**Hazardous Material**" shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to

the environment. "Hazardous Material" includes, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" under the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended, (42 U.S.C. Sections 9601 et seq.) or under Section 25281 or 25316 of the California Health & Safety Code; any "hazardous waste" as defined in Section 25117 or listed under Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials (whether or not such materials are part of the structure of any existing improvements on the Property, any improvements to be constructed on the Property, or are naturally occurring substances on, in or about the Property); and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. "Hazardous Material" shall not include any material used or stored at the Property in limited quantities and required in connection with the routine operation and maintenance of the Property, if such use and storage complies with all applicable Hazardous Material Laws.

(iii) "**Hazardous Material Laws**" shall mean any present or future federal, state or local laws, rules, regulations or policies relating to Hazardous Material (including, without limitation, its handling, transportation or release) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Property and any other property, including, without limitation, soil, air, air quality, water, water quality and groundwater conditions. "Hazardous Materials Laws" includes, without limitation, CERCLA, as amended by SARA, the RCRA, the Clean Water Act, TSCA, the Hazardous Materials Transportation Act (49 U.S.C. Section 1801 et seq.), the California Superfund law, the Hazardous Waste Control Act (California Health and Safety Code Section 25100 et seq.), the Business Plan Law, Porter-Cologne Water Quality Control Act (California Water Code Section 13000 et seq.), Proposition 65, City's Pesticide Ordinance (Chapter 39 of the San Francisco Administrative Code), and Article 20 of the San Francisco Public Works Code ("Analyzing Soils for Hazardous Waste").

(iv) "**Release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or inside any of the improvements, or in, on, under or about the Property or into the environment. Release shall include, without limitation, "release" as defined in Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601).

(j) At the time of Closing there will be no leases or occupancy agreements to which McBaine is a party affecting 234 VN. At the time of Closing, there will be no outstanding written or oral contracts made by McBaine for any improvements located on 234 VN that have not been fully paid for and McBaine shall cause to be discharged all mechanics' or materialmen's liens arising from any labor or materials furnished to 234 VN on behalf of McBaine or its Agents prior to Closing. There are no obligations in connection with 234 VN incurred prior to Closing which will be binding upon City after Closing.

(k) 234 LLC, 250 LLC, and McBaine are not a "foreign person" within the meaning of Section 1445(f)(3) of the Federal Tax Code and McBaine is not subject to withholding under Section 18662 of the California Revenue and Taxation Code.

5.2 Hazardous Substance Disclosure. California law requires sellers to disclose to buyers the presence or potential presence of certain Hazardous Materials. Accordingly, each of City and McBaine is hereby advised that occupation of Parcel B or 234 VN may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. By execution of this Agreement, each of City and McBaine acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Section 25359.7 and related statutes. In addition, each of City and

McBaine acknowledge receipt of that certain Phase 1 Environmental Site Assessment Report dated May 5, 2020 prepared by Partner Engineering and Science, Inc. (the "Phase 1 ESA") and that certain Asbestos, Lead, PCBs and Other Hazardous Building Materials Investigation Pre-Demolition Survey Report dated October 2020 prepared by Acumen Industrial Hygiene, Inc. (the "Pre-Demo Report").

5.3 As-Is Condition of Parcel B; Release of City. MCBAIN SPECIFICALLY ACKNOWLEDGES AND AGREES THAT CITY IS CONVEYING AND MCBAIN IS ACQUIRING CITY'S INTEREST IN PARCEL B ON AN "AS IS WITH ALL FAULTS" BASIS. MCBAIN IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM CITY OR ITS AGENTS AS TO ANY MATTERS CONCERNING PARCEL B, ITS SUITABILITY FOR MCBAIN'S INTENDED USES OR ANY OF THE PROPERTY CONDITIONS THEREOF. MCBAIN ACKNOWLEDGES THAT PARCEL B IS NOT A SEPARATE LEGAL PARCEL AS OF THE EFFECTIVE DATE. CITY DOES NOT GUARANTEE THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL, ZONING, OTHER CONDITIONS OF PARCEL B OR THE SUITABILITY OF PARCEL B FOR ANY USE, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF PARCEL B OR ITS USE WITH ANY APPLICABLE LAWS. IT IS MCBAIN'S SOLE RESPONSIBILITY TO DETERMINE ALL BUILDING, PLANNING, ZONING AND OTHER REGULATIONS AND APPLICABLE LAWS, INCLUDING ANY PUBLIC TRUST CLAIMS, RELATING TO PARCEL B AND THE USES TO WHICH IT MAY BE PUT.

As part of its agreement to accept Parcel B in its "as is and with all faults" condition, McBaine, on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases and discharges, City or its respective Agents, and their respective heirs, successors, legal representatives and assigns, from any and all Losses, whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (i) the use of Parcel B by City or its Agents or invitees, (ii) any failure of Parcel B to comply with the Subdivision Map Act, or (iii) the physical, geological or environmental condition of Parcel B, including, without limitation, any Hazardous Material in, on, under, above or about Parcel B and any federal, state, local or administrative law, rule, regulation, order or requirement applicable thereto, including, without limitation, all Environmental Laws.

In connection with the foregoing release, McBaine expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

By placing its initials below, McBaine specifically acknowledges and confirms the validity of the releases made above and the fact that McBaine was represented by counsel who explained, at the time of this Agreement was made, the consequences of the above releases.

INITIALS: McBaine: APM/LS

5.6 As-Is Condition of 234 VN Property; Release of McBaine. CITY SPECIFICALLY ACKNOWLEDGES AND AGREES THAT MCBAIN IS CONVEYING AND CITY IS ACQUIRING MCBAIN'S INTEREST IN 234 VN ON AN "AS IS WITH ALL FAULTS" BASIS. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 4.1 ABOVE, CITY IS RELYING SOLELY ON ITS INDEPENDENT INVESTIGATION AND NOT ON ANY

REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, FROM MCBAINES OR ITS AGENTS AS TO ANY MATTERS CONCERNING 234 VN, ITS SUITABILITY FOR CITY'S INTENDED USES OR ANY OF THE PROPERTY CONDITIONS THEREOF. EXCEPT AS EXPRESSLY SET FORTH IN SECTION 4.1 ABOVE, MCBAINES DOES NOT GUARANTEE THE LEGAL, PHYSICAL, GEOLOGICAL, ENVIRONMENTAL, ZONING, OTHER CONDITIONS OF 234 VN OR THE SUITABILITY OF 234 VN FOR ANY USE, NOR DOES IT ASSUME ANY RESPONSIBILITY FOR THE COMPLIANCE OF 234 VN OR ITS USE WITH ANY APPLICABLE LAWS. IT IS CITY'S SOLE RESPONSIBILITY TO DETERMINE ALL BUILDING, PLANNING, ZONING AND OTHER REGULATIONS AND APPLICABLE LAWS RELATING TO 234 VN AND THE USES TO WHICH IT MAY BE PUT.

As part of its agreement to accept 234 VN in its "as is and with all faults" condition, City, on behalf of itself and its successors and assigns, waives any right to recover from, and forever releases and discharges, McBaine and its respective Agents, and their respective heirs, successors, legal representatives and assigns, from any and all Losses, whether direct or indirect, known or unknown, foreseen or unforeseen, that may arise on account of or in any way be connected with (i) the use of 234 VN by McBaine or its Agents or invitees, (ii) any failure of 234 VN to comply with the Subdivision Map Act, or (iii) the physical, geological or environmental condition of 234 VN, including, without limitation, any Hazardous Material in, on, under, above or about 234 VN and any federal, state, local or administrative law, rule, regulation, order or requirement applicable thereto, including, without limitation, all Environmental Laws. In connection with the foregoing release, City expressly waives the benefits of Section 1542 of the California Civil Code, which provides as follows

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

By placing its initials below, City specifically acknowledges and confirms the validity of the releases made above and the fact that City was represented by counsel who explained, at the time of this Agreement was made, the consequences of the above releases.

INITIALS: City: _____

ARTICLE 6: CONDITIONS PRECEDENT TO CLOSING

6.1 City's Conditions Precedent. The following are conditions precedent to City's obligations under this Agreement as of the Closing Date to acquire 234 VN and convey Parcel B to McBaine (each, a "**City Condition Precedent**", and collectively, the "**City's Conditions Precedent**"):

(a) No event of default (or event which upon the giving of notice or the passage of time or both shall constitute an event of default) shall exist on the part of McBaine under this Agreement, and each of McBaine's representations and warranties under this Agreement shall be true and correct.

(b) McBaine shall have performed all of the obligations under this Agreement it is required to perform on or before the Closing, including any action required to complete demolition of the 234 Building and the Lot Line Adjustment, depositing into Escrow any sums required to be paid by Company under this Agreement.

(c) The Title Company shall be irrevocably committed to issue the City Title Policy at Closing on payment by City of all required premiums.

(d) There shall be no pending or threatened (i) condemnation, environmental or other pending governmental proceedings in respect of McBaine Property that would materially and adversely affect City's use thereof or (ii) litigation affecting McBaine Property.

(e) There shall be no material adverse change in the condition of McBaine Property from the Effective Date to the Closing Date, unless such change is caused by the acts of City or its Agents.

(f) McBaine shall have removed all of its equipment and personal property from McBaine Property, if any.

(g) The Exchange shall have been finally approved by all applicable City departments and agencies, in their respective sole discretion, on or before the Closing Date.

(h) A Resolution approving of the creation of Parcel B and the Exchange (the "**Resolution**") in accordance with and subject to City's Charter shall have been adopted by City's Board of Supervisors and Mayor, in their respective sole and absolute discretion, and duly enacted (the "**City Approval Condition**").

(i) The Record Survey Condition shall be satisfied.

(j) As of the Closing Date, there shall be no tenants in occupancy of the 234 Building.

(k) Demolition of the 234 Building shall have been completed as evidenced by the approval of final inspection and satisfaction of all conditions imposed in the demolition permit issued by the City.

(l) The filling of the existing basement space following demolition of the 234 Building to adjacent Van Ness Avenue sidewalk grade with engineered compacted fill has been completed as certified to City by the independent engineering consultant which observed such work

(m) All of the forgoing conditions in this Section 6.1 shall have been satisfied by June 30, 2022.

6.2 Failure of City's Conditions Precedent; Cooperation of McBaine. Each City Condition Precedent is intended solely for the benefit of City. If any City Condition Precedent is not satisfied by the Closing Date or by the date otherwise provided above, City may, at its sole election and by written notice to McBaine, extend the date for satisfaction of the condition, waive the condition in whole or part, conditionally waive the condition in whole or in part, or terminate this Agreement. Notwithstanding anything to the contrary in the foregoing, if any such conditional waiver is not acceptable to McBaine in its sole discretion, McBaine may reject such conditional waiver, in which event the original City Condition Precedent shall remain effective, and if not satisfied, shall entitle City to terminate this Agreement. If City elects to so terminate this Agreement, then upon any such termination, neither Party shall have any further rights nor obligations hereunder except for those that expressly survive termination of this Agreement.

McBaine shall cooperate with City and do all acts as may be reasonably requested by City to fulfill any City Condition Precedent, including, without limitation, execution of any documents, applications or permits. McBaine's representations and warranties to City shall not be affected or released by City's waiver or fulfillment of any City Condition Precedent.

McBaine hereby irrevocably agrees that City and its Agents may make all inquiries with and applications to any party, including, without limitation, any regulatory authority with jurisdiction as City may reasonably require to complete its due diligence investigations.

6.3 McBaine Conditions Precedent. The following are conditions precedent to McBaine's obligations under this Agreement to acquire Parcel B and to cause 234 VN to be conveyed to City (each, a "**McBaine Condition Precedent**", and collectively, the "**McBaine Conditions Precedent**"):

(a) No event of default (or event which upon the giving of notice or the passage of time or both shall constitute an event of default) shall exist on the part of City under this Agreement and each of City's representations and warranties under this Agreement shall be true and correct.

(b) City shall have performed all of the obligations under this Agreement it is required to perform on or before the Closing, including depositing into Escrow any sums required to be paid by City under this Agreement.

(c) There shall be no pending or threatened (i) condemnation, environmental or other pending governmental proceedings in respect Parcel B that would materially and adversely affect McBaine's intended use thereof or (ii) litigation affecting Parcel B.

(d) There shall be no material adverse change in the condition of Parcel B, from the Effective Date to the Closing Date, that may impact McBaine's intended use of Parcel B.

(e) The City Approval Condition and the Record Survey Condition shall have been completed.

(f) Demolition of the 240 Building shall have been completed as evidenced by the approval of final inspection and satisfaction of all conditions imposed in the demolition permit issued by the City.

(g) The filling of the existing basement space following demolition of the 240 Building to adjacent Van Ness Avenue sidewalk grade with engineered compacted fill has been completed as certified to McBaine by the independent engineering consultant which observed such work.

(h) All of the forgoing conditions in this Section 6.3 shall have been satisfied by June 30, 2022.

6.4 Failure of Any McBaine Conditions Precedent. Each McBaine Condition Precedent is intended solely for the benefit of McBaine. If any McBaine Condition Precedent is not satisfied on or before the required completion date specified therefor (or by the date otherwise provided above or as such date may be extended as permitted hereby), McBaine may, at its option and by written notice to City, extend the date for satisfaction of the condition, waive the condition in whole or in part or conditionally waive in whole or in part, in writing the condition precedent or terminate this Agreement. Notwithstanding anything to the contrary in the foregoing, if any such conditional waiver is not acceptable to City in its sole discretion, City may reject such conditional waiver, in which event the original McBaine Condition Precedent shall remain effective, and if not satisfied, shall entitle McBaine to terminate this Agreement. If McBaine elects to so terminate this Agreement, neither Party shall have any further rights or obligations hereunder except for those that expressly survive the termination of this Agreement.

6.5 Notification Obligation.

(a) From and after the Effective Date through to the Closing Date, City shall promptly deliver written notice to notify McBaine if City becomes aware of or receives notice of any actual or threatened litigation with respect to Parcel B, any violation of Applicable Law affecting or related to Parcel B, or any other material adverse change in the condition of Parcel B. Such notification shall include all material facts known by City relative to such matter.

(b) From and after the Effective Date through to the Closing Date, McBaine shall promptly deliver written notice to City if McBaine becomes aware of or receives notice of any actual or threatened litigation with respect to McBaine Property, any violation of Applicable Law affecting or related to McBaine Property, or any other material adverse change in the condition of McBaine Property. Such notification shall include all material facts known by McBaine relative to such matter.

ARTICLE 7: CLOSING

7.1 Closing Date. "**Closing**" shall mean the consummation of the Exchange pursuant to the terms and conditions of this Agreement, and the date on which the Closing shall occur shall be on or before the fifth (5th) Business Day immediately following the satisfaction of the City Approval Condition (the "**Closing Date**"). The Closing Date may not be extended without the prior written approval of the Parties, except as otherwise expressly provided in this Agreement. If the Closing does not occur on or before the Closing Date, Title Company shall, unless it is notified by both Parties to the contrary within five (5) days after the Closing Date, return each item deposited in Escrow to the Party that deposited such item. Any such return shall not, however, limit the provisions hereof or otherwise relieve either Party of any liability it may have for its wrongful failure to perform its obligations under this Agreement.

7.2 Deposit of Documents for Closing.

(a) At least one (1) Business Day before the Closing Date, City shall deposit the following items into Escrow:

(i) Parcel B Deed, duly executed and acknowledged by City and conveying Parcel B to McBaine (or to McBaine's nominee, provided such nominee is reasonably acceptable to City) subject to Parcel B Permitted Title Exceptions;

(ii) any funds City is required to deposit into Escrow in accordance with this Agreement;

(iii) a certified copy of the Resolution;

(iv) an owner's affidavit to the Title Company in a form reasonably acceptable to City, regarding the status of parties in possession and any work of improvement which might be the subject of a mechanics lien and providing indemnification from any such lien on Parcel B; and

(iii) a preliminary closing statement approved by City.

(b) At least one (1) Business Day before the Closing Date, McBaine shall deposit the following items into Escrow:

(i) the 234 VN Deed, duly executed and acknowledged by McBaine and conveying 234 VN to City subject to McBaine Property Permitted Title Exceptions;

(ii) an owner's affidavit to the Title Company in a form reasonably acceptable to City, regarding the status of parties in possession and any work of improvement which might be the subject of a mechanics lien and providing indemnification from any such lien on 234 VN;

(iii) any funds McBaine is required to deposit into Escrow in accordance with this Agreement; and

(iv) a preliminary closing statement approved by McBaine.

(c) City and McBaine shall each deposit such other instruments as are reasonably required by the Title Company or otherwise required to effect Closing in accordance with the terms hereof.

(d) As of Closing, the Title Company shall record in the Official Records the certified copy of the Resolution, any and all documentation requisite to the Lot Line Adjustment and the Parcel B Deed and the 234 Deed.

(e) As of Closing, the Title Company shall issue the City Title Policy to City, at City's expense, and McBaine Title Policy to McBaine, at McBaine's expense.

(f) Unless the Parties otherwise expressly agree in writing at or prior to the Closing Date, as of Closing, all pre-conveyance conditions of the Parties with respect to the Property shall be deemed satisfied or waived by the Party or Parties benefited by such condition.

7.3 Expenses. Any transfer taxes assessed on the conveyance of Parcel B to McBaine and any fees related to the recording of the McBaine Deed pursuant to this Agreement shall be paid by McBaine and any transfer taxes assessed on the conveyance of 234 VN Property to City pursuant to this Agreement and any fees related to recording the Parcel B Deed shall be waived in this transaction. The Parties shall each pay fifty percent (50%) of any Escrow fees for the Closing.

7.4 Prorations. Any real property taxes or assessments for the Property shall be prorated as of the Closing Date. McBaine shall pay for all utilities used at McBaine Property prior to the Closing Date and for all utilities used at Parcel B on and after the Closing Date. City shall pay for all utilities used at Parcel B prior to the Closing Date and for all utilities used at 234 VN on and after the Closing Date. Any utility deposits paid by City for Parcel B prior to the Closing Date shall remain the property of City, and McBaine shall reasonably cooperate to cause the return of such deposits to City to the extent City is entitled thereto. Any utility deposits paid by McBaine for 234 VN prior to the Closing Date shall remain the property of McBaine, and City shall reasonably cooperate to cause the return of such deposits to McBaine to the extent McBaine is entitled thereto. If any of the foregoing prorations cannot be accurately calculated on the Closing Date, they shall be calculated as soon as reasonably feasible after the Closing Date. Either Party owing the other Party a sum of money based on such subsequent prorations shall promptly pay such sum to the other Party.

ARTICLE 8: DEFAULT AND REMEDIES

8.1 Default; Right to Specific Performance. If either Party fails to perform its obligations under this Agreement (except as excused by the other Party's default), including, without limitation, a failure to convey Parcel B or 234 VN at the time and in the manner provided for hereunder, the Party claiming default may, at its sole election, make written demand for performance. If the Party receiving such demand for performance fails to comply with such written demand within thirty (30) days after such notice is delivered, the Party claiming default will have the option to (i) waive such default, (ii) demand specific performance or (iii) terminate this Agreement, in each case by written notice to the defaulting Party. If a Party becomes aware

of a default by the other Party under this Agreement that relates to Parcel B or 234 VN before the Closing Date and the Party elects to proceed with the Closing, then the Party that elects to proceed shall be deemed to have waived the default.

8.2 Termination. If any Party terminates this Agreement pursuant to this Article 8, such Party shall have the right to seek all legal remedies available to such Party.

ARTICLE 9: GENERAL PROVISIONS

9.1 Notices. Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to be delivered upon (i) personal delivery, or the day the addressee refuses to accept such delivery, (ii) one (1) business day after being deposited with a reliable overnight courier service, or (iii) two (2) days after being deposited in the United States mail, registered or certified mail, postage prepaid, return receipt required, and addressed as follows:

If to McBaine:	234 Van Ness, LLC c/o AIDiLa Investments 1686 Union Street, Suite 203 San Francisco, CA 94123 Attn: Justin McBaine Telephone: (415) 466-8239
With a copy to:	Farella Braun + Martel LLP 235 Montgomery Street San Francisco, CA 94104 Attn: Richard M. Shapiro Telephone: (415) 954-4934
If to City:	Director of Property City and County of San Francisco 25 Van Ness Avenue, Suite 400 San Francisco, CA 94102 Facsimile: (415) 554-9216 Telephone: (415) 554-9875
With a copy to:	Office of the City Attorney Room 234, City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 Attn: Heidi Gewertz Facsimile: (415) 554-4755 Telephone: (415) 554-4703 _____

For the convenience of the Parties, copies of notice may also be given by facsimile, but a Party may not give official or binding notice by facsimile and the effective time of a notice shall not be affected by the receipt, prior to receipt of the original, of a facsimile copy of the notice.

Every notice given to a Party pursuant to this Agreement must state (or must be accompanied by a cover letter that states) substantially the following: (A) the Section of this Agreement under which the notice is given and the action or response required, if any; (B) if applicable, the period of time within which the recipient of the notice must respond thereto; (C) if approval is being requested, shall be clearly marked "Request for Approval"; and (D) if a

notice of a disapproval or an objection which requires reasonableness, shall specify with particularity the reasons therefor.

Any mailing address or facsimile number may be changed at any time by giving written notice of such change in the manner provided above at least ten (10) days prior to the effective date of the change. If delivery of any notice given pursuant to this Agreement is rejected, such notice shall be deemed to have been made on the attempted delivery date.

9.2 Amendments. Except as otherwise provided in this Agreement, this Agreement may be amended or modified only by a written instrument executed by City and McBaine. The Director of Property of City (or any successor City officer as designated by law) shall have the authority to consent to any non-material changes to this Agreement. For purposes hereof, "non-material change" shall mean any change that does not materially reduce the consideration to City under this Agreement or otherwise materially increase the liabilities or obligations of City under this Agreement. Material changes to this Agreement shall require the approval of City's Board of Supervisors by resolution.

9.3 Severability. If any provision of this Agreement, or its application to any party or circumstance, is held invalid by any court, the invalidity or inapplicability of such provision shall not affect any other provision of this Agreement or the application of such provision to any other party or circumstance, and the remaining portions of this Agreement shall continue in full force and effect, unless enforcement of this Agreement as so modified by and in response to such invalidation would be unreasonable or grossly inequitable under all of the circumstances or would frustrate the fundamental purposes of this Agreement.

9.4 Non-Waiver. Except as expressly set forth herein to the contrary, a Party's delay or failure to exercise any right under this Agreement shall not be deemed a waiver of that or any other right contained in this Agreement.

9.5 Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors, heirs, legal representatives, administrators and assigns. Neither Party's rights or obligations hereunder shall be assignable without the prior written consent of the other Party; provided, however, even if the other Party approves any such proposed assignment, in no event shall the assigning Party be released of any of its obligations hereunder.

9.6 Consents and Approvals. Any approvals or consents of City required under this Agreement may be given by the Director of Property, unless otherwise provided in the City Charter or applicable City ordinances. Any approvals or consents of McBaine required under this Agreement may be given by Justin McBaine.

9.7 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

9.8 Applicable Laws. "**Applicable Laws**" shall mean all present and future applicable laws, ordinances, rules, regulations, resolutions, statutes, permits, authorizations, orders, requirements, covenants, conditions and restrictions, whether or not in the contemplation of the Parties, that may affect or be applicable to the Property or any part of the Property (including, without limitation, any subsurface area) or the use of the Property. "Applicable Laws" shall include, without limitation, any environmental, earthquake, life safety and disability laws, and all consents or approvals required to be obtained from, and all rules and regulations of, and all building and zoning laws of, all federal, state, county and municipal governments, the departments, bureaus, agencies or commissions thereof, authorities, board of officers, any national or local board of fire underwriters, or any other body or bodies exercising similar functions, having or acquiring jurisdiction of Parcel B or 234 VN, as applicable. The term

"Applicable Law" shall be construed to mean the same as the above in the singular as well as the plural.

9.9 No Brokers or Finders. Each Party warrants to the other Party that no broker or finder was instrumental in arranging or bringing about this transaction and that there are no claims or rights for brokerage commissions or finder's fees in connection with the transactions contemplated by this Agreement. If any party brings a claim for a commission or finder's fee based on any contact, dealings, or communication with McBaine or City, then the Party through whom such party makes a claim shall defend the other Party(ies) from such claim, and shall indemnify, protect, defend and hold harmless the indemnified Party from any Losses that the indemnified Party incurs in defending against the claim. The provisions of this Section shall survive the Closing, or, if the conveyance is not consummated for any reason, any termination of this Agreement.

9.10 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

9.11 Interpretation of Agreement.

(a) Exhibits. Whenever an "Exhibit" is referenced, it means an attachment to this Agreement unless otherwise specifically identified. All such Exhibits are incorporated herein by reference.

(b) Captions. Whenever a section, article or paragraph is referenced, it refers to this Agreement unless otherwise specifically identified. The captions preceding the articles and sections of this Agreement have been inserted for convenience of reference only. Such captions shall not define or limit the scope or intent of any provision of this Agreement.

(c) Words of Inclusion. The use of the term "including," "such as" or words of similar import when following any general term, statement or matter shall not be construed to limit such term, statement or matter to the specific items or matters, whether or not language of non-limitation is used with reference thereto. Rather, such terms shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such statement, term or matter.

(d) References. Wherever reference is made to any provision, term or matter "in this Agreement," "herein" or "hereof" or words of similar import, the reference shall be deemed to refer to any and all provisions of this Agreement reasonably related thereto in the context of such reference, unless such reference refers solely to a specific numbered or lettered, section or paragraph of this Agreement or any specific subdivision thereof.

(e) Recitals. If there is any conflict or inconsistency between the recitals and any of the remaining provisions of this Agreement, the remaining provisions of this Agreement shall prevail. The Recitals in this Agreement are included for convenience of reference only and are not intended to create or imply covenants under this Agreement.

9.12 Entire Agreement. This Agreement (including the exhibits) contains all the representations and the entire agreement between the Parties with respect to the subject matter herein. Any prior correspondence, memoranda, agreements, warranties or representations relating to such subject matter are superseded in total by this Agreement (and such other agreements to the extent referenced herein). No prior drafts of this Agreement or changes from those drafts to the executed version of this Agreement shall be introduced as evidence in any litigation or other dispute resolution proceeding by either Party or any other party and no court or other body shall consider those drafts in interpreting this Agreement.

9.13 Survival. Any and all other representations, warranties and indemnities of the Parties contained herein (including the Exhibits), shall survive the Closing or termination of this Agreement.

9.14 Parties and Their Agents. As used herein, the term "**Agents**" when used with respect to either Party shall include the agents, employees, officers, contractors and representatives of such Party. McBaine is comprised of more than one party, and McBaine's obligations under this Agreement shall be joint and several among such parties.

9.15 Attorneys' Fees. If either Party hereto fails to perform any of its respective obligations under this Agreement or if any dispute arises between the Parties hereto concerning the meaning or interpretation of any provision of this Agreement, then the defaulting Party or the Party not prevailing in such dispute, as the case may be, shall pay any and all reasonable Attorneys' Fees and Costs incurred by the other Party on account of such default or in enforcing or establishing its rights hereunder, including without limitation, court costs. Any such Attorneys' Fees and Costs incurred by either Party in enforcing a judgment in its favor under this Agreement shall be recoverable separately from and in addition to any other amount included in such judgment, and such Attorneys' Fees and Costs obligation is intended to be severable from the other provisions of this Agreement and to survive and not be merged into any such judgment. For purposes of this Agreement, the reasonable fees of attorneys of the Office of City Attorney of the City and County of San Francisco shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which such services were rendered who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office.

9.16 Time of Essence. Time is of the essence with respect to the performance of the Parties' respective obligations contained herein.

9.17 Non-Liability. Notwithstanding anything to the contrary in this Agreement, no elective or appointive board, commission, member, officer, employee or agent of City shall be personally liable to McBaine or its successors and assigns, if there is any default or breach by City or for any amount which may become due hereunder, or for any obligation of City under this Agreement. Notwithstanding anything to the contrary in this Agreement, no officers, directors, members, shareholders, employees or Agents of McBaine (or of its successors or assigns) shall be personally liable to City, or its successors and assigns, if there is any default or breach by McBaine or for any amount which may become due to City, or its successors and assigns, or for any obligations of McBaine under the terms of this Agreement.

9.18 Tropical Hardwoods and Virgin Redwoods. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood wood product or virgin redwood or virgin redwood wood product.

9.19 Sunshine Ordinance. McBaine understands and agrees that under City's Sunshine Ordinance (San Francisco Administrative Code, Chapter 67) and the State Public Records Law (Gov. Code Section 6250 *et seq.*), this Agreement and any and all records, information, and materials submitted to City hereunder are public records subject to public disclosure. McBaine hereby acknowledges that City may disclose any records, information and materials submitted to City in connection with this Agreement.

9.20 MacBride Principles - Northern Ireland. City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1 *et seq.* City also urges companies to do business with corporations that abide by the MacBride Principles. McBaine acknowledges that it has read and understands the above statement of City concerning doing business in Northern Ireland.

9.21 Relationship of the Parties. The relationship between the Parties hereto is solely that of transferor and transferee of real property.

9.22 Prohibition Against Making Contributions to City. McBaine acknowledges that no party that contracts with City for the rendition of personal services, or the furnishing of any material, supplies or equipment to City, or for selling any land or building to City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer or candidate at any time between commencement of negotiations and either the completion of, or the termination of, negotiations for such contract.

9.23 Effective Date. This Agreement shall become effective upon the first day ("**Effective Date**") on which each of the following events has occurred: (i) the Parties have duly executed and delivered this Agreement, and (ii) the City Approval Condition has been satisfied. The Parties shall confirm in writing the Effective Date of this Agreement once such date has been established pursuant to this Section; provided, however, the failure of the Parties to confirm such date in writing shall not have any effect on the validity of this Agreement. Where used in this Agreement or in any of its attachments, references to the "Effective Date" will mean the Effective Date as established and confirmed by the Parties pursuant to this Section.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, MCBAIN ACKNOWLEDGES AND AGREES THAT NO OFFICER OR EMPLOYEE OF CITY HAS AUTHORITY TO COMMIT CITY TO THIS AGREEMENT UNLESS AND UNTIL A RESOLUTION OF CITY'S BOARD OF SUPERVISORS THAT APPROVES OF THIS AGREEMENT AND AUTHORIZES THE TRANSACTIONS CONTEMPLATED HEREBY HAS BEEN DULY ENACTED. THEREFORE, ANY OBLIGATIONS OR LIABILITIES OF CITY HEREUNDER ARE CONTINGENT UPON THE DUE ENACTMENT OF SUCH A RESOLUTION, AND THIS AGREEMENT SHALL BE NULL AND VOID IF CITY'S BOARD OF SUPERVISORS AND MAYOR DO NOT APPROVE THIS AGREEMENT IN THEIR RESPECTIVE SOLE DISCRETION. APPROVAL OF THE TRANSACTIONS CONTEMPLATED HEREBY BY ANY EMPLOYEES, DEPARTMENTS OR COMMISSIONS OF CITY SHALL NOT BE DEEMED TO IMPLY THAT SUCH RESOLUTION WILL BE ENACTED NOR WILL ANY SUCH APPROVAL CREATE ANY BINDING OBLIGATIONS ON CITY.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The Parties have duly executed this Agreement as of the respective dates written below.

MCBAINE:

234 VAN NESS, LLC, a California limited liability company

Date: 1/26/21

By: J. Patterson McBaine
J. Patterson McBaine
Its: Manager

CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

Date: 3/29/2021

By: Andrico Penick
DocuSigned by:
Andrico Penick
3441450C0287459
Andrico Q. Penick
Director of Property

MAYOR'S OFFICE OF HOUSING AND COMMUNITY DEVELOPMENT:

Date: 3/21/2021

By: Lydia Ely
DocuSigned by:
Lydia Ely
1829E368A4E425
Name: Lydia Ely
Title: Deputy Director for Housing

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: Heidi Gewertz
DocuSigned by:
Heidi J. Gewertz
8F27942E40A104
Heidi J. Gewertz
Deputy City Attorney

[CONSENTS ON FOLLOWING PAGE]

The undersigned (i) consents to the negotiations by the City and McBaine under this Agreement and any Exchange Agreement, (ii) consents to the reconfiguration of the City Property that would occur if McBaine and City enter into and consummate an Exchange Agreement to exchange the City Parcel for McBaine Property, and (iii) agrees the Mercy ENA is modified to approve any reconfiguration of the City Property that occurs if the City exchanges the City Parcel for McBaine Property.

By: MERCY HOUSING CALIFORNIA,
a California non-profit public benefit corporation

By: 
Name: Barbara Gualco
Its: Vice President

CONCUR:

The undersigned (i) concurs with the negotiations by the City and McBaine under this Agreement and any Exchange Agreement, (ii) concurs with the reconfiguration of the City Property that would occur if McBaine and City enter into and consummate an Exchange Agreement to exchange the City Parcel for McBaine Property, and

(iii) acknowledges the Mercy ENA is modified to approve any reconfiguration of the City Property that occurs if the City exchanges the City Parcel for McBaine Property.

THE KELSEY,
a California non-profit corporation

By: 
Name: Micaela Connery
Title: CEO

EXHIBIT A

CURRENT PARCEL CONFIGURATION

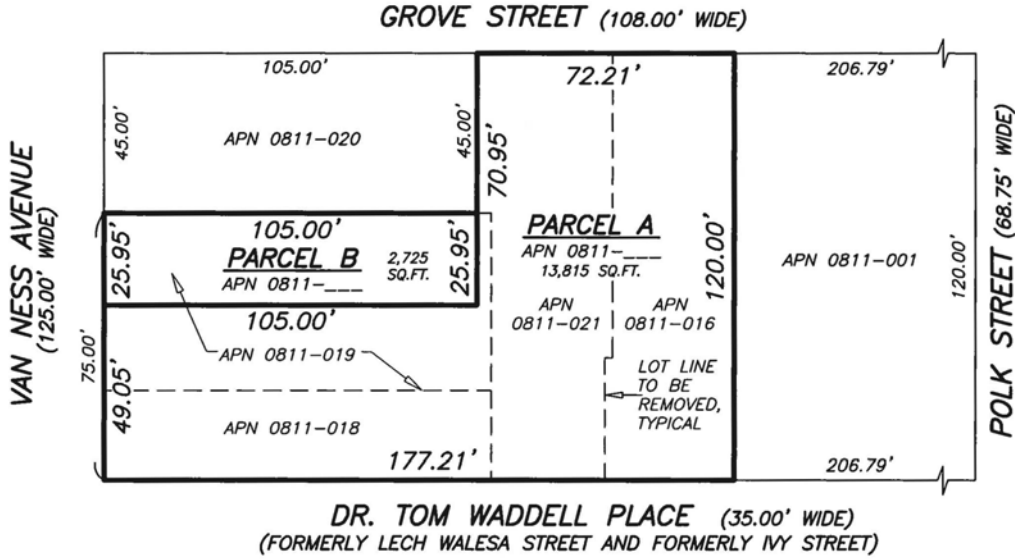
(SEE ATTACHED)

EXHIBIT B

FINAL PARCEL CONFIGURATION

(SEE ATTACHED)

EXHIBIT B



GENERAL NOTES

1. ALL PROPERTY LINE ANGLES ARE 90 DEGREES UNLESS NOTED OTHERWISE.
2. DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.

LEGEND

- APN ASSESSOR'S PARCEL NUMBER
- BOUNDARY LINE OF PROPOSED PARCELS A & B
- - - EXISTING LOT LINE

FINAL CONFIGURATION

ASSESSOR'S BLOCK 0811
SAN FRANCISCO, CALIFORNIA

BY JP CHKD. BR DATE 12-17-20 SCALE 1"=40' SHEET 1 OF 1 JOB NO. S-9956

MARTIN M. RON ASSOCIATES, INC.
LAND SURVEYORS

859 HARRISON STREET
SAN FRANCISCO, CA. 94107
(415) 543-4500
S-9956_BNDY PLAT.DWG

EXHIBIT C

LOT LINE ADJUSTMENT APPLICATION LEGAL DESCRIPTIONS AND MAP

(SEE ATTACHED)

EXHIBIT "A"

EXISTING PARCEL DESCRIPTIONS

ALL THAT REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

PARCEL 1: APN 0811-016 & 0811-021 (B163 O.R. 564 – 7/26/1967)

COMMENCING AT A POINT ON THE SOUTHERLY LINE OF GROVE STREET, DISTANT THEREON 105 FEET EASTERLY FROM THE EASTERLY LINE OF VAN NESS AVENUE; RUNNING THENCE EASTERLY ALONG SAID LINE OF GROVE STREET 72 FEET 2-3/4 INCHES, MORE OR LESS, TO A POINT DISTANT THEREON 206 FEET 9-1/2 INCHES WESTERLY FROM THE WESTERLY LINE OF POLK STREET; THENCE AT A RIGHT ANGLE SOUTHERLY 120 FEET TO THE NORTHERLY LINE OF IVY STREET; THENCE AT A RIGHT ANGLE WESTERLY ALONG SAID LINE OF IVY STREET 68 FEET 2-3/4 INCHES, MORE OR LESS, TO A POINT DISTANT THEREON 109 FEET EASTERLY FROM THE EASTERLY LINE OF VAN NESS AVENUE; THENCE AT A RIGHT ANGLE NORTHERLY 75 FEET; THENCE AT A RIGHT ANGLE WESTERLY 4 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 45 FEET TO THE POINT OF COMMENCEMENT.

BEING PART OF WESTERN ADDITION BLOCK NO. 68.

PARCEL 2: APN 0811-019 (B158 O.R. 110 – 7/7/1967)

COMMENCING AT A POINT ON THE EASTERLY LINE OF VAN NESS AVENUE DISTANT THEREON 45 FEET SOUTHERLY FROM THE SOUTHERLY LINE OF GROVE STREET; RUNNING THENCE SOUTHERLY ALONG SAID LINE OF VAN NESS AVENUE 50 FEET; THENCE AT A RIGHT ANGLE EASTERLY 109 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 50 FEET; THENCE AT A RIGHT ANGLE WESTERLY 109 FEET TO THE POINT OF COMMENCEMENT.

BEING A PORTION OF WESTERN ADDITION BLOCK NO. 68.

PARCEL 3: APN 0811-018 (2000-G755208)

BEGINNING AT A POINT FORMED BY THE INTERSECTION OF THE NORTHERLY LINE OF IVY STREET (LECH WALESIA STREET) WITH THE EASTERLY LINE OF VAN NESS AVENUE; RUNNING THENCE NORTHERLY ALONG THE SAID EASTERLY LINE OF VAN NESS AVENUE 25 FEET; THENCE AT A RIGHT ANGLE EASTERLY 109 FEET; THENCE AT A RIGHT ANGLE SOUTHERLY 25 FEET TO THE NORTHERLY LINE OF IVY STREET (LECH WALESIA STREET); AND THENCE WESTERLY ALONG THE NORTHERLY LINE OF IVY STREET (LECH WALESIA STREET) 109 FEET TO ITS INTERSECTION WITH THE EASTERLY LINE OF VAN NESS AVENUE AND THE POINT OF BEGINNING.

BEING PORTION OF WESTERN ADDITION BLOCK NO. 68.



S-9956
12-10-2020

EXHIBIT "B"
NEW PARCEL DESCRIPTIONS

PARCEL A

APN 0811-____ (FORMERLY APN 0811-016, 0811-018, 0811-021 AND A PORTION OF 0811-019)

ALL THAT REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA,
DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT OF INTERSECTION OF THE NORTHERLY LINE OF DR. TOM WADDELL PLACE (FORMERLY
LECH WALESA STREET AND FORMERLY IVY STREET)(35.00 FEET WIDE), WITH THE EASTERLY LINE OF VAN NESS
AVENUE (125.00 FEET WIDE); THENCE NORTHERLY ALONG SAID EASTERLY LINE OF VAN NESS AVENUE 49.05 FEET
TO A POINT DISTANT THEREON 70.95 FEET SOUTHERLY FROM THE SOUTHERLY LINE OF GROVE STREET (108.00
FEET WIDE); THENCE AT A RIGHT ANGLE EASTERLY 105.00 FEET; THENCE AT A RIGHT ANGLE NORTHERLY 70.95
FEET TO SAID SOUTHERLY LINE OF GROVE STREET; THENCE AT A RIGHT ANGLE EASTERLY ALONG SAID SOUTHERLY
LINE OF GROVE STREET, 72.21 FEET TO A POINT DISTANT THEREON 206.79 FEET WESTERLY FROM THE WESTERLY
LINE OF POLK STREET (68.75 FEET WIDE); THENCE AT A RIGHT ANGLE SOUTHERLY 120.00 FEET TO SAID
NORTHERLY LINE OF DR. TOM WADDELL PLACE; THENCE AT A RIGHT ANGLE WESTERLY, ALONG SAID NORTHERLY
LINE OF DR. TOM WADDELL PLACE, 177.21 FEET TO THE POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK 68.

PARCEL B

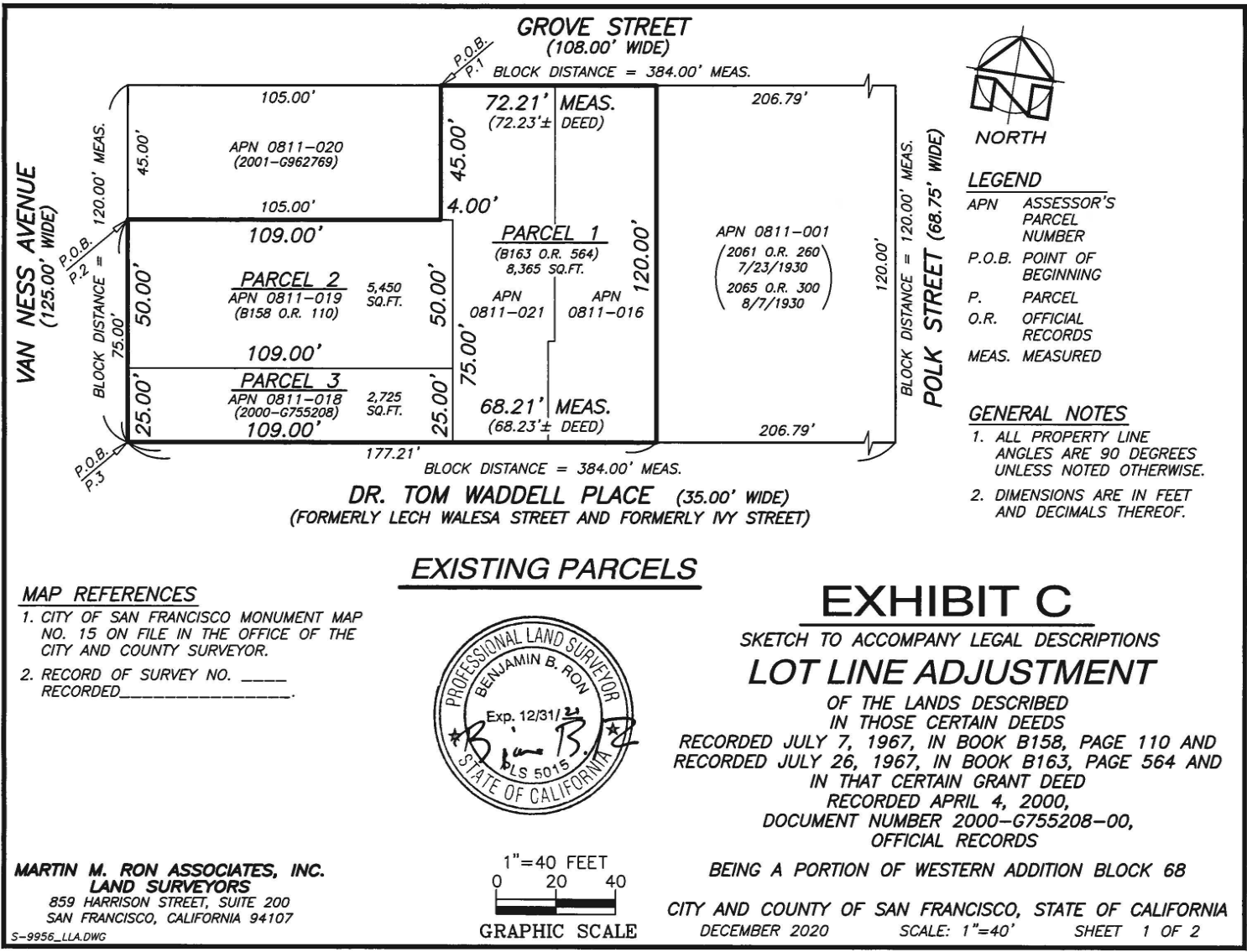
APN 0811-____ (FORMERLY A PORTION OF APN 0811-019)

ALL THAT REAL PROPERTY SITUATED IN THE CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA,
DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF VAN NESS AVENUE (125.00 FEET WIDE), DISTANT THEREON
45.00 FEET SOUTHERLY FROM THE SOUTHERLY LINE OF GROVE STREET (108.00 FEET WIDE); THENCE SOUTHERLY
ALONG SAID EASTERLY LINE OF VAN NESS AVENUE 25.95 FEET ; THENCE AT A RIGHT ANGLE EASTERLY 105.00 FEET;
THENCE AT A RIGHT ANGLE NORTHERLY 25.95 FEET; THENCE AT A RIGHT ANGLE WESTERLY 105.00 FEET TO THE
POINT OF BEGINNING.

BEING A PORTION OF WESTERN ADDITION BLOCK 68.





MAP REFERENCES

- CITY OF SAN FRANCISCO MONUMENT MAP NO. 15 ON FILE IN THE OFFICE OF THE CITY AND COUNTY SURVEYOR.
- RECORD OF SURVEY NO. _____ RECORDED _____

EXISTING PARCELS



MARTIN M. RON ASSOCIATES, INC.
LAND SURVEYORS
859 HARRISON STREET, SUITE 200
SAN FRANCISCO, CALIFORNIA 94107
S-9956_LLA.DWG

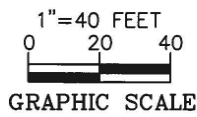
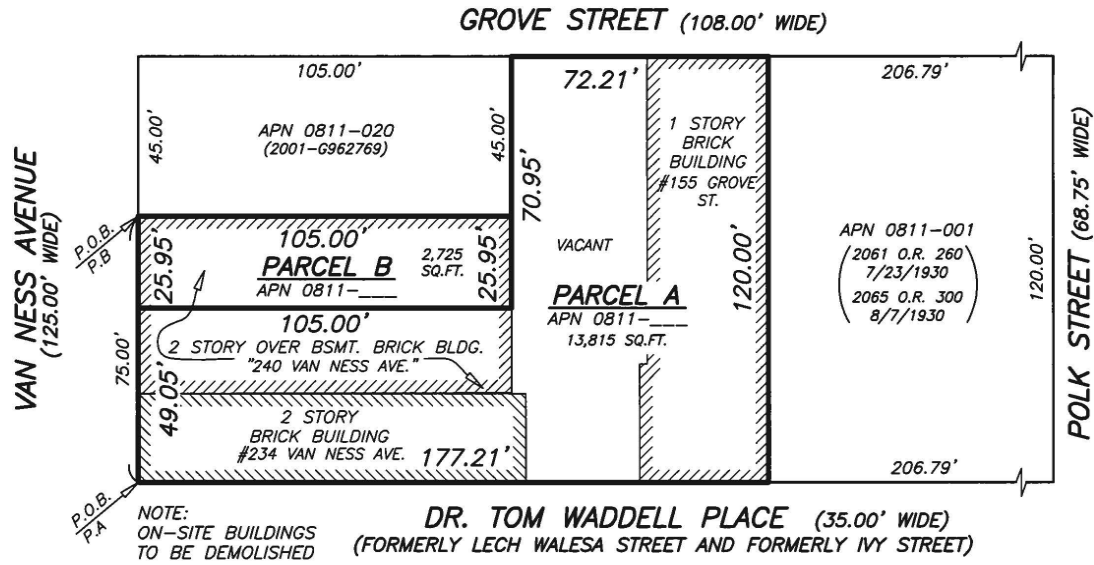


EXHIBIT C

SKETCH TO ACCOMPANY LEGAL DESCRIPTIONS
LOT LINE ADJUSTMENT
OF THE LANDS DESCRIBED
IN THOSE CERTAIN DEEDS
RECORDED JULY 7, 1967, IN BOOK B158, PAGE 110 AND
RECORDED JULY 26, 1967, IN BOOK B163, PAGE 564 AND
IN THAT CERTAIN GRANT DEED
RECORDED APRIL 4, 2000,
DOCUMENT NUMBER 2000-G755208-00,
OFFICIAL RECORDS
BEING A PORTION OF WESTERN ADDITION BLOCK 68
CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA
DECEMBER 2020 SCALE: 1"=40' SHEET 1 OF 2

EXHIBIT C page 3 of 4



LEGEND

APN ASSESSOR'S
PARCEL
NUMBER

P.O.B. POINT OF
BEGINNING

P. PARCEL

O.R. OFFICIAL
RECORDS

BSMT. BASEMENT
BLDG. BUILDING

GENERAL NOTES

1. ALL PROPERTY LINE ANGLES ARE 90 DEGREES UNLESS NOTED OTHERWISE.
2. DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
3. DETAILS NEAR PROPERTY LINES MAY NOT BE TO SCALE.

NOTE:
ON-SITE BUILDINGS
TO BE DEMOLISHED

DR. TOM WADDELL PLACE (35.00' WIDE)
(FORMERLY LECH WALESIA STREET AND FORMERLY IVY STREET)

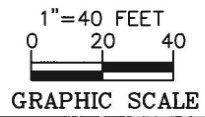
NEW PARCELS

EXHIBIT C
SKETCH TO ACCOMPANY LEGAL DESCRIPTIONS
LOT LINE ADJUSTMENT

OF THE LANDS DESCRIBED
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BEING A PORTION OF WESTERN ADDITION BLOCK 68

CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA
DECEMBER 2020 SCALE: 1"=40' SHEET 2 OF 2



MARTIN M. RON ASSOCIATES, INC.
LAND SURVEYORS
859 HARRISON STREET, SUITE 200
SAN FRANCISCO, CALIFORNIA 94107
S-9956_LLA.DWG

EXHIBIT C page 4 of 4

EXHIBIT D

CITY FORM DEED

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:
234 Van Ness, LLC
c/o AIDiLa Investments
1686 Union Street, Suite 203
San Francisco, CA 94123
Documentary Transfer Tax of \$_____ based on
full value of the property conveyed

(Space above this line reserved for Recorder's use only)

QUITCLAIM DEED

(Portion of Assessor's Parcel No. 0811-019)

FOR VALUABLE CONSIDERATION, receipt and adequacy of which are hereby acknowledged, the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation ("Grantor"), pursuant to Resolution No. _____, adopted by the Board of Supervisors on _____, 202_ and approved by the Mayor on _____, 202_, hereby RELEASES, REMISES AND QUITCLAIMS to _____, any and all right, title and interest Grantor may have in and to the real property located in the City and County of San Francisco, State of California, described on the attached Exhibit A.

Executed as of _____.

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation

Dated: _____

By: _____
Andrico Q. Penick
Director of Property

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

[NAME OF DEPUTY]
Deputy City Attorney

CERTIFICATE OF ACKNOWLEDGMENT
OF NOTARY PUBLIC

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Francisco)

On _____, before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

EXHIBIT E

MCBAINE (234 VAN NESS) FORM DEED

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Director of Property
Real Estate Division
City and County of San Francisco
25 Van Ness Avenue, Suite 400
San Francisco, CA 94102
Documentary Transfer Tax of \$0 based on
full value of the property conveyed

(Space above this line reserved for Recorder's use only)

GRANT DEED

(Assessor's Parcel No. 0811-018)

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, 234 VAN NESS LLC., a California limited liability corporation, ("Grantor"), hereby grants to the CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation, the real property located in the City and County of San Francisco, State of California, described on Exhibit A attached hereto and made a part hereof (the "Property").

TOGETHER WITH any and all rights, privileges and easements incidental or appurtenant to the Property, including, without limitation, any and all minerals, oil, gas and other hydrocarbon substances on and under the Property, as well as any and all development rights, air rights, water, water rights, riparian rights and water stock relating to the Property, and any and all easements, rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of the Property and all of Grantor's right, title and interest in and to any and all roads and alleys adjoining or servicing the Property.

Executed as of _____.

Dated: _____

By: _____
Name:
Its:

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Francisco)

On _____, before me, _____, a notary public in and for said State, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

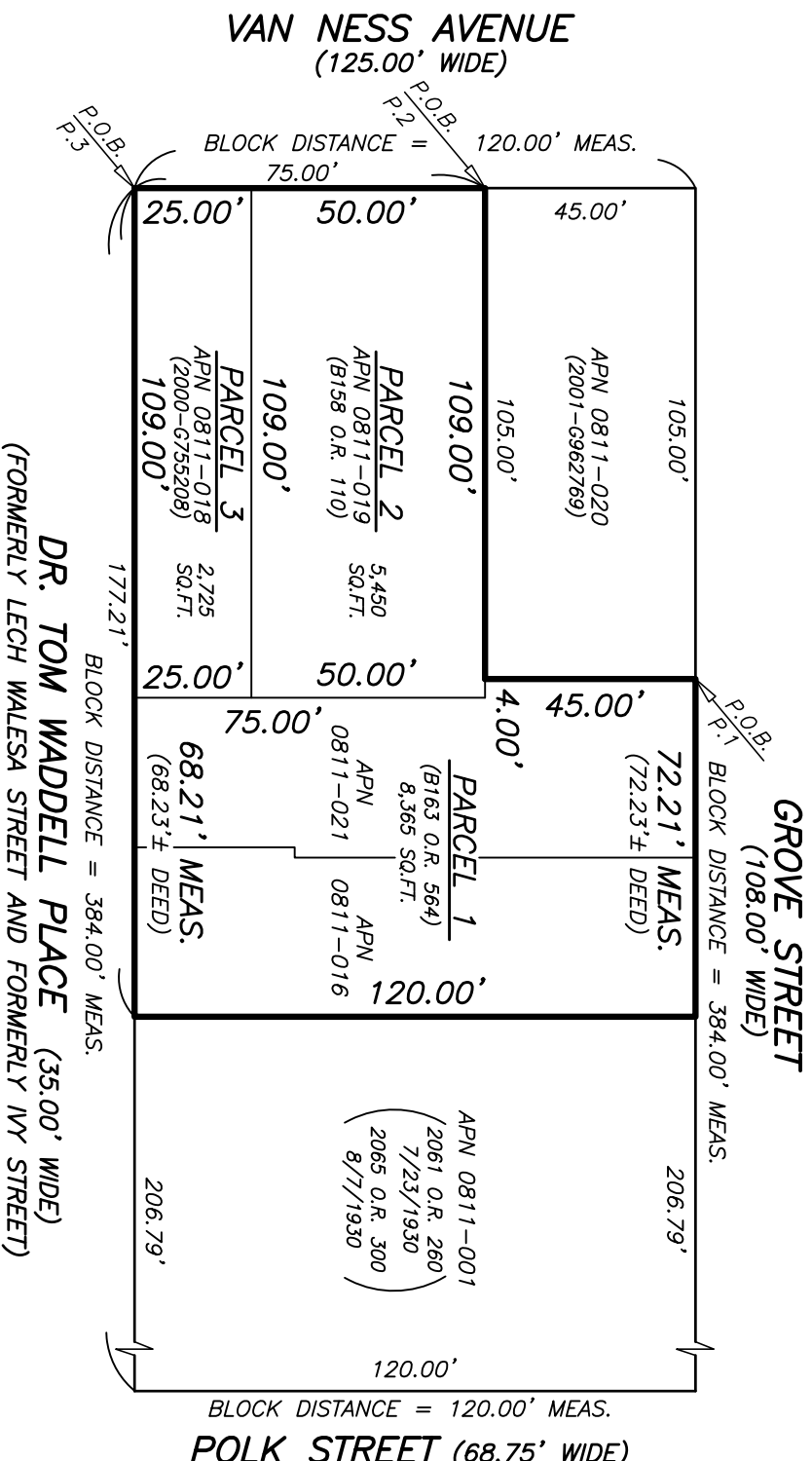
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

This is to certify that the interest in real property conveyed by this deed dated _____ from the first part to the City and County of San Francisco, is hereby accepted pursuant to Board of Supervisors' Resolution No. 18110 Series of 1939, approved August 7, 1957, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____ By: _____
Andrico Q. Penick
Director of Property



LEGEND

- APN ASSESSOR'S PARCEL NUMBER
- P.O.B. POINT OF BEGINNING
- P. PARCEL
- O.R. OFFICIAL RECORDS
- MEAS. MEASURED

GENERAL NOTES

1. ALL PROPERTY LINE ANGLES ARE 90 DEGREES UNLESS NOTED OTHERWISE.
2. DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.

EXISTING PARCELS

EXHIBIT C

**SKETCH TO ACCOMPANY LEGAL DESCRIPTIONS
LOT LINE ADJUSTMENT**

OF THE LANDS DESCRIBED
IN THOSE CERTAIN DEEDS
RECORDED JULY 7, 1967, IN BOOK B158, PAGE 110 AND
RECORDED JULY 26, 1967, IN BOOK B163, PAGE 564 AND
IN THAT CERTAIN GRANT DEED
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DOCUMENT NUMBER 2000-G755208-00,
OFFICIAL RECORDS

BEING A PORTION OF WESTERN ADDITION BLOCK 68

MAP REFERENCES

1. CITY OF SAN FRANCISCO MONUMENT MAP NO. 15 ON FILE IN THE OFFICE OF THE CITY AND COUNTY SURVEYOR.
2. RECORD OF SURVEY NO. 10887 RECORDED _____

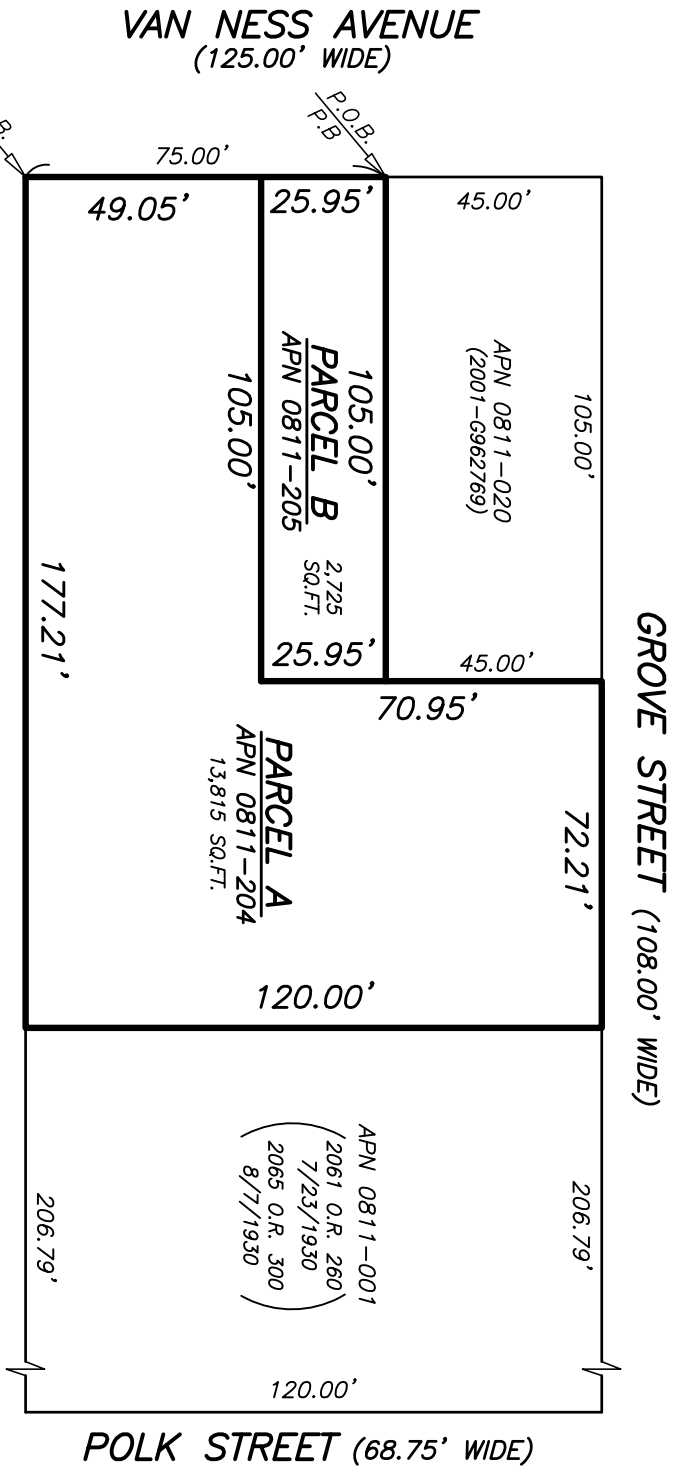
MARTIN M. RON ASSOCIATES, INC.
LAND SURVEYORS

859 HARRISON STREET, SUITE 200
SAN FRANCISCO, CALIFORNIA 94107



GRAPHIC SCALE

CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA
MAY 2022 SCALE: 1"=40' SHEET 1 OF 2



DR. TOM WADDELL PLACE (35.00' WIDE)
 (FORMERLY LECH WALESA STREET AND FORMERLY IVY STREET)

NEW PARCELS



LEGEND

- APN ASSESSOR'S PARCEL NUMBER
- P.O.B. POINT OF BEGINNING
- P. PARCEL
- O.R. OFFICIAL RECORDS
- BSMT. BASEMENT
- BLDG. BUILDING

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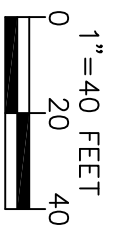
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 LOT LINE ADJUSTMENT**

OF THE LANDS DESCRIBED
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BEING A PORTION OF WESTERN ADDITION BLOCK 68

CITY AND COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA
 MAY 2022 SCALE: 1"=40' SHEET 2 OF 2



MARTIN M. RON ASSOCIATES, INC.
 LAND SURVEYORS
 859 HARRISON STREET, SUITE 200
 SAN FRANCISCO, CALIFORNIA 94107
 S-9956-LLA.DWG