

**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

**Balboa Reservoir Building A**  
**\$3,000,000 Predevelopment Loan &**  
**\$11,000,000 Preliminary Gap Financing**  
**(\$14,000,000 Total)**

Evaluation of Request for:	Predevelopment Funds
Loan Committee Date:	January 20, 2023
Prepared By:	Robert Baca, Joint Development Director & Ryan VanZuylen, Project Manager
MOHCD Asset Manager:	TBD
Sources and Amounts of New Funds Recommended:	\$3,000,000 Affordable Housing Fund - Jobs Linkage \$2,000,000 Housing Trust Fund \$4,000,000 Housing Trust Fund Advance \$3,000,000 LMIHAF Asset Funds \$2,000,000 AHF Jobs Housing
Sources and Amounts of Previous City Funds Committed:	N/A
NOFA/PROGRAM/RFP:	Balboa Reservoir Development Agreement
Applicant/Sponsor(s) Name:	BRIDGE Housing Corporation

## **EXECUTIVE SUMMARY**

### **Sponsor Information:**

Project Name:	Balboa Reservoir Building A	Sponsor(s):	BRIDGE Housing Corporation
Project Address (w/ cross St):	11 Frida Kahlo Way, San Francisco, CA 94112	Ultimate Borrower Entity:	Limited partnership to be formed

### **Project Summary:**

Balboa Reservoir Building A is one of four multifamily affordable housing developments planned as a part of the Balboa Reservoir Master Plan Development Project. The Balboa Reservoir (Reservoir) is a 17-acre site located across from City College, currently owned by the San Francisco Public Utilities Commission (SFPUC) and used as a surface parking lot. In 2017, BRIDGE Housing and Avalon Bay were selected as the Master Plan developers (Master Developers), with BRIDGE leading the affordable housing component of the Reservoir. Intended to serve large families earning between 38% and 80% MOHCD AMI, the 159 units in the Balboa Reservoir Building A will consist of 17 studio units, 46 one-bedroom units, 53 two-bedroom units, and 41 three-bedroom units, plus 1 two-bedroom manager's unit and 1 three-bedroom manager's unit (Project).

BRIDGE is requesting \$3 million in predevelopment funding from MOHCD as well as a gap financing commitment of \$14 million (inclusive of predevelopment) for Building A for an AHSC funding application. With this funding commitment, the sponsor will apply to the State Department of Housing and Community Development (HCD)'s Affordable Housing Sustainable Communities (AHSC) program in the 2023 NOFA for approximately \$33 million. The Sponsor applied to BART for BART's partnership on the AHSC application, and BART selected Balboa Building A in October 2022. If awarded AHSC, the Sponsor plans to apply to CDLAC/TCAC in Q1 2026 and to start construction in December 2026. Lease up is expected to begin by December 2028.

In addition, the project is in a highest resource area on TCAC's Opportunity Area Map which makes it more competitive for tax credits. As such, it represents an important opportunity to attain geographic equity by expanding the stock of affordable housing in San Francisco's Western neighborhoods.

### **Project Description:**

Construction Type:	Midrise, Type III over Type I	Project Type:	New Construction
Number of Stories:	6	Lot Size (acres and sf):	1.1 acres / 47,916 sf
Number of Units:	159	Architect:	BAR and YA (JV)
Total Residential Area:	172,910 sf	General Contractor:	TBD
Total Commercial Area:	0 sf	Property Manager:	BRIDGE
Total Building Area:	201,910	Supervisor and District:	Sup. Melgar (D7)
Land Owner:	MOHCD		
Total Development Cost (TDC):	\$159,523,754	Total Acquisition Cost:	\$2,215,758
TDC/unit:	\$1,003,294	TDC less land cost/unit:	\$ 989,358
Loan Amount Requested:	\$3,000,000	Request Amount / unit:	\$ 18,868
HOME Funds?	N	Parking?	Y (80 spaces/ .49 ratio)

## **PRINCIPAL DEVELOPMENT ISSUES**

- **Market Conditions:** The rising interest rate environment combined with flat rents and increased hard costs has made Avalon Bay’s market rate component of the project infeasible and is also anticipated to impact the potential sale price of the market rate townhome parcel. This has resulted in Avalon Bay implementing a spending pause, whereby they have committed to pay their share of carrying costs (75%) for 2023 and 2024, however are not spending additional funds on predevelopment soft costs for the Balboa horizontal project until the market conditions improve. This may result in a delay of the Balboa Reservoir project at large. Sponsor and Avalon Bay will work with the City staff in early 2023 to identify ways to restructure the phasing and infrastructure plan for the project to make it possible for the affordable buildings to move forward even while the market rate buildings are on pause. Sponsor will also pursue additional funding sources to help make the overall project more feasible, such as AHSC for Building A and the infrastructure, as well as an Infrastructure Financing District.
- **Infrastructure Feasibility & Delivery:** Although Balboa Reservoir secured a \$26 million IIG grant from HCD, there is still a substantial funding gap needed to finance the infrastructure improvements. Part of the financing plan relies on the sale of the town home parcels. Given current market conditions, the sale of the townhome parcels is highly unlikely until market conditions improve. The Sponsor has yet to secure additional funding sources but continues to explore alternative financing approaches and sources. All housing units and projects are delayed until the infrastructure is fully financed and a significant amount of infrastructure is completed to allow the start of the housing.
- **Mapping Coordination:** Mapping is a critical path item for this Project. Since early 2022, the Sponsor has had coordination meetings with the Department of Public Works Infrastructure task force (DPW-ITF) and various consultants for infrastructure planning and the mapping process. The Final Map was not completed by the City for the land closing on December 20, 2022, as such an “exempt conveyance” was utilized. See Section 4.3.
- **Funding Gap/ MOHCD Subsidy:** Per the DA, MOHCD is responsible for no more than \$239,000 (grown at CPI) per unit for 33% of all affordable units (183) within the overall Balboa Reservoir Site. Although the City’s subsidy per unit is significantly lower at approximately \$88,050 per unit, the Sponsor will require a large amount of outside subsidy including convention debt, AHSC, Federal, and State tax credits. If the Sponsor is not successful in obtaining enough outside funding sources, the project will be infeasible. MOHCD does not have additional funding available to increase the gap financing or exceed funding requirement in the Development Agreement. See Section 6.4.1.
- **Master Developer Subsidy:** Per the DA, the Master Developer is responsible for subsidizing 67% of the affordable units in Balboa Reservoir, or 367 affordable units, which is noted in this project as Reservoir Community Partners (RCP) subsidy. The Sponsor is making this contribution in the form of original entitlement costs for the entire master plan, then proportionally distributed over all units except

the townhomes, as well as infrastructure costs and subsidy for the affordable projects. For Building A, the Master Developer total subsidy amount is approximately \$4M. The Sponsor will provide evidence of all master plan expenses that will be attributed to Master Developer Subsidy and will provide a breakdown of all future subsidy payments expected for all the affordable developments, as well as a projection of MOHCD subsidy (with the maximum being \$239K/unit trended at CPI) for the MOHCD proportional share. See Section 6.4.1.

**SOURCES AND USES SUMMARY**

<b>Predevelopment Sources</b>	<b>Amount</b>	<b>Per Unit</b>	<b>Terms</b>	<b>Status</b>
MOHCD/OCII	\$3,000,000	\$18,867	3%	This request
<b>Total</b>	<b>\$3,000,000</b>	<b>\$18,867</b>		

<b>Permanent Sources</b>	<b>Amount</b>	<b>Per Unit</b>	<b>Terms</b>	<b>Status</b>
MOHCD/OCII	\$14,000,000	\$88,050	55yrs @ 40% / Res Rec	Not Committed
AHSC	\$33,000,000	\$207,547		Not Committed
Perm	\$15,475,000	\$97,327	55 yrs @ 60% / Res Rec	Not Committed
4% Credits	\$76,233,402	\$479,455	TC Equity: Price per credit	Not Committed
GP Contribution	\$15,352,979	\$96,560	TC Equity: \$0.92	Not Committed
RCP Subsidy	\$4,162,373	\$26,178	TC Equity: \$0.80	Not Committed
Deferred Dev Fee	\$1,300,000	\$8,176		Committed
<b>Total</b>	<b>\$159,523,754</b>	<b>\$1,003,294</b>		

## 1. BACKGROUND

### 1.1. Project History Leading to This Request.



In 2014, then Mayor Ed Lee established the Public Lands for Housing Program, in which four publicly owned sites within the City were identified to provide up to 4,000 new units of affordable housing by 2020. The Balboa Reservoir, a nearly 17-acre vacant reservoir (“Site”) used for surface public parking across from City College of San Francisco (“CCSF”) and owned by the San Francisco Public Utilities Commission (“SFPUC”), is the largest site identified by this program.

Per the SFPUC, on March 31, 2015, through Board of Supervisor's Ordinance No. 45-15, the Board of Supervisors established the Balboa Reservoir Community Advisory Committee ("BRCAC") to advise the Board of Supervisors, the Mayor, and City departments regarding any proposed development under the Public Land for Housing Program at the Balboa Reservoir. In 2017, the City released an RFP for the Balboa Reservoir site and after an extremely competitive process awarded the development to a collaboration between Avalon Bay and BRIDGE Housing as master co-developers, with Mission Housing, Pacific Union Development Company (no longer part of the team, originally planned to build CCSF parking garage), and Habitat for Humanity of Greater San Francisco. Mission Housing is developing Building B which is on a similar timeline to Building A, this Project. Pacific Union Development Company was originally going to develop the parking garage for CCSF but is no longer part of the team. More information can be found in 1.2 Applicable NOFA/RFQ/RFP.

In August 2020, after close collaboration with various city agencies the Board of Supervisors approved the Balboa Reservoir Development Agreement ("DA"), Balboa Reservoir Special Use District ("SUD"), General Plan Amendments, Zoning Map Amendments, and Design Guidelines.

The land was acquired by BRIDGE (as master developer) from the SFPUC on December 20, 2022 for \$11,400,000 for the roughly 16-acre site (SFPUC is retaining 1 acre of the site). The sale occurred using an exempt conveyance, where a final map is not recorded, however to provide a partial exemption from transfer tax, the affordable parcels were created via the exempt conveyance and a Notice of Special Restriction entered into by BRIDGE on the affordable parcels. Ultimately, the final map will need to be recorded to facilitate the sale of individual parcels for development. After infrastructure improvements, and upon construction start, BRIDGE will transfer the land for Building A to MOHCD and MOHCD will ground lease it back to the BRIDGE tax credit entity.

Per the DA, Block A was envisioned as a 182-unit building and is now proposed at 159 units. To facilitate the AHSC Round 7 application, in September Sponsor released an RFP for an architect, and in November selected a joint venture of BAR Architects and YA architects (the latter a SBE). The Sponsor needs a preliminary gap financing commitment for the AHSC Round 7 application in Q1 2023.

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

On November 10, 2016, following nearly two years of community outreach, the SFPUC and the Office of Economic and Workforce Development (OEWD) initiated a developer selection process by issuing a request for qualifications (RFQ) to solicit developers interested in acquiring the Balboa Reservoir to build housing and utilize open space. An RFQ evaluation panel comprised of City staff and community representatives evaluated the RFQ responses and recommended three top-scoring

teams to the SFPUC General Manager. The three top-scoring teams were subsequently invited to respond to the Balboa Reservoir RFP.

On March 9, 2017, the City announced the three finalist development teams for the RFP: (i) a collaboration between Avalon Bay and BRIDGE Housing as master co-developers, with Mission Housing, Pacific Union Development Company, and Habitat for Humanity of Greater San Francisco, (ii) a collaboration between the Emerald Fund and Mercy Housing, and (iii) a collaboration between Related California, Sares-Regis Group of Northern California, Tenderloin Neighborhood Development Corporation, and Curtis Development. The three development teams were invited to submit their development proposals by June 2, 2017.

OEWD and Planning invited community members to attend, view and comment on the three developer proposals at (i) a public workshop on June 10, 2017 at the City College Phelan Avenue campus, (ii) a meeting of the BRCAC on June 15, 2017, and (iii) through the SFPUC website. Through this community participation process, the City received public comments from 127 parties and transmitted all such public comments to the three developer teams, who were required to address the comments. An RFP Panel comprised of City staff, a BRCAC community representative, and a City College representative reviewed, interviewed, and scored the developer team proposals.

On August 23, 2017, the Balboa Reservoir developer selection process concluded with the selection of Avalon Bay and BRIDGE Housing proposal as the highest scoring proposal. This proposal envisioned up to 1,100 housing units, of which 50% are designated as affordable to low to middle income households; approximately 4.2 acres of parks and open space; a childcare center; and parking facilities shared by the Project's City College community.

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. Borrower will be a Limited Partnership entity controlled by BRIDGE Housing. The Sponsor will create an LLC and LP before predevelopment loan closing. BRIDGE Property Management Company (BPMC) will be the property manager once construction is complete.

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

Staff of SF-based organization				Staff of development team			
Total staff		179		Total staff		11	
<b>Gender</b>				<b>Gender</b>			
Female	█	113	63%	Female	█	9	82%
Male	█	66	37%	Male	█	2	18%
<b>Race &amp; Ethnicity</b>				<b>Race &amp; Ethnicity</b>			
AIAN		0	0%	AIAN		0	0%
Asian		64	44%	Asian		4	36%
Black		28	19%	Black		2	18%
Hawaiian		1	1%	Hawaiian		0	0%
White		51	35%	White		5	45%
Another race		0	0%	Another race		0	0%
Two or more races		8	4%	Two or more		0	0%
Declined/Unknown		0	0%	Declined/Unknown		0	0%
Hispanic		27	15%	Hispanic		0	0%
Note: Race and ethnicity are mutually-exclusive.				Note: Race and ethnicity are mutually-exclusive.			

1.3.3. Racial Equity Vision. In its 2019-2023 Strategic Plan, BRIDGE Housing pledged to promote a culture that celebrates diversity, equity and inclusion (DEI). According to the plan, this work is “essential to BRIDGE’s effectiveness and commitment to its employees and the communities it serves.” In Fall and Winter of 2020-21, BRIDGE Housing partnered with Promise54, a consulting firm that helps mission-driven organizations advance DEI priorities. The Subcommittee, working with Promise54, developed BRIDGE’s three-year plan between December 2020 and March 2021, with periodic input and feedback from the Senior Leadership Team and Board. BRIDGE is focusing on 5 main DEI strategies, Recruit-Hiring-Advance, Capacity Building, Transparency Accountability, External Commitments, and Culture.

1. Recruit, Hiring, Advance: Map and communicate career pathways for all BRIDGE staff by role and title, including pathways for staff who are non-managers; Actively recruit at smaller, local junior colleges and HBCUs (historically Black colleges and universities) and enhance diverse pipelines through internships for candidates with marginalized identities; Leverage current networks and internal talent by creating incentives for referrals from current employees (e.g. bonus, additional PTO, etc.); Enhance internal advancement by frequently communicating job opportunities internally (e.g. weekly email, job bulletin, during performance evaluations with managers); Develop and enact an explicit commitment to achieve broader diversity of



Board membership that is reflective of the diversity of BRIDGE residents and employees.

2. Capacity Building: Develop and communicate a management/leadership DEI philosophy for leaders, managers and the Board to embody and implement; Institute management training for all managers to develop managerial capacity and skills, including support, coaching and resources for ongoing discussions of DEI with expectation that SLT/Leadership are cheerleaders for DEI and model DEI vulnerability; All Staff: Analyze BRIDGE's internal forms and training materials to remove biased language (e.g. gender binary options) going forward; Provide a series of mandatory, interactive DEI trainings for all staff (e.g. antibias) to positively impact engagement with all audiences, including colleagues, partners, residents, etc.; Educate all staff about personal pronouns as they relate to gender identity, including the practice of adding pronouns to email signatures, to foster a sense of inclusivity and belonging; During annual reviews, give direct reports the opportunity to provide feedback about their managers to the managers' supervisors; feedback from direct reports offers different perspectives on managers' strengths and areas for growth.

3. Transparency / Accountability: Build shared strategic vision for DEI with specific goals and progress to date that is public and documented; Create opportunities for more Board and staff interaction, beyond Senior Leadership Team members; Define and socialize shared DEI definitions and beliefs; Evaluate/review business units (and leaders) for DEI outcomes; Develop and implement a method to assess how the Board is regularly incorporating inclusion and equity into the work of the Board.

4. External Commitments: Commit to contracting (30%+) directly or through subcontract with businesses owned by people who are Black, indigenous, people of color and/or women during the procurement process for goods/services across the organization, with an emphasis on increasing equity for people who have been historically Marginalized; Support partners (e.g. the California Tax Credit Allocation Committee) to embrace DEI by making changes to their documentation and processes; Set targets for and create evaluation/reporting processes for commercial and community serving spaces to promote businesses and services owned by people who are Black, indigenous, people of color and/or women.

5. Culture: Demonstrate DEI commitment by creating an environment where participation in culture building will become part of every employee's work schedule; Provide a rotational program between different teams at BHC and between BPMC/BHC (e.g. shadow for 2-3 days).

1.3.4. Relevant Experience. For 38 years, BRIDGE, a San Francisco based nonprofit, has completed 175 projects comprising over 16,000 units of housing, including 22 projects and 2,357 units in San Francisco. BRIDGE developments serve a wide range of residents, from market-rent paying families to fixed-income seniors, to public housing residents, to the formerly chronically homeless. BRIDGE has a pipeline of new projects in construction (45 projects with over 5,000 units), and in predevelopment (an additional 2,263 units, including Potrero, a HOPE SF development, and Jordan Downs, a public housing rehabilitation development in Los Angeles).

1.3.5. Project Management Capacity.

Brad Wiblin, Executive Vice President of Business Development, will lead the Reservoir team. Brad has been developing affordable housing for nearly 30 years with BRIDGE Housing. He will dedicate 30% of his time to the Project.

Jeremy Hoffman was hired in August, 2022 to be the Director of Development for Balboa Reservoir. Jeremy will dedicate 100% of his time to the Balboa Reservoir project including Building A.

1.3.6. Past Performance.

1.3.6.1. City audits/performance plans.

In recent years, Sponsor experienced staff turnover, including at Balboa Reservoir and Potrero HOPE SF projects. As a condition of previous MOHCD loans, the Sponsor regularly provides a staffing report for the BRIDGE projects within the MOHCD portfolio.

The hiring of Jeremy Hoffman whose primary focus is Balboa Reservoir has greatly improved communication, performance, and project execution. In the event of future staff turnover that impacts Balboa Reservoir, the Sponsor will need to hire a third-party consultant to mitigate any further delays. Cost for this additional capacity will be paid out of the Sponsor's developer fee.

Sponsor now meets with MOHCD senior leadership to discuss opportunities to enhance communication and build the working relationship between the Sponsor and MOHCD. The Sponsor has committed to improving communication and transparency with MOHCD and staff.

1.3.6.2. Marketing/lease-up/operations.

In the lease up of two recent developments (La Fenix and Avanza 490) the Sponsor’s staff was fair, culturally competent, and allowed time for applicants that needed further assistance related to the Fair Chance Ordinance. Compliance turnaround time is slower for the Sponsor than most other 100% affordable project sponsors. This may be a result of changing TCAC compliance rules during the pandemic or site staff inexperience in completing the TIC and other lease up documentation. There were sometimes multiple rounds of corrections.

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

Site Description	
Zoning:	Master Development - Balboa Reservoir Special Use District (SUD) (Approved August 2020)
Maximum units allowed by current zoning (N/A if rehab):	Density set by Balboa Reservoir Special Use District.
Seismic (if applicable):	California Building Code (CBC) Seismic Design Category E; PML (Probable Maximum Loss) SUL (Scenario Upper Loss) TBD pending further analysis in pre-dev period
Soil type:	Soil in the Site vicinity is considered to be Urban Land, with clayey soil.
Environmental Review:	EIR Certified May 2020, upheld in appeal August 2020.
Adjacent uses (North):	Riordan High School
Adjacent uses (South):	Ocean Avenue Neighborhood Commercial Corridor
Adjacent uses (East):	City College of San Francisco
Adjacent uses (West):	Westwood park – RH1(D) - single family homes
Neighborhood Amenities within 0.5 miles:	Grocery stores (Whole Foods and convenience stores), Muni (K, J, 43, 8, 8BX, 49, 29, 54, 23, 36) , BART, restaurants, shops, bakeries, high schools (Riordan, Lick Wilmerding, City College, etc.)
Public Transportation within 0.5 miles:	MUNI Ocean Avenue, 43, Balboa Park BT
Article 34:	Project is required to adhere to Article 34 requirements and will obtain approval before predevelopment loan executed.
Article 38:	Exempt per Planning website
Accessibility:	Building A shall adhere to the provisions of California Building Code (CBC) Chapter 11(B) regarding accessibility to privately owned housing made available for public use in all respects except as

	follows: 15% of the Low-Income Units with mobility features, as defined in CBC 11B 809.2 through 11B 809.4, and 10% of the Low Income Units with communications features, as defined in CBC 11B 809.5. These units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project consistent with 24 CFR Section 8.26.
Green Building:	Per the DA, the Sponsor will seek LEED Gold status or higher. Building A may require further Green building commitments, depending on financing. Sponsor will return at final Gap with a more defined Project and Green Building status.
Recycled Water:	Exempt. Per the DA, "Project will meet 100% of the site's non-potable demand through gray water treatment and reuse. For subsidized residential units the goal will be balanced with available funding and priorities related to affordability."
Storm Water Management:	Master infrastructure plan approved: the Project is required to implement Best Management Practices to reduce the flow and volume of runoff from the Project Site. The conceptual stormwater management plan for the Project includes drainage management areas (DMAs) with either localized or centralized management facilities. Building E will likely benefit from centralized stormwater management facilities, per the Infrastructure Master Plan (IMP), however further analysis will be conducted in the detailed design phase for the masterplan infrastructure.

2.1. Description. The project site consists of an approximately rectangular-shaped, 17-acre lot on the western side of Frida Kahlo Way Avenue, north of its intersection with Ocean Avenue. The Site is currently an asphalt-paved parking lot used for CCSF parking. The central portion of the site was previously excavated an estimated 15 feet below original grades for a planned reservoir, and an embankment up to about 30 feet tall was constructed along the western portion of the site. The existing grades range from about Elevation 292-294 feet (NAVD88) in the central portion of the site to Elevation 323 feet along the crest of the western embankment. Under future Lee Avenue, the existing grades range from about Elevation 315 feet in the northeast corner of the site to about Elevation 307 feet in the southwest corner.

2.2. Zoning. Density not set by zoning but by Balboa Reservoir Special Use District. There is a height maximum of 78 feet.

2.3. Environmental Issues. Phase I and Phase II complete for master development site. There is a site mitigation plan in place.

2.4. Adjacent uses and neighborhood amenities.

The Balboa Reservoir is in an area surrounded by rich amenities and resources, including two major grocery stores to the north (Safeway) and

south (Whole Foods) of the site. Both BART and MUNI lines J, K, and M, 8, 8BX, 23, 43, & 49 are conveniently located within a ½ mile of the proposed development, encouraging easy use of public transportation to all major parts of the city. The Ocean Avenue commercial corridor offers a large array of smaller neighborhood serving retail.

The Ingleside Public Library, Balboa High School, Aptos Middle School, Sunnyside Elementary School, and the City College of San Francisco are within walking distance of the site. In addition to the developer's plans of incorporating a childcare center on site, there are 3 preschools located within a 0.5 mile radius of the site.

In addition to the 4 acres of open space that will be developed as a part of the Balboa Reservoir Master Plan, Balboa Park offers a myriad of recreational activities for residents including a generously sized playground, several baseball diamonds, tennis courts, a soccer field, a skatepark, and a public swimming pool.

For health and wellness, the San Francisco Chinese Hospital has a community clinic about a mile away, at 888 Persia Ave.

The Reservoir is located in a "highest resource" area on TCAC's Opportunity Map.

2.5. Green Building. The Balboa Reservoir Master Plan has a comprehensive sustainability plan that refers to both site-wide and building specific commitments to Green Building. The Planning Department pushed the project to exceed City standards for sustainability, these commitments include:

- LEED Gold or better on every building
- Goal for all electric building
- Greenhouse Gas (GHG) neutral
- Transportation Demand Management (TDM) ordinance compliance
- 20% Electric Vehicle (EV) charging stations at buildings with parking
- Non-toxic interiors
- Energy efficient design
- 25% of building energy (sitewide) via onsite renewable energy sources
- Water conservation measures, including plumbing fixtures, drought tolerant plants, and drip irrigation
- Non-potable water through gray water, exempt per DA.

### 3. COMMUNITY SUPPORT

- 3.1. Prior Outreach. In 2015 the City of San Francisco appointed the Balboa Reservoir Community Advisory Committee (BRCAC) which started work in 2014, establishing the parameters for development. In 2017 the BRCAC supported the City's developer selection process. Once the development team was selected the BRCAC met to discuss and review the developer's proposal including site design, amenities, open space programming, affordability, connection to the neighborhood, and surrounding infrastructure. The BRCAC will continue to work with the master developers through detailed design and construction. The BOS extended the BRCAC to serve through July of 2021. Local opposition came from two constituencies: City College professors who were mainly concerned about losing parking on the Reservoir and neighborhoods to the West and North with concerns about traffic and construction impacts such as dust and noise. Their concerns were addressed through the entitlements process.
- 3.2. Future Outreach. The Master Developer has committed to at least one pre-application meeting for each building. The Master Developer and Sponsor will also host at least one design meeting with the community around the parks and open space, consistent with the DA requirements. The Master Developer will also meet with the community no less than twice a year during construction. Once the project is complete, a community advisory committee will convene, with a focus on the operations of the open spaces.
- 3.3. Proposition I. Yes, neighborhood notification is required. BRIDGE will complete this in the Fall of 2022 before the loan closing and after MOHCD Loan Committee approval.

### 4. DEVELOPMENT PLAN

- 4.1. Site Control. The Master Developer entered into a Purchase and Sale Agreement (PSA) for a base price of \$11,400,00 with the SFPUC, for nearly 17 acres. The land closing occurred on December 20, 2022. The Sponsor elected to take the offered seller carryback financing from the PUC, which includes a 3% simple interest rate and annual \$400k payments, with a balloon payment due by December 31, 2026. The price paid at closing (and amount of seller carryback financing) was \$11,006,965, which is the \$11.4 million price plus \$606,965 of accrued interest as of the closing date, less \$1 million in payments made by Sponsor to the PUC as of that date.

The Sponsor has completed the tentative mapping process (approved by the City on November 28, 2022), and is far along in getting to a Final Map, as well as a Street Improvement Plan (SIP) with the Department of Public Works Infrastructure Task Force (DPW-ITF). The project team has been coordinating with OEWD and DPW-ITF to manage the process.

- 4.2. Phasing. As currently envisioned, Building A is part of Phase 2 of the multi-phase Balboa Reservoir Master Development. Phase 1 infrastructure is anticipated to take about 12-18 months to complete once started. The work completed in the current Phase 1 includes all streets, underground improvements, and housing mats so vertical construction can begin.

Phase 2 infrastructure was originally scheduled to start in 2025 (now delayed) and will be specific to the SFPUC open space right of way at the southern side of the Master Plan area. While Building A is in Phase 2, the Project can start construction once Phase 1 infrastructure work is complete.

The first phase of horizontal infrastructure construction had been estimated to start Q3 2023, however is now delayed and on hold due to current market conditions for the townhomes and market rate apartment projects. Without changes to the phasing, the delay is anticipated to be at minimum 6 months, however based on historical economic cycles, could be longer.

To mitigate the delay, Sponsor will work with City staff in early 2023 to determine whether there is a way to re-phase the project such that the affordable buildings can move forward, even while the market rate projects are on hold. Any changes to phasing of the infrastructure and housing developments will likely require an amendment to the Development Agreement, and potentially other City approvals.

- 4.3. Mapping. The Sponsor has had regular meetings with the Department of Public Works Infrastructure Task Force (DPW-ITF) to work through the mapping process and SIP in order to have the new parcel map completed at the time of land transfer from SFPUC in December, 2022. However, the final map was not achieved for the closing, so an exempt conveyance approach was used whereby the City conveyed the affordable parcels in one exempt conveyance/deed, and the remainder of the site (including market rate and open space) as a separate exempt conveyance/deed, to the Sponsor.

On November 28, 2022, the tentative map was approved by the City. The SIP has had multiple rounds of comments from the City and resubmissions by the project team, and the SIP is now considered at 95% by the project team. Resubmission of the SIP is on hold currently while re-phasing of the infrastructure is discussed between the project team and the City

The responsibility for managing the infrastructure work falls evenly onto both BRIDGE and Avalon, with assistance from DPW-ITF. The Master Developers hired Hollins Consulting for infrastructure construction management and Martin R. Ron Associates for Mapping. Both firms are well versed and have significant experience working with the City and the DPW-ITF. Mapping remains a critical path item and the Sponsor will

include MOHCD in discussions with DPW-ITF meetings to ensure Project gets to a closing.

4.3.1. Proposed Property Ownership Structure. At the close of construction financing for Building A, the land will be transferred from BHC Balboa Builders LP to MOHCD for a nominal cost of \$1, at which time, MOHCD and the LP will enter into a long-term ground lease of 75 years, with an option to extend up to 99 years. Base rent payment to MOHCD will be the standard \$15,000 annually with residual rents based on the unrestricted value of the land. As is standard in MOHCD ground lease agreements, the LP will own the improvements.

4.4. Proposed Design. Sponsor is anticipating building a 159-unit affordable housing development. This funding request is to allow the Sponsor to start the predevelopment process and to apply for state funding, as well as to reimburse Sponsor for some of the costs incurred to date on land and entitlements. At this time all numbers on size and scope of the building are preliminary.

Residential SF:	172,910	
Commercial SF:	0	
<b>Building Total SF:</b>	172,910	
<b>UNIT TYPES</b>	<b>Avg Unit SF - This Project</b>	<b>CTCAC-Required Minimum SF</b>
Studio:	416	
1BR:	611	450
2BR:	884	700
3BR:	1,170	900

4.5. Infrastructure. The Balboa Reservoir master development requires a considerable amount of site work and construction of new roads to access the parcels. Additionally, the Master Developer has committed to build new parks and open space throughout the Site. Each development site, including the affordable housing sites, will contribute to the infrastructure costs. The market rate townhomes will participate in a Community Facilities District (CFD) to help fund this work. The affordable projects, including Building A, will contribute to the infrastructure on a pro rata basis and these costs are included in the total development costs for the project. Each building will contribute at a rate equivalent to the Net Present Value (NPV) of the cumulative CFD obligation were they included in a sitewide CFD. These amounts were agreed upon at the time of the DA.

These infrastructure contributions are in addition to the Infrastructure and Infill Grants (IIG) award – the project requires both sources to fund the



total infrastructure, as detailed in the DA. The City was awarded a \$26M IIG award in 2021, \$21M earmarked for this infrastructure work for Phase 1 of the site and \$5M for the parking garage. This IIG application did not include any Phase 2 infrastructure or buildings, including this Project Building A. MOHCD has not approved the infrastructure sources, including the division of IIG across the buildings, and requests an updated breakdown from the Sponsor as a Loan Condition.

As mentioned above, the Sponsor will work with the City to re-phase the project to move the affordable buildings forward, which may require approvals from California HCD around the scope of the work being funded by the IIG and which buildings are included in the QIA.

The roughly \$60M infrastructure projection shown below is based on early estimates from the civil engineer. The civil engineer will provide an updated estimate in 2023 and once the future GC will be able to provide an even more refined estimate.

<b>Infrastructure Uses</b>	
Infrastructure Hard Costs	
Pre Vertical Phase 1 Hard Costs	22,605,548
During Phase 1 Vertical	11,302,774
Late Phase 1 Vertical Hard Costs	11,302,774
Phase 2 Infrastructure Hard Costs	4,784,110
Infrastructure Soft Costs During Construction	2,170,964
Design/Bid Contingency	7,513,253
<b>Total Infrastructure Costs</b>	<b>59,679,422</b>

4.6. Construction Supervisor/Construction Representative's Evaluation As compared to similarly sized affordable housing projects, Balboa Reservoir Building A contains similar costs to construct on measures of cost per unit, bedroom, and square foot. The project's acquisition costs are in an acceptable range.

However, the soft costs of this project are double that of comparable projects, causing the overall development costs to be approximately 18% over typical costs. Prior to pursuing permanent financing, it is recommended the soft costs of this project are reviewed in detail.

The architectural, design, and environment studies costs on Building A are in general \$200-500k lower than projects of similar size. This could be due to the project's unique situation where infrastructure is already being captured in the Balboa Infrastructure Task Force (ITF), or the project could anticipate onboarding additional design build contractors using future funding. The lower cost in this scope is not reason to hold up predevelopment funding. However, it is recommended that the project

team review the budget further and solicit feedback from architects during the Request for Proposals (RFP) process. In particular, the budgets for design consultants, third party design consultants, and engineering & environmental studies consultants should be examined.

4.7. Commercial Space. This Project does not contain commercial space.

4.8. Service Space. The design phase will incorporate a dedicated office and evaluate the feasibility of an onsite services room. BRIDGE is currently evaluating options for services offsite in adjacent locations including partial use of the onsite community center located in Building E. The design will be evaluated for the potential addition of a services space as needed or desired to meet minimum TCAC building amenity requirements and earn points in CDLAC's Affirmatively Furthering Fair Housing scoring section.

4.9. Target Population. Per the DA, the Sponsor will use reasonable efforts to achieve the goal of providing 50% of the Affordable Units as two- or more bedroom units on the Affordable Parcels. The initial unit mix proposed by the Sponsor meets this requirement. Currently the Project includes a mix of affordable non-manager unit sizes:

- 17 studios,
- 46 1-bedrooms units,
- 43 2-bedroom units, and
- 41 3-bedroom units.

The Sponsor will work with MOHCD and the architect to refine unit mix based on the DA requirements. The sponsor will ensure that 3 bedrooms and 2 bedrooms will respectively account for 25% of all units as this will increase the project's competitiveness for CDLAC and AHP. However, reduction of units or developing larger units will further drive up per-unit development costs and potentially increase MOHCD gap.

Currently, the Sponsor is anticipating serving a wide range of incomes including households from 38% MOHCD AMI to 80% MOHCD AMI with an average of 60% AMI. During predevelopment the exact unit mix will be refined in coordination with MOHCD and the community.

4.9.1. Public Art Component. Public art was not included as part of the Development Agreement.

4.10. Marketing, Occupancy, and Lease-Up

Marketing and occupancy outreach for the Project will be conducted in accordance with all applicable fair housing laws. BRIDGE will work with other neighborhood-based, non-profit housing corporations, agencies and other low-income housing advocacy organizations, such as PODER,

Mission Housing Clinic and others to garner interest and develop relationships with future tenants and ensure that housing opportunities reach a wide range of individuals and families with diverse backgrounds. In addition, BRIDGE will develop a targeted marketing plan specific to seniors, early child care educators, and neighborhood residents, as applicable to Building A as required by Exhibit D to the Balboa Reservoir Development Agreement.

All units will be entered in the DAHLIA lottery and subject to preferences as per the Development Agreement (DA). The DA expands the standard geography for households eligible for neighborhood preference (#3 below) to include residents of adjacent District 11. Preference will be observed in the following order:

1. Certificate of Preference Holders,
2. Displaced Tenant Housing Preference (Ellis Act/ OMI) Certificate Holders,
3. Neighborhood Resident Preference<sup>1</sup> and
4. Live or Work in San Francisco.

As a condition of this loan and in order to meet the specific marketing preferences above, BRIDGE will return before requesting gap financing with a marketing and lease up plan that will include affirmative marketing to the community so that local residents, and in particular those populations that have been traditionally underserved by affordable housing programs, are aware and are able to sign up for opportunities in the new building. Sponsor will also provide a community outreach plan at that time.

4.11. Relocation. N/A. Currently, the Site is a parking lot for CCSF.

**5. DEVELOPMENT TEAM**

<b>Development Team</b>			
<b>Consultant Type</b>	<b>Name</b>	<b>SBE/LBE</b>	<b>Outstanding Procurement Issues</b>
Architect	BAR Architect	N	N/A
Landscape Architect	TBD		
JV/other Architect	YA Architects	Y	N/A
General Contractor	TBD		
Owner’s Rep/Construction Manager	TBD		
Financial Consultant	CHPC	N	N
Other Consultant	TBD		
Legal	TBD		

<sup>1</sup> A City ordinance requires 40% of Lottery units to be set-aside for Neighborhood Preference. If funds are leveraged from the State of California Housing and Community Development (HCD), this preference is not allowed. The City and County of San Francisco has been working with HCD to allow for 25% of the units included in the City Lottery to be set-aside for Neighborhood Preference.

Property Manager	BPMC	N	N
Services Provider	TBD		
Other	Name		

5.1. Procurement Plan. Sponsor has selected a joint venture of BAR and YA to be the architect for the project. The procurement process went through the City’s procurement process. Upon approval of this predevelopment request, the Sponsor will work with the Office of Contract Management Division (CMD) to set these LBE goals for the Project.

As mentioned in the RFP response, the Sponsor has elected to work with its existing designers and consultants in order to continue the Master Plan related work. As a result, the Sponsor will not need to provide a competitive RFP for those contracts.

5.2. Opportunities for BIPOC-Led Organizations. BRIDGE has an internal commitment within the Diversity, Equity, and Inclusion Plan to contracting (30%+) directly or through subcontract with businesses owned by people who are Black, indigenous, people of color and/or women during the procurement process for goods/services across the organization, with an emphasis on increasing equity for people who have been historically marginalized. BRIDGE will work through CMD to make sure that when assembling the consultant team for Building A, BIPOC-led organizations receive a bonus on their bid scores.

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/OCII Funding. This is the Sponsor’s first request for funding.

6.2. Disbursement Status. N/A

6.3. Fulfillment of Loan Conditions. N/A. This is the first request from the Sponsor for this Project.

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative

The amount provided should be sufficient to carry the Project through construction start and it is not expected that the Sponsor will request additional funds from MOHCD. The Sponsor must also be approved to use their own funds for predevelopment sources given the budget required to get to a closing.

The items shown here are preliminary numbers. The Sponsor will return at final gap with more finalized numbers after financing approval from HCD.

6.4.2. Predevelopment Uses Evaluation:

<b>Predevelopment Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Acquisition Cost	Y	Acquisition Cost included in the predevelopment budget is \$196,076 (\$1,233/unit). This is the amount paid by the developer to the PUC to date that is attributable to Building A.
Holding costs are reasonable	Y	Holding costs are \$40,858 (\$257/unit) and constitutes taxes, insurance, and other costs.
Architecture and Engineering Fees are within standards	Y	Architecture fees are \$1.85M during predevelopment.
Consultant and legal fees are reasonable	Y	Borrower legal fees are \$65,000 and financial consultant fees are \$20,000.
Construction Management Fees are within standards	Y	CM is \$100,000 for 12-24 months during predevelopment.
Developer Fee is within standards	Y	Developer Fee is \$550,000 which is within MOHCD UW guidelines.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%

6.5. Proposed Permanent Financing

6.5.1. Permanent Sources Evaluation Narrative:

- Private mortgage (\$15,475,000): Sponsor is assuming a 40-year amortization at 6.29% rate. Additionally, the MOHCD proforma reflects the maximum mortgage.
- 4% Tax Credit Equity and State Tax Credits (\$76,233,302): \$0.88 blended LIHTC and state tax credit pricing is assumed. The Sponsor notes that since the project is still at least 2 years from construction closing they felt it was prudent to include conservative tax credit pricing. It is anticipated that Building A will be competitive for State Tax Credits because it is in a Highest Resource Area according to TCAC’s Opportunity Area Map. It is critical Building A secure these state tax credits otherwise the gap funding needed would significantly increase.

- AHSC (\$33,000,000): The Sponsor requests preliminary gap financing approval from Loan Committee for their AHSC application to HCD for which the City will be a joint applicant. If granted, AHSC funds will also include a grant component to support:
  - transit passes for residents for three years, capitalized in the permanent budget. The Sponsor included this in the initial application to BART. They asked for additional funds to cover this item however may move it into the housing budget based on feedback from Enterprise.
  - Approximately \$9M in funding for BART
  - Approximately \$4 million in funding for Sunset 39, a MUNI bus stop project
  - \$1.5 million in funding for a bicycle safety project and pedestrian projects in Phase 2.

The Sponsor and BART and the City's consultant, Enterprise, will work to refine the exact transportation improvements package to maximize competitiveness for AHSC grant. Applications are due March 2023. Sponsor hired Community Development Resource Group (CDRG) as a consultant to assist with the application for AHSC.

- MOHCD Loan (\$14,000,000): The Sponsor will request preliminary gap approval to apply to AHSC, with standard MOHCD terms of 55 yr. at 3% interest rate.. This subsidy amounts to approximately \$88,050 per unit.
- AHP (\$1,000,000): The Project did not include AHP in the initial budget projections but could be competitive for \$1M. The Sponsor will provide an analysis to MOHCD by February 2023 to assess if it is competitive and if so will apply to AHP in the March 2023 round. The award will be used to lower MOHCD's contribution to the Project.
- Deferred Developer Fee (\$1,300,000): CHPC, the project's Financial Consultant, sized the deferred fee based on the priority deferred developer fee that HCD allows to be taken (a total of a \$3.5 million fee between the \$2.2 million paid and the \$1.3 million deferred), which is fully repaid after 8 years. The tax credits generated are approximately 40% of the deferred fee.
- General Partner Equity (\$15,353,079): Sized based on the total federal guidelines for developer fees, minus the \$1.3 million deferred fee and the \$2.2 million paid fee. The tax credits generated are approximately 40% of the GP equity, anticipated to be roughly \$6 million in additional tax credit equity. The GP equity

does not count toward the Sponsor subsidy support of this Project. The Sponsor believes this high GP equity may reduce its CDLAC tiebreaker competitiveness but would generate sufficient additional LIHTC equity to make it worthwhile (accounting for the max 120 points due to the Project’s location in a high resource area according to TCAC’s Opportunity Area Map). This does not comply with MOHCD underwriting guidelines and while MOHCD generally would not approve this high amount, the Sponsor believes it will make them more competitive to reduce the MOHCD gap. MOHCD will need to provide final approval before the Sponsor submits a TCAC/CDLAC application.

- Master Developer Subsidy. The Master Developer is responsible for subsidizing 67% of the affordable units in Balboa Reservoir, or 367 affordable units. The Sponsor is making this contribution in the form of original entitlement costs for the entire master plan, then proportionally distributed over all units except the townhomes, as well as infrastructure costs and subsidy for the affordable projects (separate from securing additional funding sources for affordable projects such as IIG and AHSC).

For Building A, the Master Developer total subsidy amount is roughly \$4M. As a requirement of the DA, the annual planning report should show the Master Developer Subsidy contribution as described above across the site. The Sponsor will provide a breakdown of all subsidy payments expected for all the affordable developments, as well as a projection of MOHCD subsidy for the MOHCD proportional share, for MOHCD approval.

- Construction Loan (\$118,428,920): While not a permanent source, the construction loan terms are, 35-month term, and an all-in rate of 8.1%.

6.5.2 CDLAC Tax-Exempt Bond Application:

<b>CDLAC Self-Score</b>	
Opportunity Map Resource Level	Highest Resource
TCAC Housing Type (new construction only)	Large Family
Bond Allocation Request Amount	\$80,715,000
Total Self-Score (out of 120 points)	120
Tiebreaker Score	TBD

6.5.3 HOME Funds Narrative: At this time, HOME funds are not included as a funding source from MOHCD. If funds are allocated to the Project in the future, staff will complete a financial analysis for the Project.

6.5.4 Commercial Space Sources and Uses Narrative. This Project does not include commercial space.

6.5.5 Permanent Uses Evaluation: The numbers presented below are an estimate. Once the Sponsor completed the RFP for architects and is able to secure a general contractor, the numbers will be updated accordingly.

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	\$633,774/unit
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	Total architecture costs are \$2.8 million
Construction Management Fees are within standards	Y	Complete fee is \$200,000, which is within MOHCD standards.
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$1.1M At risk fee: \$1.1M Deferred fee: \$1.3M GP equity: \$15.4M Commercial fee: \$0 Total fee: \$18.8M
Construction Loan interest is appropriately sized	Y	Interest is shown at \$16.8M assuming 8.1% interest rate
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 4%. Sponsor will increase to meet MOHCD UW.
Capitalized Operating Reserves are a minimum of 3 months	N	Capitalized Operating Reserve is equal to 3 months. Sponsor will decrease to meet MOHCD UW.

Hard costs: Cost per square foot estimates of \$504 were provided by Cahill Construction in January of 2023 based on a conceptual design for the building.



**Infrastructure:** The Balboa Reservoir master development requires a considerable amount of site work and construction of new roads to access the parcels. Additionally, the Master Developer has committed to build new parks and open space throughout the Site. Each housing parcel, including the affordable housing sites, will contribute to the infrastructure on a pro rata basis, and these costs are included in the total development costs for the Project. The Sponsor is assigning \$3.8M in infrastructure costs in the budget. MOHCD believes the \$60M projected as total infrastructure costs for the Site is too low, which could strain the Project and increase MOHCD debt. Please see Section 4.5 for more information on infrastructure.

**Parking:** The Development Agreement requires that the project address the transformation of parking on the Project Site from College-oriented parking uses to residential uses by permanently replacing up to 450 public parking spaces. BRIDGE and Avalon Bay have split this up between the buildings and Building A has been assigned 80 spaces. Per Exhibit J to the Development Agreement, Sponsor needs to determine how many of the 80 will be publicly available, shared with tenants, or solely for tenant use. It is the sponsor's intent to locate the 80 units within Building A. Publicly available parking spaces will be accessible for a fee. Only the spaces solely for tenant use can be included in basis for LIHTC. The sponsor will continue to analyze how many of the 80 spaces will be solely for tenant use or shared use (such as public during the day and only for tenants at night) over the next few years per Exhibit J of the DA.

**Furnishings (\$400k):** Initial sizing, will be refined later in predevelopment.

**Developer Fee Evaluation:** Total Developer Fee is \$18,852,979. This will include \$1,300,00 in deferred fee and \$15,352,979 of GP equity put back into the project, neither of which increases the MOHCD gap loan.

Sponsor and MOHCD will retain the 50/50 cash flow split until the developer fee is paid. The deferred fee is paid in full in year 10.

	<b>Amount Paid at Milestone</b>	<b>% of Fee</b>
<b>Total Developer Fee:</b>	<b>\$18,852,979</b>	
Project Management Fee:	\$1,100,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,100,000	
Amount of Fee Deferred (the "Deferred Fee"):	\$1,300,000	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$15,352,979	

Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management		
Close of Predevelopment Loan	\$165,000	15%
Predevelopment - Submission of HCD funding application	\$165,000	15%
Predevelopment - Submission of joint CDLAC and TCAC application	\$110,000	10%
Predevelopment - MOHCD Gap financing approval	\$110,000	10%
Construction Close	\$220,000	20%
Construction Completion	\$220,000	20%
Project close-out	\$110,000	10%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		
95% lease up and draft cost certification	\$220,000	20%
Permanent conversion	\$550,000	50%
Project close-out	\$330,000	30%

7. PROJECT OPERATIONS (See Attachment I and J for Operating Budget and Proforma) Annual Operating Budget. This funding request is for predevelopment funds. Operating budget is being presented here to demonstrate the Project’s overall feasibility but is not intended to be presented for Loan Committee approval at this time. The Sponsor will return at final gap financing for approval of the operating budget.

7.1. Annual Operating Expenses Evaluation. The Project does not have any special needs or rental subsidies. Most costs are in line with MOHCD underwriting.

**Operating costs per unit in Year 1 are \$10,892.** The Sponsor’s Asset Management team provided this estimate using five other BRIDGE San Francisco properties as cost comparisons. The Sponsor believes that this amount should suffice for a building with no special population or maintenance needs.

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	Y	DSCR is 1.167 at Year 1 and 1.435 at Year 17. Sponsor will reduce DSCR at Year 1 to conform with MOHCD UW.
Vacancy meets TCAC Standards	Y	Vacancy is 5%

Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 2.5%
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$11,487 per unit including replacement reserve deposit and ground lease payment.
Property Management Fee is at allowable <u>HUD Maximum</u>	Y	Total Property Management Fee is \$124,020 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 \$24,280 Annual PM Fee is \$35,000/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	Y	\$5,000 per year without escalation

HOA (\$114,480) and Transportation Demand Management (TDM) (\$38,160) Fees: HOA fee sized based on \$60/unit/month. The actual amount will be determined based on the costs of maintaining the park and open space, plus other HOA costs. The TDM fee is \$20/unit/month. Per Exhibit J of the DA, the Balboa Reservoir project will implement a comprehensive TDM program that includes family friendly measures. While the plan is not finalized, the program will include physical improvements to the site as well as programmatic offerings to residents including bicycle parking, a bicycle repair station, and family TDM amenities such as storage, dog park, and other children’s programming. The Sponsor will implement the program for each phase of development.

7.2. Staffing Summary.

Manager	66,560
Asst. Manager	40,000
Resident Admin	35,000
Janitor	37,000
Technician	43,628
Maint Supervisor	40,000
Waitlist/Compliance	13,640
<b>Total</b>	<b>275,828</b>

7.3. Capital Needs Assessment & Replacement Reserve Analysis. N/A.

7.4. Income Restrictions for All Sources.

The Sponsor will provide HCD TCAC AMIs once the AHSC NOFA is released in 2023.

UNIT SIZE		MAXIMUM INCOME LEVEL		
NON-LOTTERY	No. of Units	MOHCD	TCAC	HCD
N/A	0	N/A	N/A	N/A
<b>Sub-Total</b>	<b>0</b>			
<b>LOTTERY</b>				
Studio	3	40% MOHCD AMI	30% TCAC AMI	% ___ TCAC AMI
Studio	7	67% MOHCD AMI	50% TCAC AMI	% ___ TCAC AMI
Studio	7	80% MOHCD AMI	60% TCAC AMI	% ___ TCAC AMI
<b>Sub-Total</b>	<b>17</b>			
1 BR	12	38% MOHCD AMI	30% TCAC AMI	% ___ TCAC AMI
1 BR	13	63% MOHCD AMI	50% TCAC AMI	% ___ TCAC AMI
1 BR	21	76% MOHCD AMI	60% TCAC AMI	% ___ TCAC AMI
<b>Sub-Total</b>	<b>44</b>			
2 BR	14	40% MOHCD AMI	30% TCAC AMI	% ___ TCAC AMI
2 BR	10	67% MOHCD AMI	50% TCAC AMI	% ___ TCAC AMI
2 BR	29	80% MOHCD AMI	60% TCAC AMI	% ___ TCAC AMI
<b>Sub-Total</b>	<b>53</b>			
3 BR	11	40% MOHCD AMI	30% TCAC AMI	% ___ TCAC AMI
3 BR	9	70% MOHCD AMI	50% TCAC AMI	% ___ TCAC AMI
3 BR	21	80% MOHCD AMI	60% TCAC AMI	% ___ TCAC AMI
<b>Sub-Total</b>	<b>41</b>			
<b>STAFF UNITS</b>				
2 BR	1			
3 BR	1			
<b>TOTAL</b>	<b>159</b>			
<b>PROJECT AVERAGE</b>		<b>60%</b>	<b>49.87%</b>	
<b>AVERAGE FOR LOTTERY UNITS ONLY</b>		<b>60%</b>	<b>49.87%</b>	

**7.5 MOHCD Restrictions.**

<b>Unit Size</b>	<b>No. of Units</b>	<b>Maximum Income Level</b>
0 BR	3	40% of Median Income
0 BR	7	67% of Median Income
0 BR	7	74% of Median Income
1 BR	12	38% of Median Income
1 BR	13	63% of Median Income
1 BR	21	71% of Median Income
2 BR	14	40% of Median Income
2 BR	10	67% of Median Income
2 BR	29	76% of Median Income
3 BR	11	40% of Median Income
3 BR	9	70% of Median Income
3 BR	21	75% of Median Income
2BR	1	Manager's Unit
3 BR	1	Manager's Unit

The Sponsor believes that it is necessary to have 2 managers units given the size of the project, and income restricted managers units are problematic from an operational perspective, as that if the manager's employment is terminated for any reason, they would need to be allowed to remain in place, and then the property must wait for another 2 or 3 bedroom unit to open up for another manager.

**8. SUPPORT SERVICES**

**8.1. Services Plan.**

BRIDGE will partner with our on-site service partner and property management staff to produce and promote educational and family enrichment programs and activities, such as: health and wellness programming, job readiness, career and college exploration, academic support, cultural enrichment, leadership development, organized play groups for mothers/fathers with young children, casual gatherings such as weekly coffee hours, community celebrations for cultural holidays and community meetings to inform and address community needs and resources.

At Building A, all of the individuals and families will have access to a range of on-site and off-site referral services coordinated by BRIDGE through its direct-service partnerships and in collaboration with local service providers. Since Building A will be a mixed-income affordable housing development, including households ranging from 38-80%

MOHCD AMI, BRIDGE's resident programs plan will focus on 3 essential areas: Service Coordination - Resource and Benefit Referrals, Adult and Family Programming, and Community Building Activities and Events. The goal is to meet resident needs by filling local service gaps while avoiding redundancy through the leveraging of external community resources.

This model, of providing various interconnected services, aims to meet the specific needs of families "where they are," while working to develop opportunity and foster self-efficacy. These facilities will host programming that builds community, integrates resident populations within the surrounding community, and supports children, youth and adult residents at all income levels. As appropriate, BRIDGE and its service partners will provide materials, program information and referral resources in appropriate languages based on resident demographics.

Service Coordination leverages partnerships with community agencies to connect families and individuals to food resources (SNAP, Community Basket, pantries etc.), energy assistance, housing assistance (including rental assistance, if needed), medical/medication assistance, life skills and education classes, recovery treatment and more. One FTE, on-site Resident Services Coordinator (RSC) will be contracted to provide resident needs-assessments, information and resource referrals, individual support and systems navigation through regular office hours, resident outreach and community building events.

In addition to individual outreach for needs assessment and support, the RSC will also provide or facilitate groups, workshops and presentations on issues that are relevant to residents. Topics such as financial empowerment, parenting skills, domestic violence prevention, health and safety, disaster preparedness, housing/tenant advocacy, etc. have proven to be helpful to residents. These activities provide residents with an opportunity to socialize, address individual and/or family issues, and improve interpersonal skills.

Adult and Family Programming, Community Building Activities: Of the total 181 units at Building A, BRIDGE's current plans include 119 multi-bedroom units designated for families. BRIDGE estimates that 25% or more of the resident population will be youth, 18 years old and under. Programs will actively support all individuals, families and age groups at the property and will promote community connection in order to ensure a solid base for safety, economic and social self-sufficiency.

Housing Stabilization: Since the income level of the residents at Building A will be between 38% and 80% SFAMI, BRIDGE anticipates a range of tenancy fluency and a need for service support with regards to housing stabilization, housing retention, lease education and trust building between

residents and property management. Marginally housed households who do not have a history of responsive and/or supportive housing providers, may harbor distrust stemming from histories of housing loss or instability. In addition, many families will need support in enhancing skills such as managing finances/budgeting, feeling safe in interacting with neighbors and maintenance staff, and unit care.

The onsite Resident Service Coordinator will offer support and referral assistance on any housing related issues including early intervention on Property issues; referral to legal assistance when indicated; supporting mediation for conflict resolution among tenants; and facilitation to establish open dialogue between service staff, management, and residents.

Services Budget. The operating budget assumes \$107,400 per year in services expenses: \$90,000 for .5 FTE service provider and \$17,400 for for 80 service hours per year of adult education, health and skill building classes. The Sponsor will provide a full scope and budget at gap request.

## 9. STAFF RECOMMENDATIONS

### 9.1. Proposed Loan Terms

<b>Financial Description of Proposed Loan</b>	
Loan Amount:	\$3,000,000
Loan Term:	55 years
Loan Maturity Date:	2078
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	January 1, 2017

### 9.2 Recommended Loan Conditions

#### Before predevelopment loan closing:

1. Sponsor will create an LLC and LP.
2. Sponsor will complete neighborhood notification for Proposition I.
3. Sponsor to deliver a final predevelopment budget, cash flow, and schedule.
4. Sponsor will deliver a preconstruction plan for MOHCD approval that includes:
  - When construction manager and general contractor are brought in through RFP process

- Their respective roles and responsibilities throughout preconstruction including budget creation and review, value engineering, and constructability review
- Design schedule and milestones
- When construction budgets and pricing will be submitted, and at which design milestones.
- Subcontractor procurement, bidding, and review process.

Ongoing:

1. Sponsor must provide quarterly updated response to any letters requesting corrective action.
2. Sponsor will share all Financial Consultant budget updates with MOHCD.
3. Sponsor must provide MOHCD with detailed monthly updates via the MOHCD Monthly Project Update, including on:
  - Community outreach completed and
  - Outcomes achieved related to racial equity goals
4. Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines.
5. Sponsor to provide a self-score AHP analysis every year until construction starts and, if deemed competitive by MOHCD, will submit an application to offset MOHCD gap.
6. Sponsor must provide MOHCD with information outlining cost containment, efficiencies, and innovation strategies to reduce overall project costs and maximize efficiency of MOHCD gap loans (this can be included in preconstruction plan).
7. Sponsor will work with MOHCD to bring on general contractor and CM through the RFQ process. Sponsor cannot proceed to design development until a General Contractor and Construction Manager is selected.
8. Sponsor to provide MOHCD with construction budgets, VE and constructability logs at every design milestone outlined in the preconstruction plan.
9. MOHCD not to exceed \$1million in total and combined eligible reimbursements to Bridge for entitlement and land costs between Building A and E.
10. MOHCD to fund only Building A's predevelopment expenses for calendar year 2023 related to entitlements, mapping, land holding expenses, legal, and design for AHSC application.
11. MOHCD will approve a revised development and infrastructure plan, budget, schedule, and phasing prior to authorizing any predevelopment activities and expense starting in calendar year 2024.
12. MOHCD will not exceed the funding share for all affordable projects at Balboa Reservoir which is approximately \$43.6 million plus CPI adjustments as outlined in the Development Agreement.



Prior to TCAC/CDLAC Application:

1. MOHCD reserves the right to withhold this project from applying to CDLAC/TCAC if any loan conditions are not met.
2. Sponsor to underwrite to the MOHCD guidelines. Any accommodations will need to be formally requested no later than 90 days from the application due date. All requests must be approved by MOHCD prior to application. MOHCD reserves the right to reject any requests.
3. Sponsor will provide a detailed analysis of how the total land costs were derived and proportionally attributed to each housing parcel.
4. Sponsor will provide a detailed analysis of how the total entitlement costs were derived and proportionally attributed to each housing parcel.
5. Sponsor will provide and MOHCD will approve an infrastructure analysis illustrating the supported share from affordable housing parcels
6. Sponsor will prepare for MOHCD approval a breakdown of all developer subsidy payments (RCP) expected for affordable developments in the site as well as a projection of MOHCD subsidy for the MOHCD proportional share.
7. Sponsor to provide analysis for competitiveness for CDLAC.
8. MOHCD will require approval of a feasible housing plan for Parcel/Building B and the Habitat for Humanity home ownership project.
9. MOHCD will require approval of the final unit count for Building A.
10. If applicable, MOHCD to approve budgeted expenditures for \$26,000,000 in IIG funding.
11. Sponsor will provide a services plan and proposed staffing levels that meet MOHCD underwriting standards. Any changes to the current proposed staffing will need to be presented to MOHCD at least 90 days prior to gap loan approval.
12. Sponsor will work to increase RSC staff service ratio to 1:100 per MOHCD underwriting guidelines.

Construction Closing Requirements

1. Sponsor must: a) provide for MOHCD review of the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) provide for MOHCD review of all raw financial data from developer or financial consultant prior to selection; c) provide for MOHCD review and approval of all selected investors and lenders; and, d) provide for MOHCD review and approval of all Letters of Intent from financial partners
2. The Sponsor agrees to maximize the permanent loan at a 1.15 debt service coverage ratio at the time of rate lock rate with the permanent lender. All additional interest rate cushion will be taken out of the permanent loan calculation outside of the perm lenders requirements. The permanent loan will be amortized for 40 years. Any additional loan proceeds will instantly reduce the MOHCD gap loan amount.

3. MOHCD will review and approve final residential and commercial GMP pricing & closing proforma. All construction and design related contingencies outside of the approved owners hard cost contingency will be taken out of the proforma. All budget line-item reductions in the residential and commercial proformas will instantly reduce the MOHCD gap loan amount.
4. MOHCD will review and approve the construction cash flow and interest reserve calculation. All additional interest rate cushion outside of the terms of the construction loan will be taken out of the final construction interest reserve calculation. Any reduction in the construction interest reserve will instantly reduce the MOHCD gap loan amount.

By TCO:

1. Sponsor must provide initial draft marketing plan within 12 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.

1. LOAN COMMITTEE MODIFICATIONS

## 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. Predevelopment Budget
  - J. Development Budget
  - K. 1<sup>st</sup> Year Operating Budget
  - L. 20-year Operating Pro Forma
  - M. Land, Entitlement, Infrastructure Cost

## Balboa Reservoir Building A Predevelopment and Preliminary Gap Request

Ely, Lydia (MYR) <lydia.ely@sfgov.org>

Sun 1/22/2023 12:34 AM

To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

Hi Vanessa-

I approve the Predevelopment and Preliminary Gap Requests presented at Loan Committee on 1/20/23.

Thank you,

Lydia

- - - -

Lydia Ely

Deputy Director for Housing

SF Mayor's Office of Housing and Community Development

Office phone: (628) 652-5821

Cell phone: (415) 225-2936

## BALBOA RESERVOIR BUILDING-A

Menjivar, Salvador (HOM) <salvador.menjivar1@sfgov.org>

Mon 1/30/2023 12:33 PM

To: Shaw, Eric (MYR) <eric.shaw@sfgov.org>

Cc: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

I approve BRIDGE Housing Corporation request for \$3 million in predevelopment funding and \$14MM in gap financing commitment for the Balboa Reservoir Building A (159 units consisting of: 17 studio units, 46 one-bedroom units, 53 two-bedroom units, and 41 three-bedroom units, plus 1 two-bedroom manager's unit and 1 three-bedroom manager's unit).

Best,

salvador



Salvador Menjivar  
Director of Housing

*Pronouns: He/Him*

San Francisco Department of Homelessness and Supportive Housing

[salvador.menjivar1@sfgov.org](mailto:salvador.menjivar1@sfgov.org) | 415-308-2843

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

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## Balboa Reservoir Building A Predevelopment and Preliminary Gap Request

Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>

Fri 1/20/2023 12:18 PM

To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

Cc: Ely, Lydia (MYR) <lydia.ely@sfgov.org>; Shaw, Eric (MYR) <eric.shaw@sfgov.org>; Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>

Hi Vanessa-

I approve the subject request on behalf of OCII.

Thanks!

Elizabeth



**Elizabeth Colomello**  
**Housing Program Manager**

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📍 One South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103

📞 415.749-2488, Cell 415.407-1908

🏠 [www.sfocii.org](http://www.sfocii.org)

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## REQUEST FOR PREDEVELOPEMENT FUNDING & GAP FINANCING COMMITMENT FOR BALBOA RESERVOIR BUILDING-A AHSC APPLICATION

Katz, Bridget (CON) <[bridget.katz@sfgov.org](mailto:bridget.katz@sfgov.org)>

Fri 1/20/2023 12:19 PM

To: Amaya, Vanessa (MYR) <[Vanessa.Amaya@sfgov.org](mailto:Vanessa.Amaya@sfgov.org)>

Cc: Shaw, Eric (MYR) <[eric.shaw@sfgov.org](mailto:eric.shaw@sfgov.org)>

Approve

**Bridget Katz**

*Development Finance Specialist, Office of Public Finance*

Controller's Office | City & County of San Francisco

Office Phone: (415) 554-6240

Cell Phone: (858) 442-7059

E-mail: [bridget.katz@sfgov.org](mailto:bridget.katz@sfgov.org)

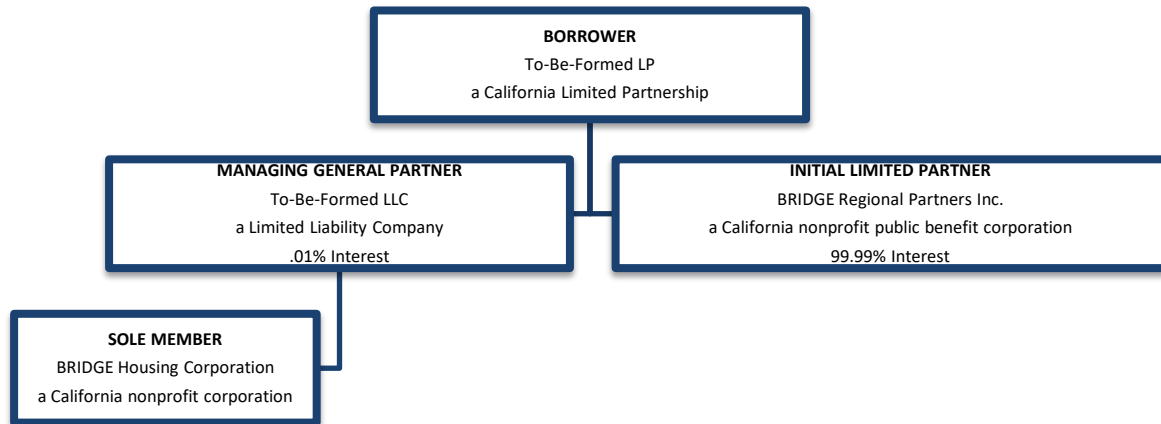
**Attachment A: Project Milestones and Schedule**

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	<u>9/22</u>	
1	Acquisition/Predev Financing Commitment	<u>10/22</u>	
2.	Site Acquisition	<u>12/22</u>	
3.	Development Team Selection		
a.	Architect	<u>11/22</u>	
b.	General Contractor	<u>6/23</u>	
c.	Owner's Representative	<u>3/23</u>	
d.	Property Manager	<u>N/A</u>	<u>BPMC</u>
e.	Service Provider	<u>3/25</u>	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>9/24</u>	
b.	Submittal of Design Development & Cost Estimate	<u>3/25</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>6/25</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>9/25</u>	
5.	Commercial Space		
a.	Commercial Space Plan Submission	<u>N/A</u>	
b.	LOI/s Executed	<u>N/A</u>	
6.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	<u>N/A</u>	
b.	CEQA Environ Review Submission	<u>8/20</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>10/25</u>	
b.	Perm Power Application Submission	<u>10/25</u>	
8.	Permits		
a.	Building / Site Permit Application Submitted	<u>1/25</u>	
b.	Addendum #1 Submitted	<u>12/25</u>	



c.	Addendum #2 Submitted	<u>1/26</u>	
9.	Request for Bids Issued	<u>unsure</u>	
10.	Service Plan Submission		
a.	Preliminary	<u>1/25</u>	
b.	Final	<u>9/26</u>	
11.	Additional City Financing		
a.	Preliminary Gap Financing Application	<u>1/23</u>	
b.	Gap Financing Application	<u>1/25</u>	
12.	Other Financing		
a.	AHSC HCD Application	<u>3/23</u>	
b.			
c.	Construction Financing RFP	<u>6/25</u>	
d.	AHP Application	<u>2023</u>	Sponsor will self-score
e.	CDLAC Application	<u>3/26</u>	
f.	TCAC Application	<u>3/26</u>	
g.	LOSP Funding Request	<u>N/A</u>	
13.	Closing		
a.	Construction Loan Closing	<u>11/26</u>	
b.	Conversion of Construction Loan to Permanent Financing	<u>1/29</u>	
14.	Construction		
a.	Notice to Proceed	<u>12/26</u>	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>12/28</u>	
15.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>2/27</u>	
b.	Commence Marketing	<u>8/28</u>	
c.	95% Occupancy	<u>6/29</u>	
16.	Cost Certification/8609	<u>8/29</u>	
17.	Close Out MOH/OCII Loan(s)	<u>8/29</u>	

**Attachment B: Borrower Org Chart**



## **Attachment C: Development Staff Resumes**

### **BRIDGE Housing’s Development Experience**

Balboa Reservoir Building A will be developed by BRIDGE Housing Corporation, one of the nation’s most experience affordable housing developers. BRIDGE Housing Corporation has an extensive history of delivering high quality successful projects, and also has strong roots in San Francisco. BRIDGE will leverage the talents and resources of our organization to ensure the development of much needed affordable housing to San Francisco that meets the intended goals of the City and responds to the community’s historical, social and architectural context.

### **BRIDGE Housing Corporation**

Since 1983, BRIDGE has participated in the development of 18,000 homes, 11,895 of which we currently own or manage in Washington, Oregon and California. BRIDGE’s current pipeline consists of \$3.8 billion in total development costs representing 7,000 homes. Together with our partners, we currently offer 350+ resident programs at 80+ properties and have an A+ rating from Standard and Poor’s, the first nonprofit developer of its kind to be rated. BRIDGE has also received more than 180 local, national and international awards, including five ULI Global Awards for Excellence. Headquartered in San Francisco, BRIDGE is proud to have a large presence in Northern California led by Brad Wiblin and Smitha Seshadri.

### **Qualifying Project –Affordable Housing Rental Project of at least 50 Units**

#### *Avanza 49, San Francisco*

Mission Housing Development Corporation and BRIDGE Housing partnered to develop 81 affordable apartment homes for families at 490 South Van Ness. Avanza 490 is affordable to households with incomes between 30% and 60%AMI, with 20 units (25%) set aside for public housing relocatees from HOPE SF projects. The ground floor has services space available to residents and community members. Resident amenities include a community room, laundry rooms, bike parking, and courtyard. Mission Housing provides resident services.

### **Additional Completed Family or Senior Development of at least 75 units**

#### *1101 Connecticut, San Francisco*

1101 Connecticut is a 72-unit affordable housing development that represents the first vertical construction phase of the HOPE SF Potrero master plan. Consisting of studio, one, two and three bedrooms, 53 of the apartments are reserved for existing Potrero public housing residents, 18 are set aside for low-income households not currently residing at Potrero Annex/Terrace and one unit is for the on-site manager. Amenities include a large community room, laundry facilities, services/management offices, bike parking and a courtyard. The development received LEED Platinum certification.

### **Experience with a Mixed Use Development with at least 5,000 sf of retail/commercial space**

#### *Broadway Cove and 735 Davis*

Located a block away from the Embarcadero, in San Francisco’s Historic North East Waterfront District, 735 Davis provides 53 affordable senior apartments. A portion of the apartments are supported by a Local Operating Support Program (LOSP) subsidy for formerly homeless individuals. Supportive services at 735 Davis are provided by Lutheran Social Services. Broadway Cove provides 125 apartments for families earning 30% -120% of Area Median Income (AMI). A portion of the apartments are supported by Project-Based Section 8 Vouchers. Resident services at Broadway Cove will be provided by the Chinatown YMCA.

Collectively with 735 Davis, the developments feature approximately 10,500 square feet of retail/commercial space targeted to neighborhood-serving uses, including a 55-slot mixed-income childcare center to be operated by the YMCA of San Francisco. There is also a 9,500 sf mid-block paseo that is publicly accessible between Broadway Cove and 735 Davis, with beautiful landscaping and seating.

Experience as lead organizer of collaborative community outreach and planning effort

*Rebuild Potrero, San Francisco*

Through our work as the master developer for HOPE SF Potrero, BRIDGE has proven itself a leader in community outreach and participatory planning, and a pioneer in community-building through a “trauma-informed” lens. The extensive master planning effort at Potrero used a variety of techniques, such as community-wide meetings, facilitated focus groups, and casual “get-togethers,” to solicit resident input and tap local expertise, ensuring a successful and inclusive master plan. Furthermore, BRIDGE recognizes that housing development is community development, and as such must understand and respond to the everyday and systemic challenges that each community faces, as well as the assets and strengths that each community possesses. Through partnerships with other local CBOs, and trust-building activities with residents, our work at Potrero is indicative of our commitment to strengthen entire neighborhoods by integrating new housing into the social, economic, and physical fabric of the surrounding area.

Additional Development Experience

*La Fénix at 1950, San Francisco*

Mission Housing Development Corporation and BRIDGE Housing partnered to develop 157 affordable apartment homes for families. La Fénix at 1950 (1950 Mission) is affordable to households with incomes between 45% and 60% AMI, with 25% of the apartments set aside for 40 formerly homeless families. Planned resident amenities include a rooftop garden, a courtyard, a community room with kitchen, and a bike workshop that will focus on training youth from the property and the surrounding communities on bike maintenance. Neighborhood-serving retail space will be available for local nonprofits and entrepreneurs. Affordable gallery and work spaces will cater to the Mission District artist community.

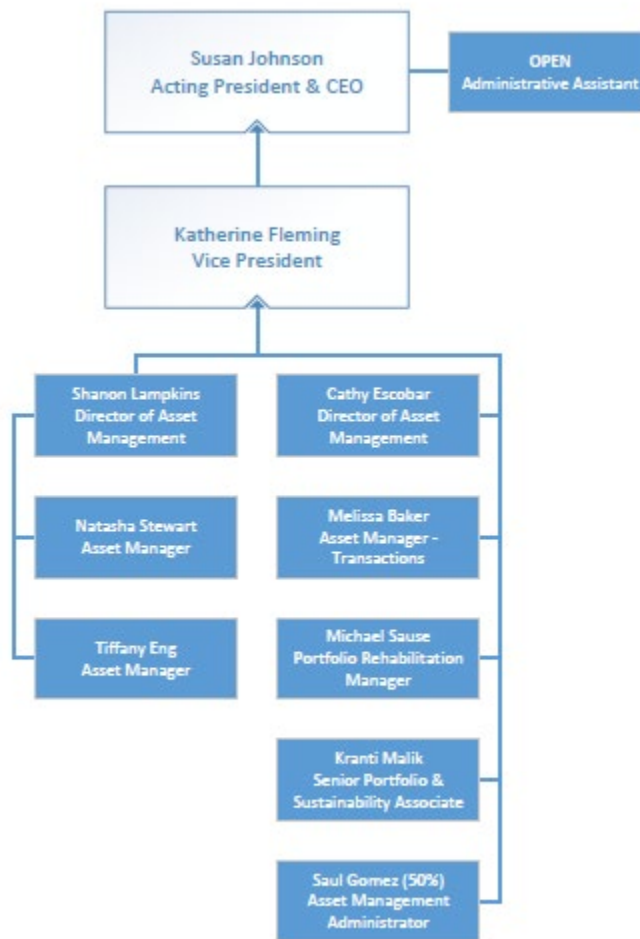
## **Attachment D: Asset Management Evaluation of Project Sponsor**

### Number of projects and avg. Number of units/project currently in sponsor’s asset management portfolio

BRIDGE has:

- 122 projects in portfolio (note: this includes properties that we co-asset manage)
- 13,141 total units
- Average: 107 units/project

### Sponsor’s current asset management staffing – job titles, FTEs, org chart and status of each position (filled/vacant)



### Description of scope and range of duties of sponsor’s asset management team

BRIDGE: The Asset Management division maintains a high quality standard of BRIDGE’s real estate assets. The Asset Management team’s responsibilities include compliance/investor/lender/agency relations, leasing of properties, due diligence of new

acquisitions, portfolio management and risk management. BRIDGE supports its mission and commitment to quality and affordability through long-term stewardship of its assets.

Description of sponsor’s coordination between asset management and other functional teams, including property management, accounting, compliance, facilities management, etc.

As a long-term owner, BRIDGE is committed to caring for its growing portfolio of properties. BRIDGE’s Asset Management team works with other BRIDGE departments to ensure the long-term financial and physical health and regulatory compliance of BRIDGE-owned real estate. Examples of BRIDGE Asset Management’s cross-department coordination include:

- providing due diligence services to the Real Estate Development team prior to acquisition of new properties
- coordinating with Property Management to ensure that the physical needs of the portfolio are met, including obtaining physical needs assessments and overseeing small and medium-sized rehabilitation projects
- working with the Finance team to budget, monitor, report on and audit the financial health of BRIDGE’s assets at property and portfolio levels
- ensuring that properties comply with the numerous regulatory requirements and other use restrictions that are unique to affordable housing
- directing Portfolio Management in analyzing project and portfolio performance; recommending financial restructuring as appropriate, including new re-syndication opportunities and refinancing debt; implementing investor exits (buyouts)
- providing insurance services for the entire organization to maintain effective risk management

Number of projects expected to be in sponsor’s AM portfolio in 5 years and, if applicable, plans to augment staffing to manage growing portfolio

BRIDGE pipeline: 52 properties.

Asset management staff will be added as needed to ensure all duties are performed and assets are well maintained.

**Attachment E: Threshold Eligibility Requirements and Ranking Criteria**

N/A

**Attachment F: Site Map with amenities**





**Attachment G: Elevations and Floor Plans**

## PROJECT DATA

ADDRESS: LEE AVENUE, SAN FRANCISCO, CA

BLOCK / LOT: BUILDING A

ZONING: THE BALBOA RESERVOIR NEIGHBORHOOD

BUILDING TYPE: TYPE III-A OVER TYPE I-A

NUMBER OF FLOORS: 6

MAX HEIGHT: 78 FEET (PAGE 182 DSG)

OCCUPANCY TYPE / USE:

- R-2 (RESIDENTIAL)
- S-2 (PARKING)
- A-3 (ACCESSORY RESIDENTIAL AMENITY)

PARKING (80 TOTAL):

- 30 SHARED STALLS
- 50 KLAUS STACKING STALLS

OPEN SPACE REQUIREMENT:

- 40 SF / UNIT = 6,400 SF REQUIRED
- COURTYARD = +/- 9,000 SF PROVIDED

### UNIT COUNT/MIX BY FLOOR

	STUDIO (16'x26') 416 gsf	1BR (23.5'x26') 624 gsf	2BR (34'x26') 884 gsf	3BR (45'x26') 1,170 gsf	TOTAL
LEVEL 1	1	4	3	2	10
LEVEL 2	5	6	7	5	23
LEVEL 3	3	9	12	9	33
LEVEL 4	3	9	12	9	33
LEVEL 5	3	9	12	9	33
LEVEL 6	2	9	8	7	26
LEVEL 7					0
<b>SUB-TOTAL</b>	<b>17</b>	<b>46</b>	<b>54</b>	<b>41</b>	<b>158</b>
<b>UNIT MIX</b>	<b>11%</b>	<b>29%</b>	<b>34%</b>	<b>26%</b>	<b>100%</b>
MANAGER'S UNIT			1		1
<b>TOTAL</b>	<b>17</b>	<b>46</b>	<b>55</b>	<b>41</b>	<b>159</b>
			Average GSF		842

### CONCEPTUAL BUILDING AREA TABULATIONS\*

Level	Residential Net Rentable GSF**	Common Offices/Entry Lobby/ Amenity/Laundry GSF	Residential Core GSF***	Residential Total GSF	Efficiency	Garage Total GSF	Grand Total GSF
L1	7,800	3,440	1,800	13,040		29,000	42,040
L2	18,200	8,800	3,400	30,400	60%		30,400
L3	28,340		5,550	33,890	84%		33,890
L4	28,340		5,550	33,890	84%		33,890
L5	28,340		5,550	33,890	84%		33,890
L6	22,800		5,000	27,800	82%		27,800
<b>Total</b>	<b>133,820</b>	<b>12,240</b>	<b>26,850</b>	<b>172,910</b>		<b>29,000</b>	<b>201,910</b>

### NOTES:

\*Calculations are based on conceptual estimates based on diagrams on sheet A1.3

\*\* Residential Net Rentable GSF calculation includes exterior, corridor and party walls

\*\*\* Residential Core GSF include corridors, residential level lobbies, stairs, elevators, res. level utility spaces, etc

### PROJECT LOCATION



### SITE MAP



## PROJECT DIRECTORY

### OWNER:

#### BRIDGE Housing

600 California Street, Suite 900  
San Francisco, CA 94108

Contact: **Brad Wiblin**  
Email: bwiblin@bridgehousing.com  
Phone: 415.989.1111

### ARCHITECTS:

#### Y.A. studio

777 Florida Street, Suite 301  
San Francisco, CA 94110

Contact: **Yakuh Askew**  
Email: yakuh@ya-studio.com  
Phone: 415.920.1839

#### BAR Architects and Interiors

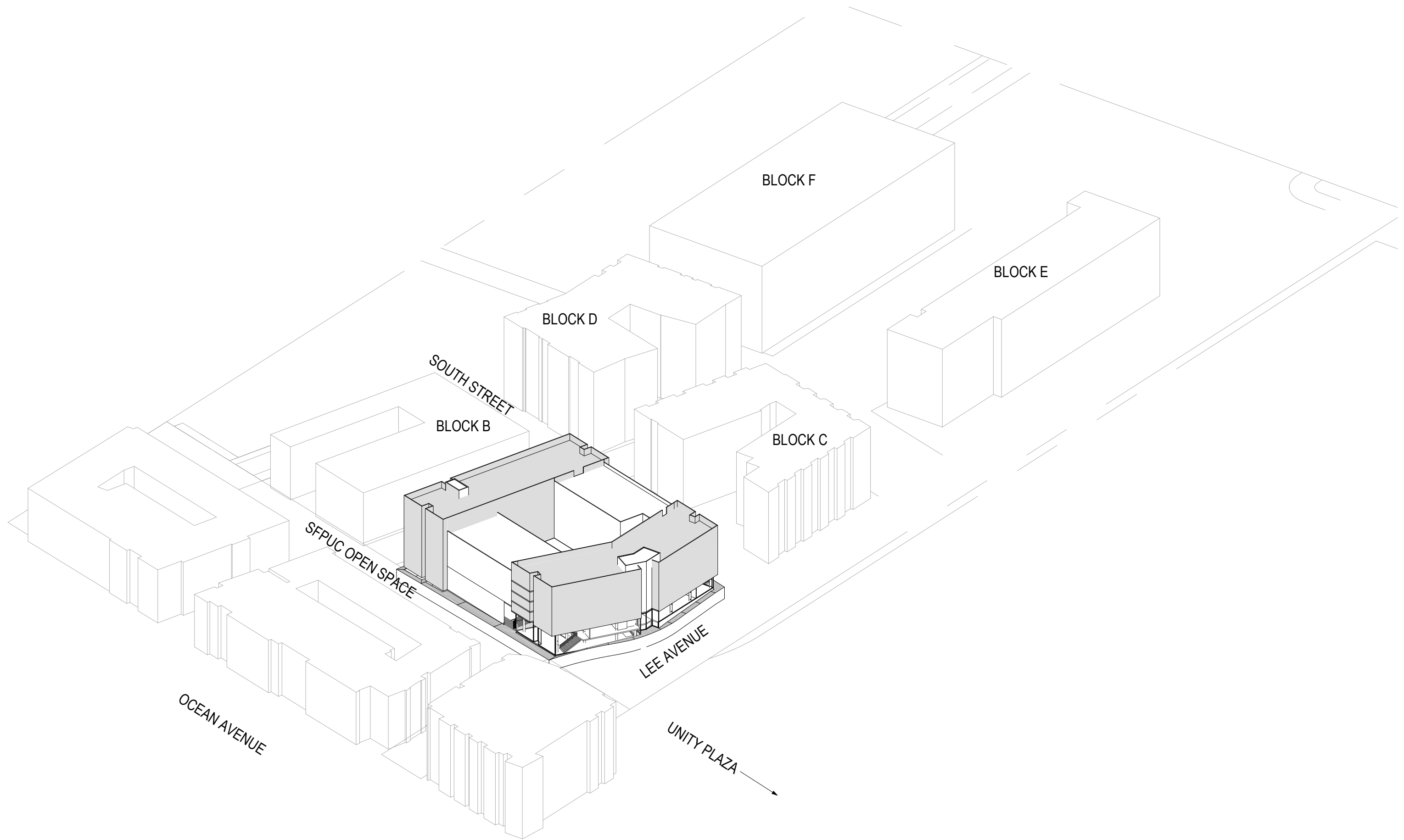
77 Geary Street, Suite 200

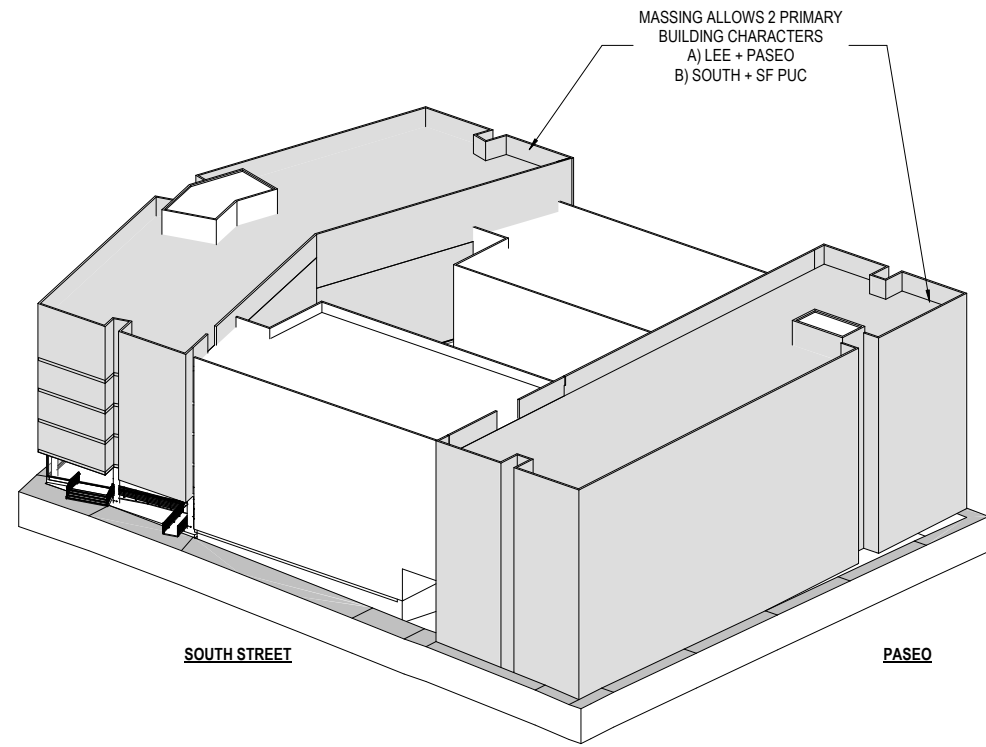
San Francisco, CA 94108

Contact: **Patricia Centeno**  
Email: pcenteno@bararch.com  
Phone: 415.293.7180

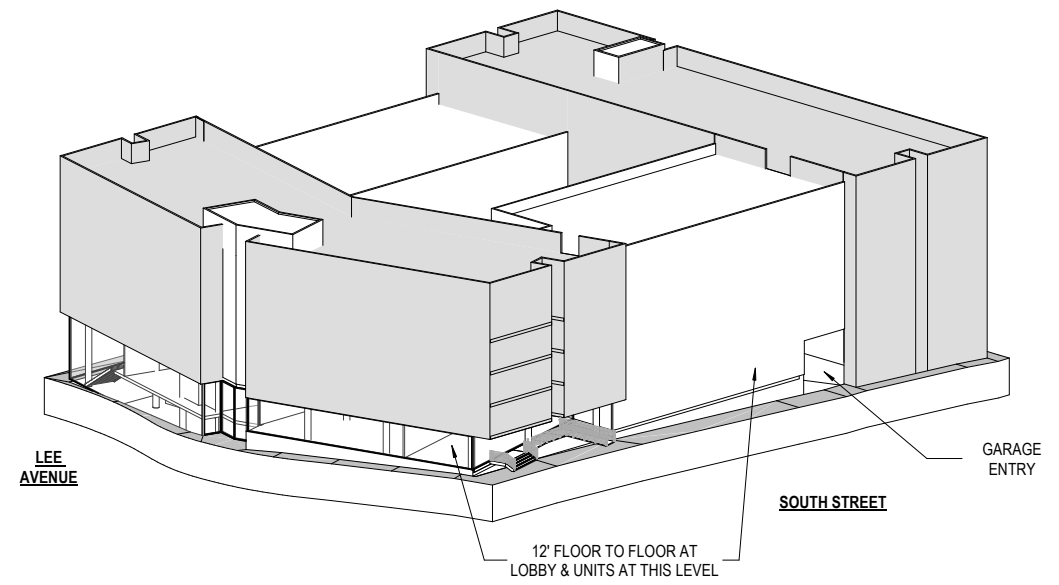
## SHEET LIST

A 1.0	PROJECT DATA
A 1.1	CONTEXT SITE MASSING
A 1.2	MASSING VIEWS CONCEPT
A 1.3	AREA DIAGRAMS
A 2.1	LEVEL 1 CONCEPT
A 2.2	LEVEL 2 CONCEPT
A 2.3	LEVEL 3 CONCEPT
A 2.4	LEVEL 4 CONCEPT
A 2.5	LEVEL 5 CONCEPT
A 2.6	LEVEL 6 CONCEPT
A 2.10	ROOF CONCEPT
A 3.1	BUILDING SECTION CONCEPT
A 3.10	WALL SECTIONS CONCEPT
A 3.11	WALL SECTIONS CONCEPT
A 3.12	WALL SECTIONS CONCEPT
A 3.13	WALL SECTIONS CONCEPT
A 4.1	UNIT PLANS

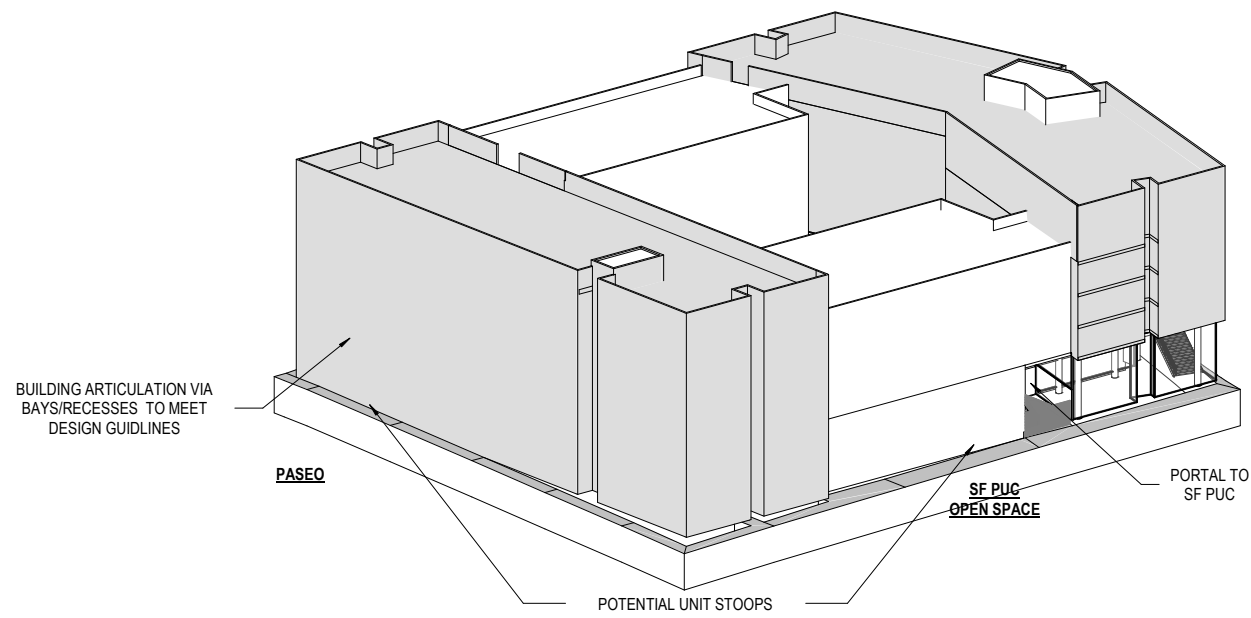




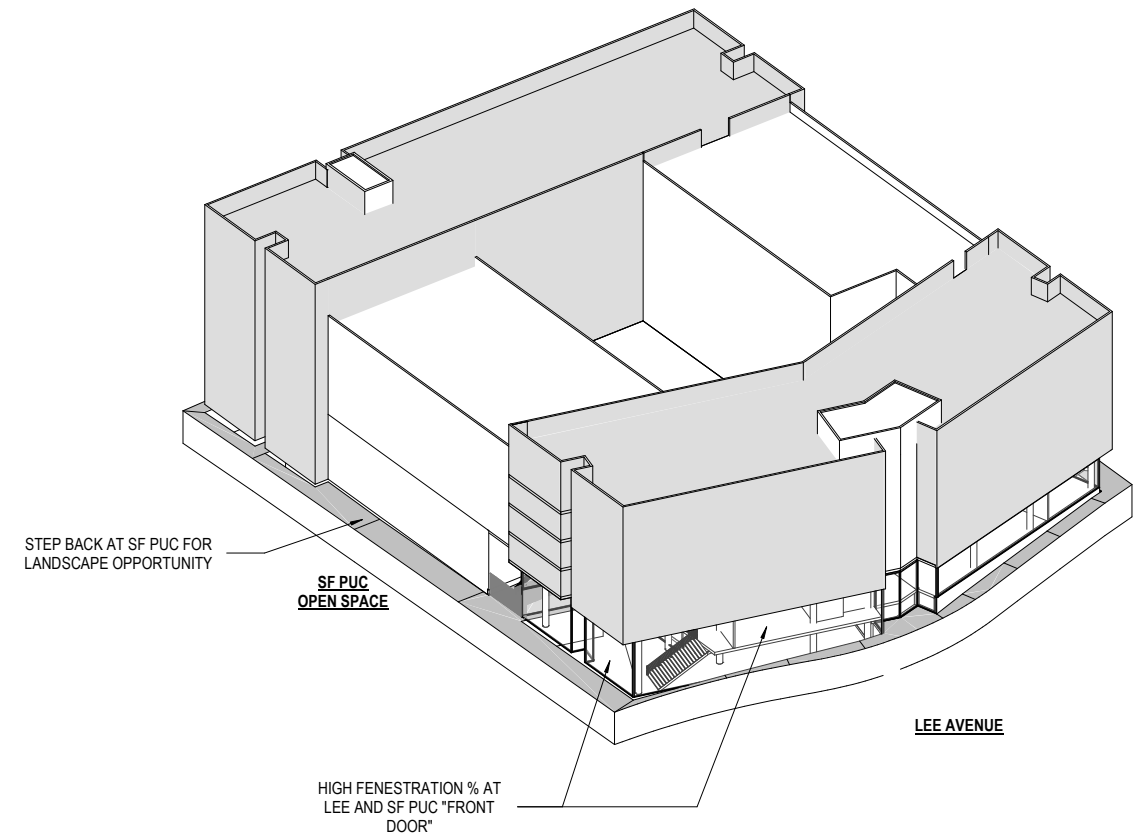
3D VIEW - SOUTH & PASEO



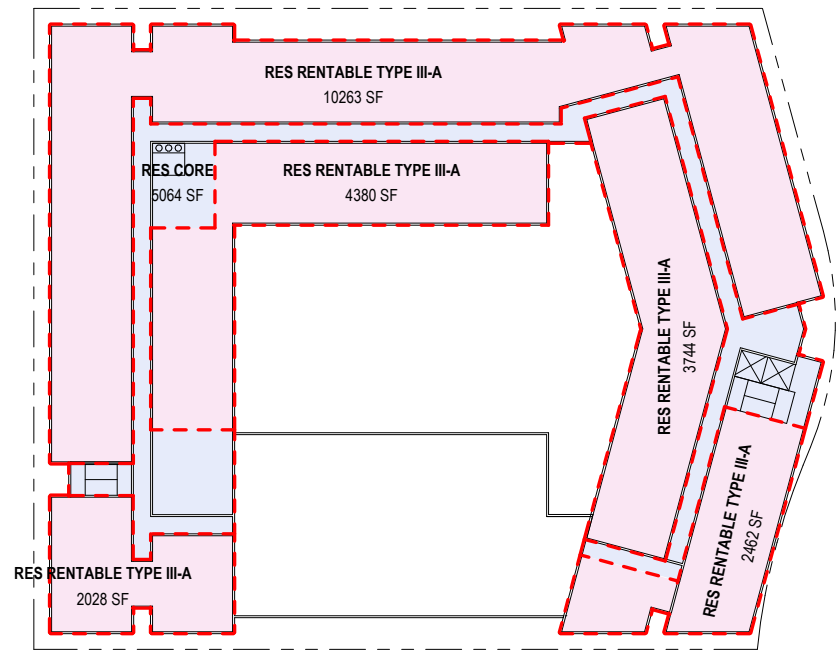
3D VIEW - LEE & SOUTH



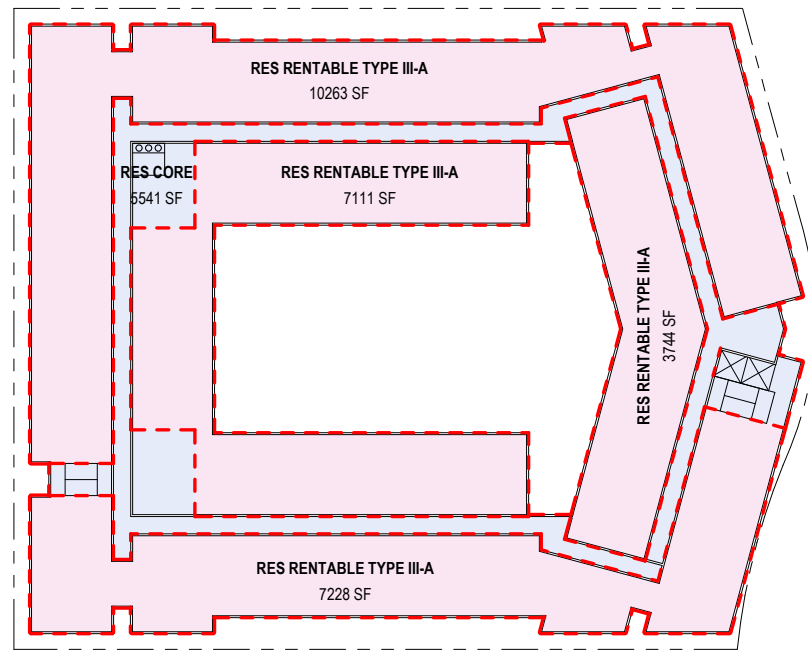
3D VIEW - PASEO & SF PUC



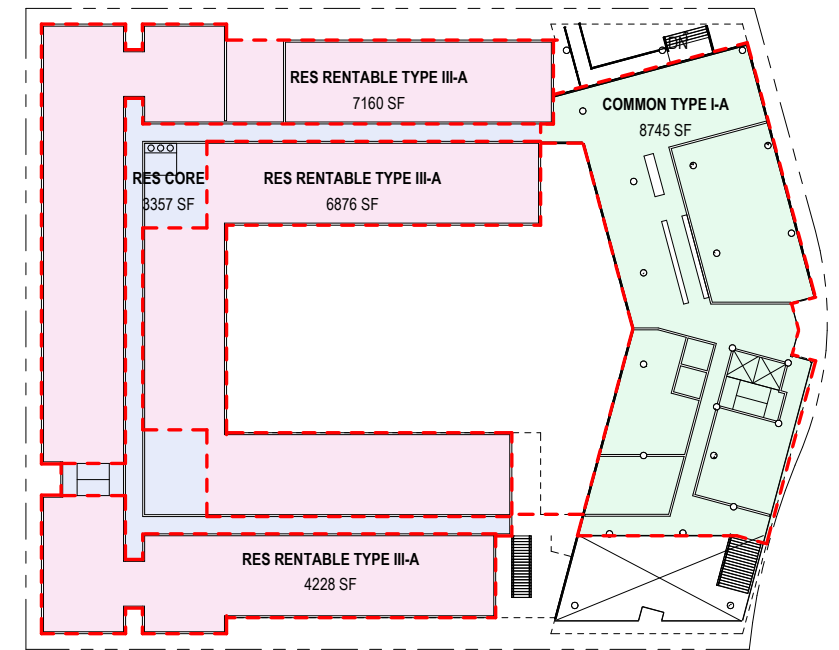
3D VIEW - LEE & SF PUC



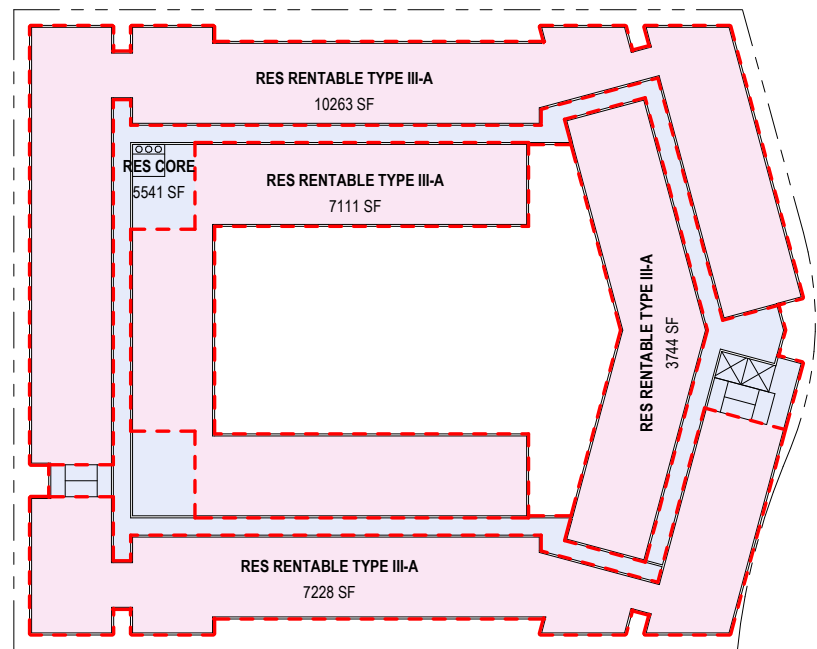
6 LEVEL 6  
1" = 30'-0"



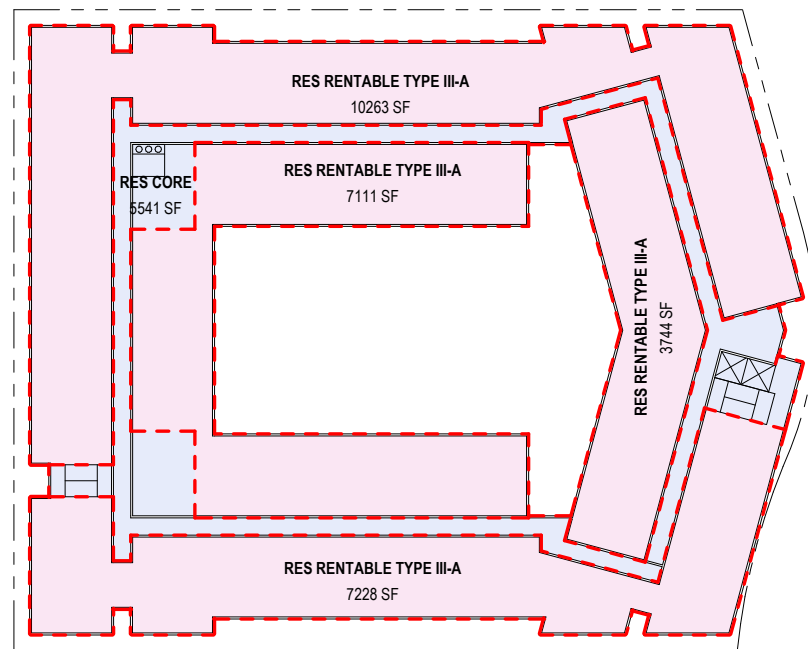
4 LEVEL 4  
1" = 30'-0"



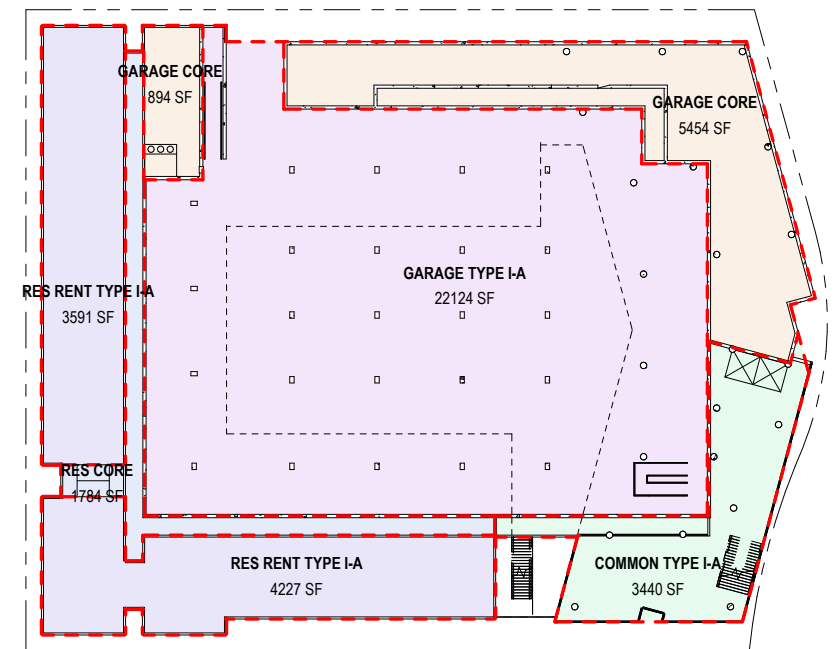
2 LEVEL 2  
1" = 30'-0"



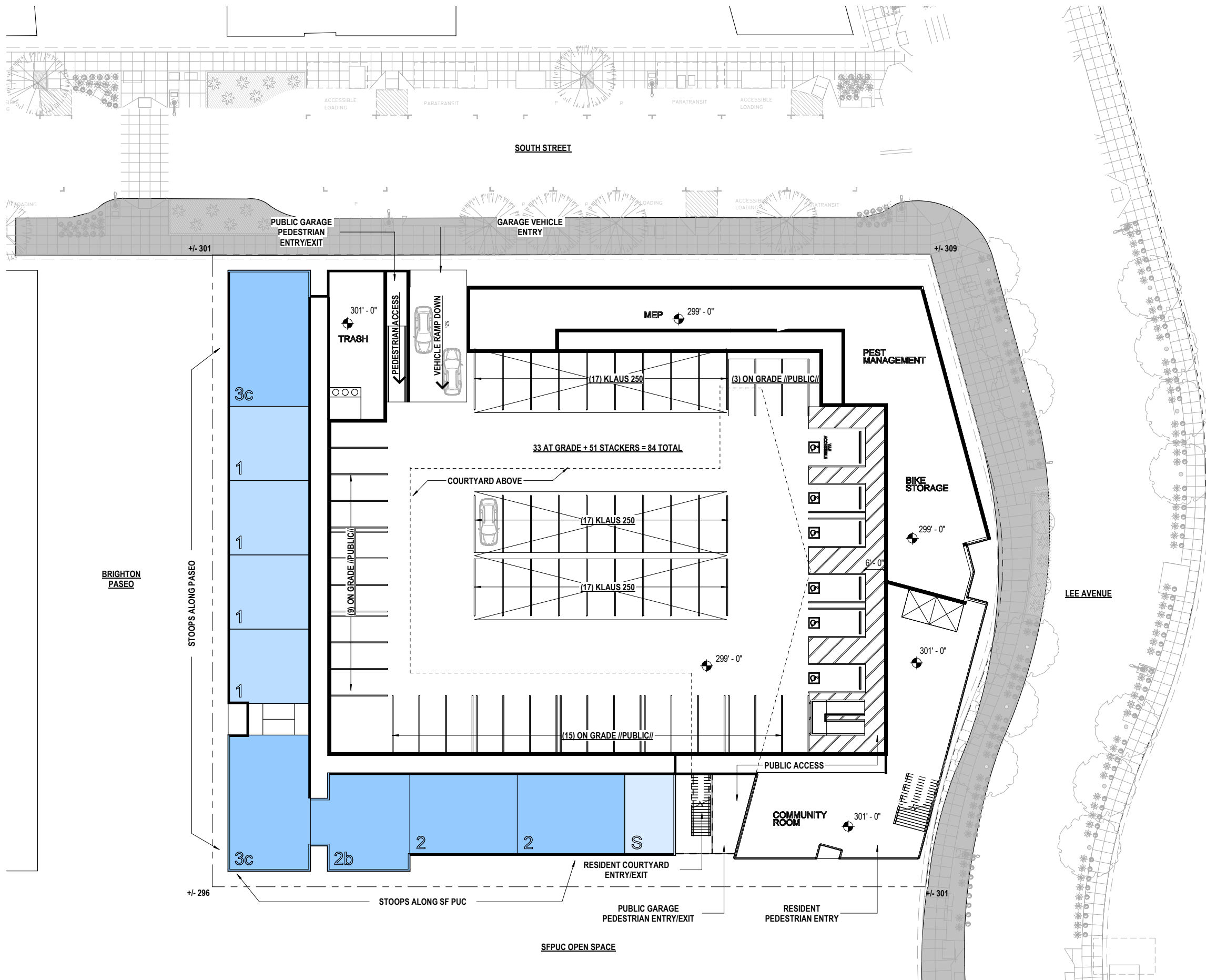
5 LEVEL 5  
1" = 30'-0"



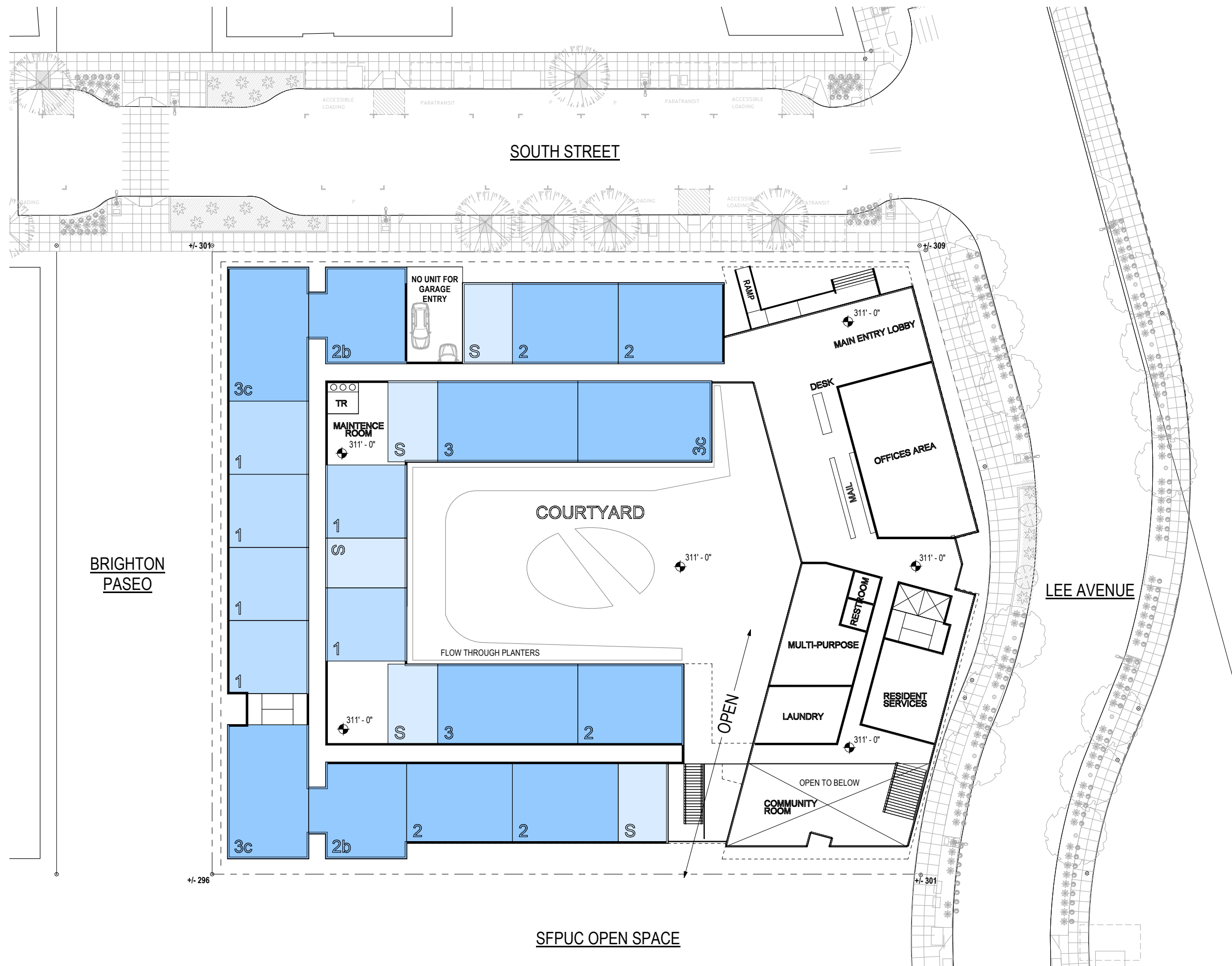
3 LEVEL 3  
1" = 30'-0"

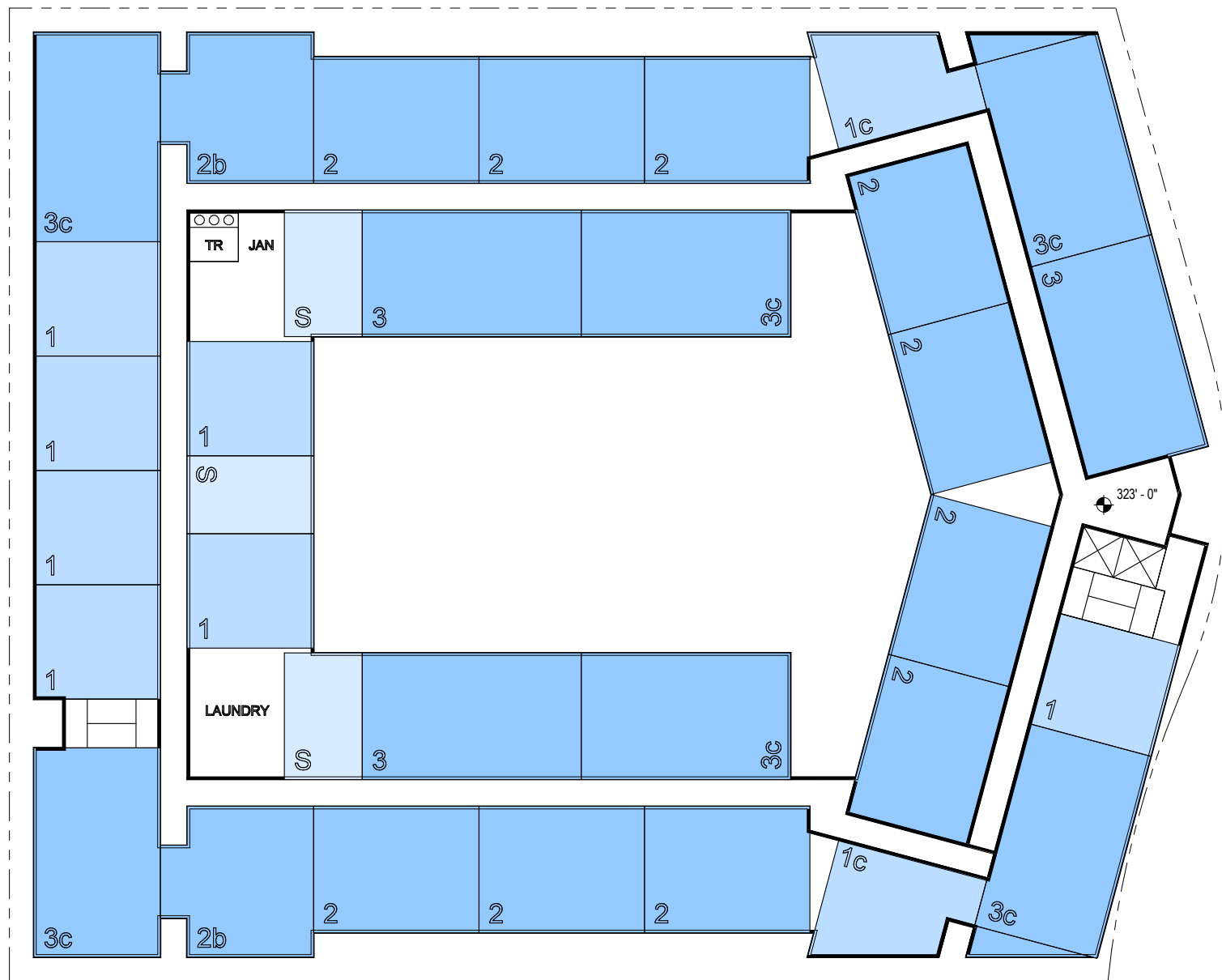


1 LEVEL 1  
1" = 30'-0"

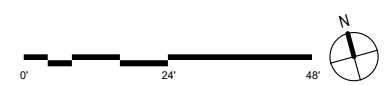
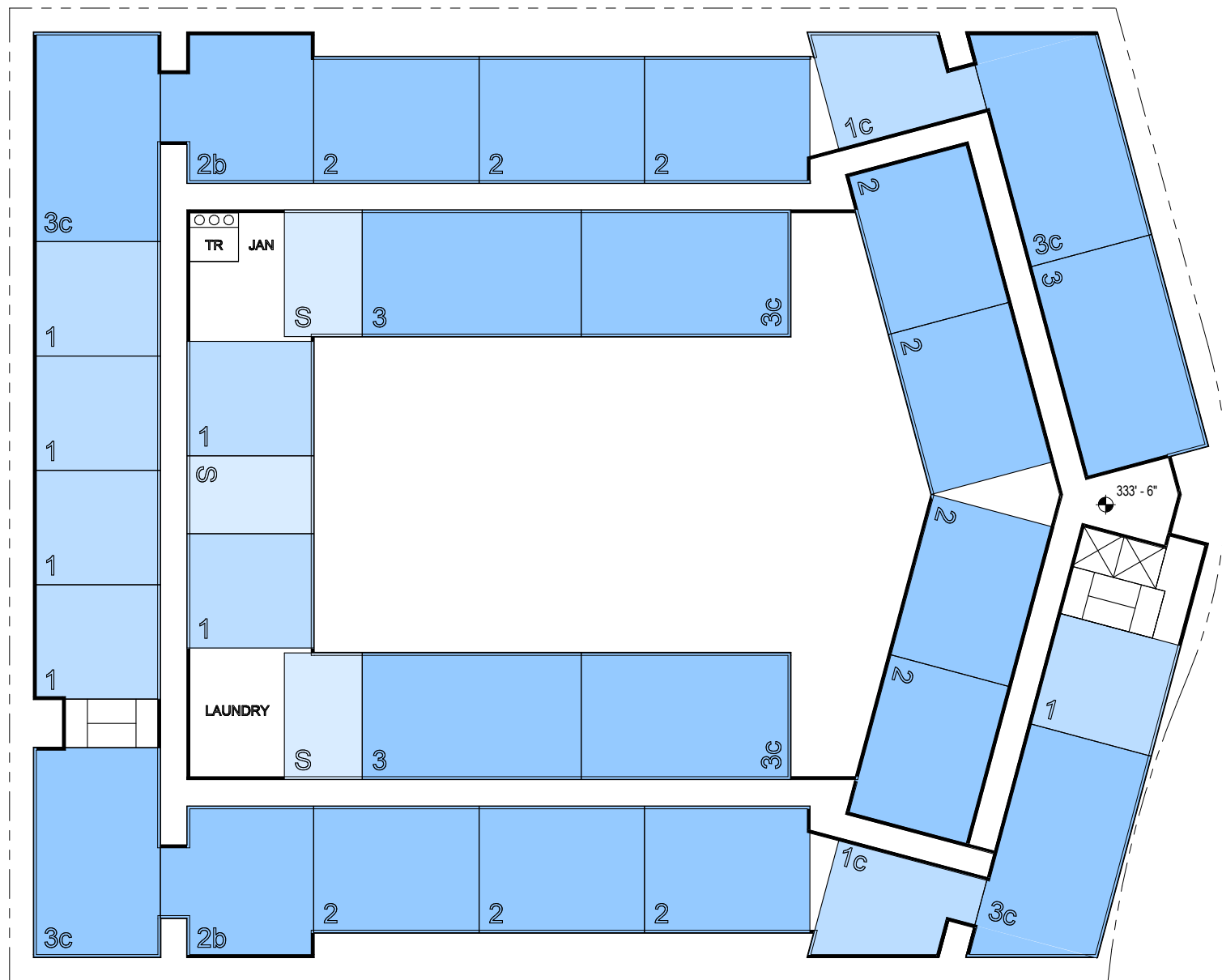


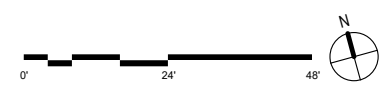
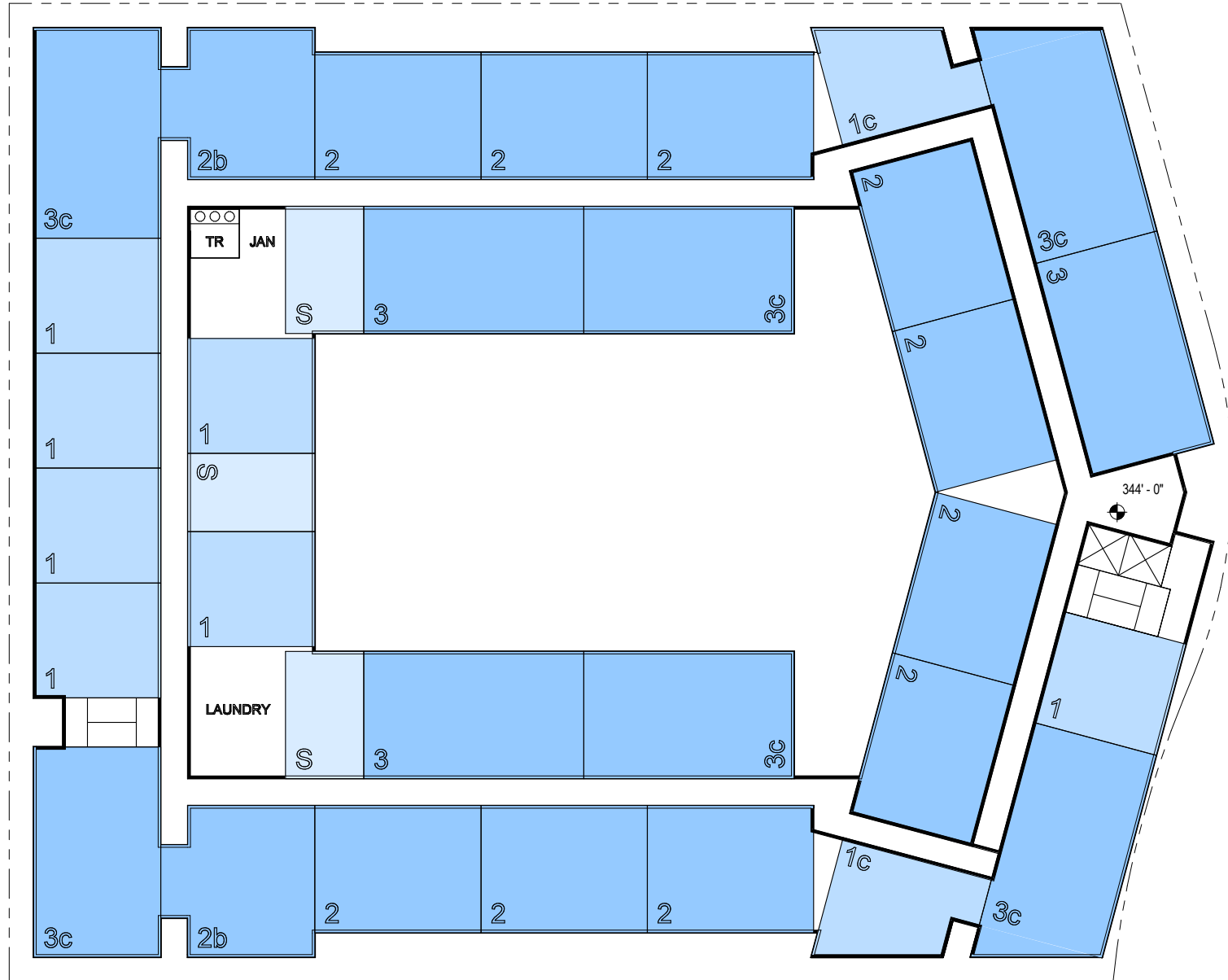


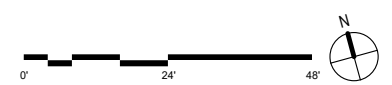
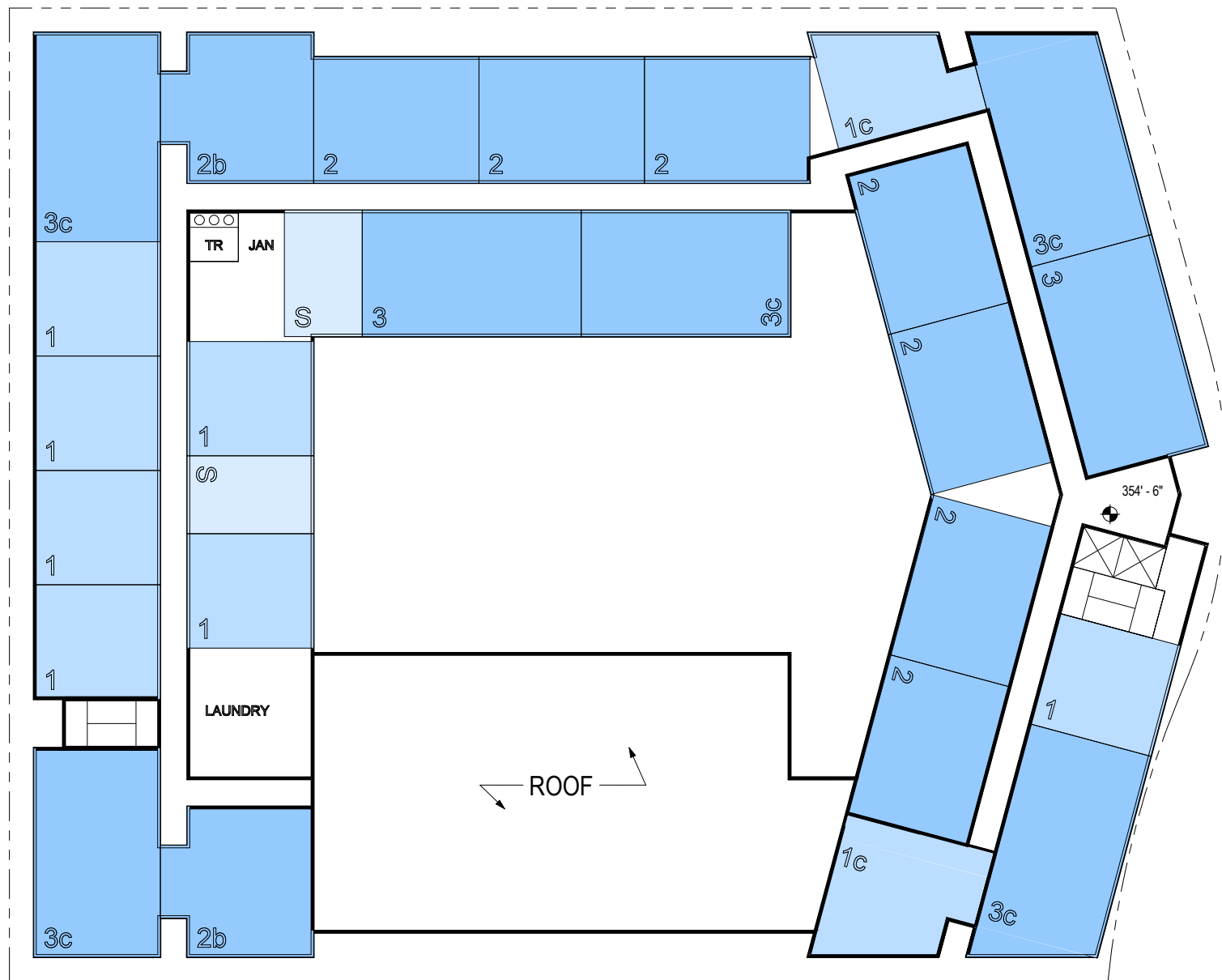












GREY COLOR DENOTES  
TALLER MASSING PARAPETS

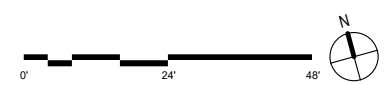
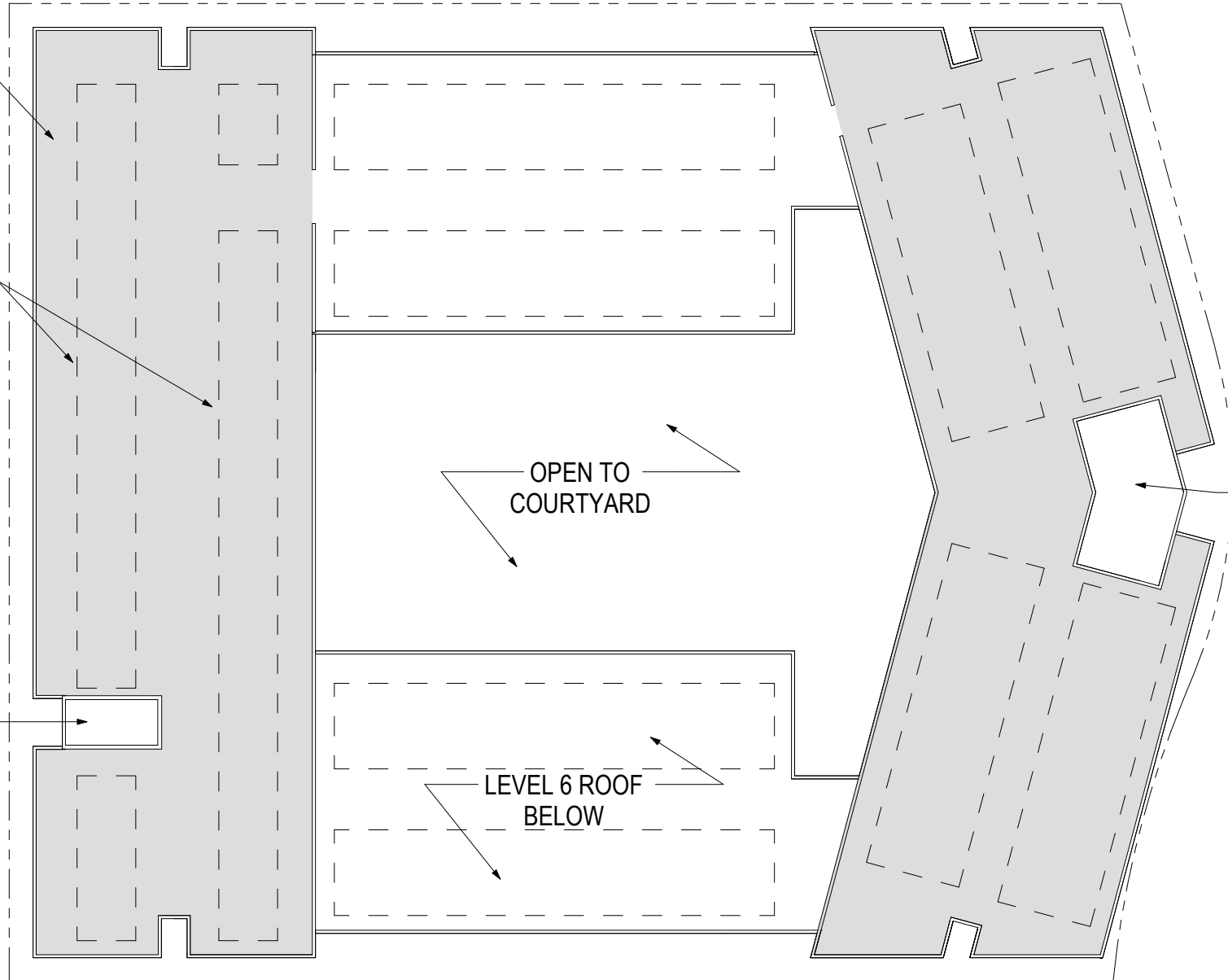
ROOFTOP SOLAR  
TO BE MAXIMIZED

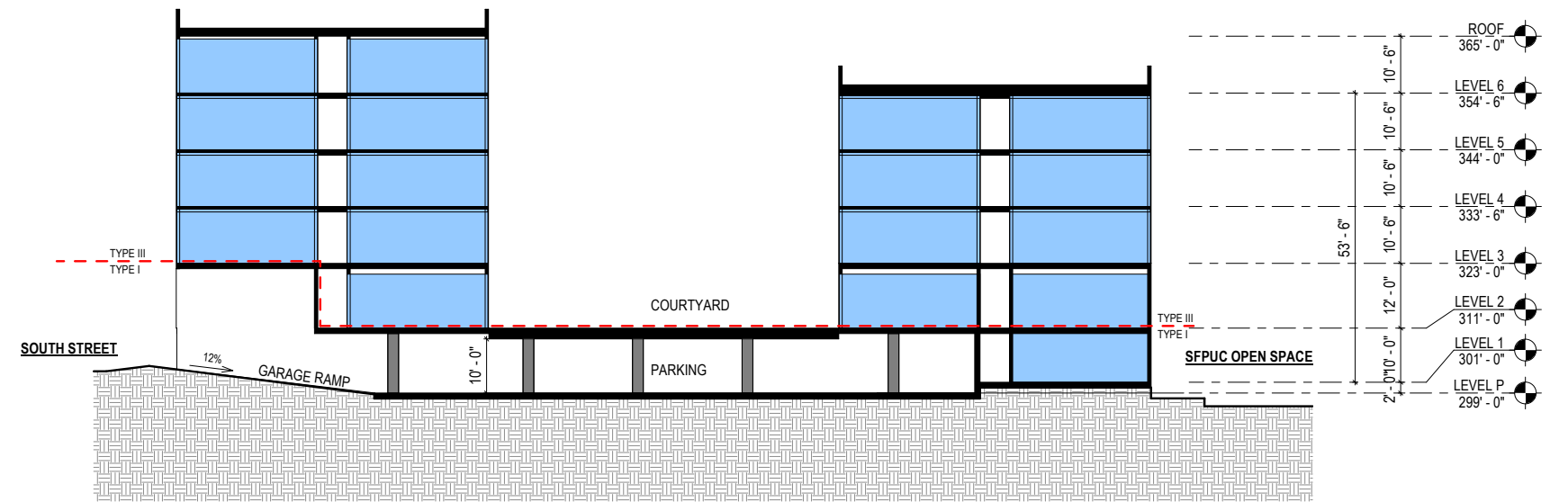
STAIR PENTHOUSE

OPEN TO  
COURTYARD

LEVEL 6 ROOF  
BELOW

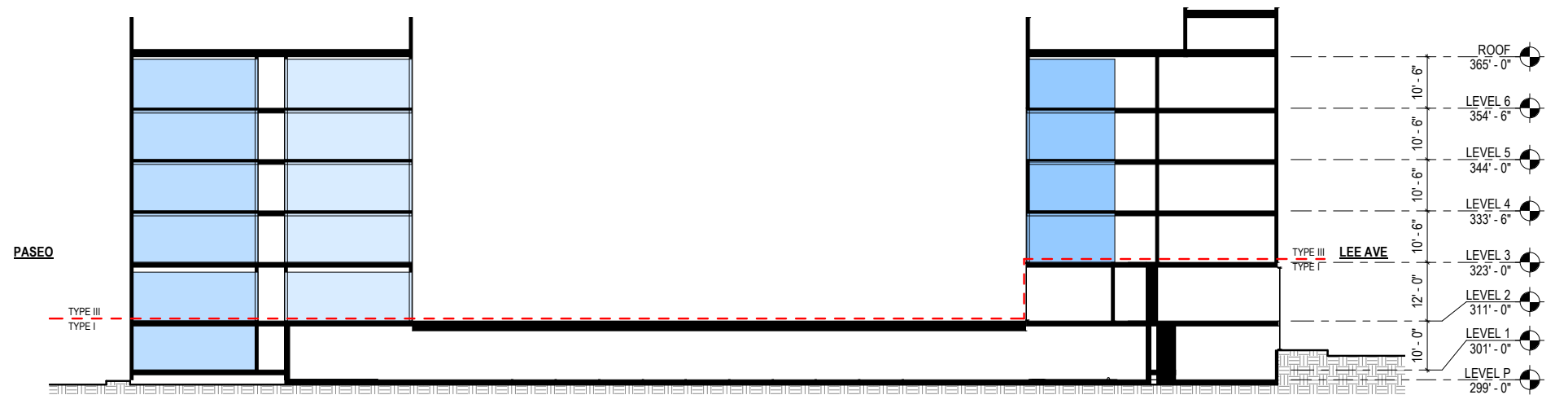
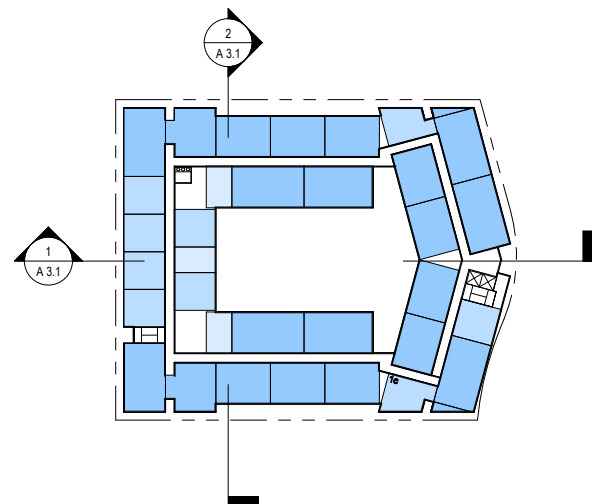
ELEV PENTHOUSE



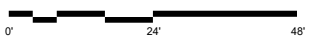


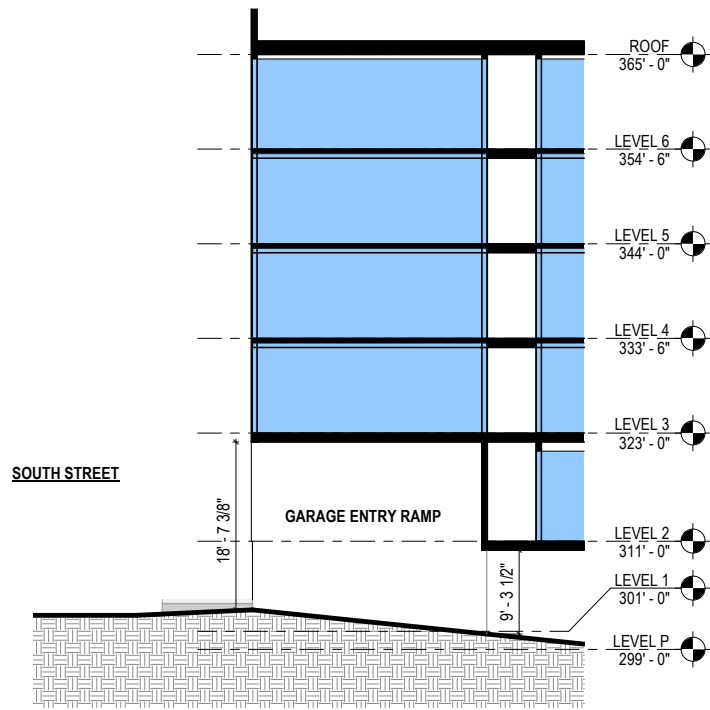
② NORTH - SOUTH GARAGE SECTION THROUGH RAMP CONCEPT  
1/16" = 1'-0"

KEYPLAN

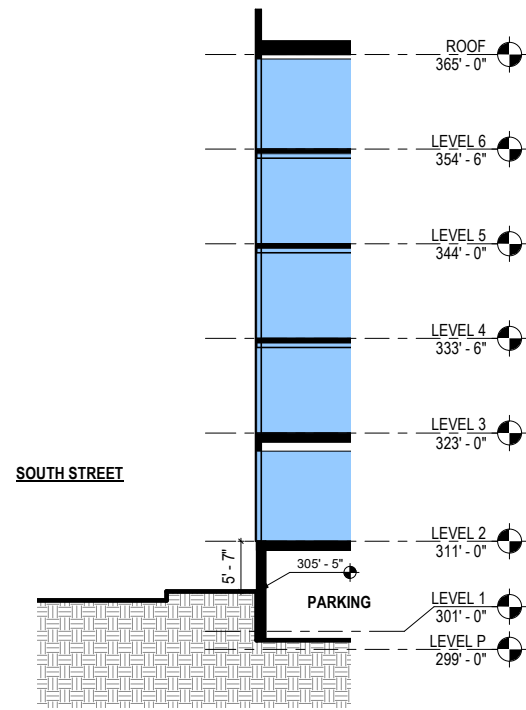


① EAST WEST SECTION CONCEPT  
1/16" = 1'-0"

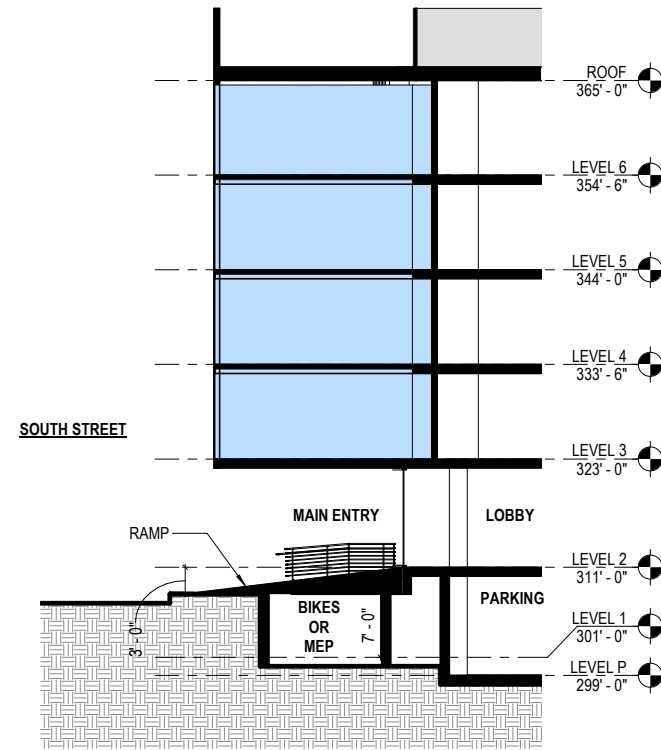




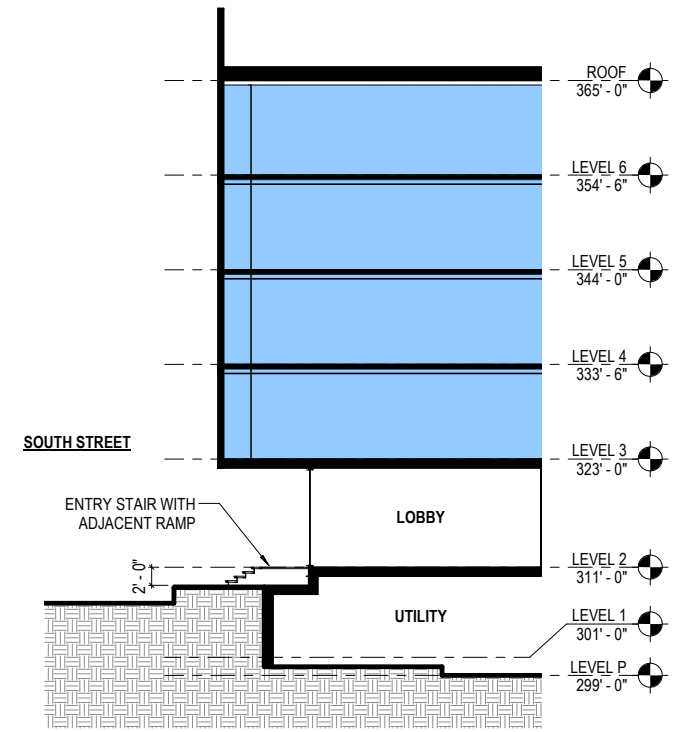
5 SECTION - SOUTH STREET (RAMP)  
3/32" = 1'-0"



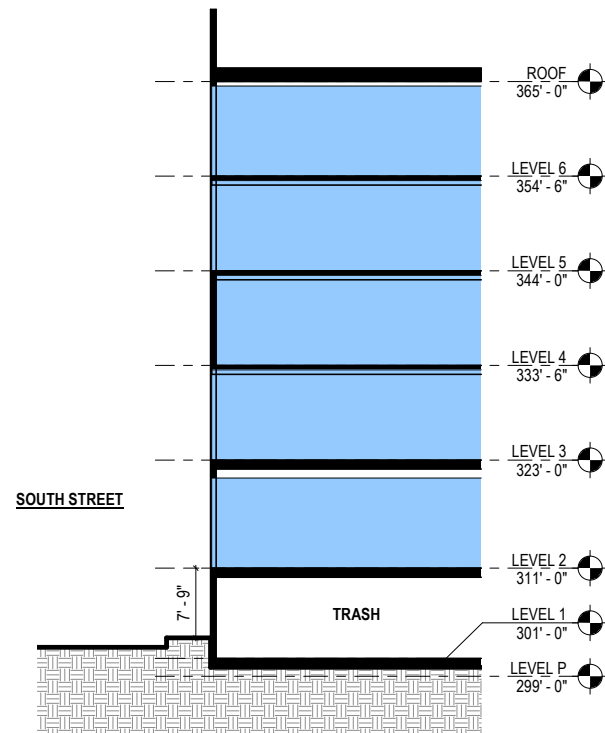
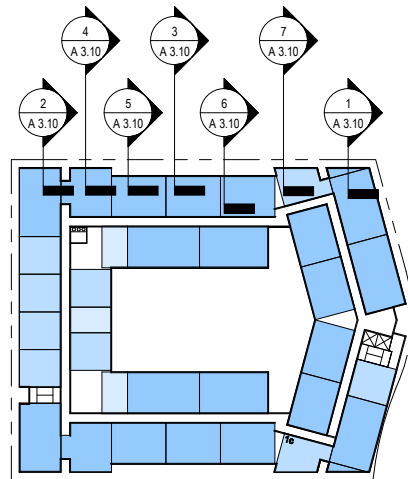
3 SECTION - SOUTH STREET (UTILITY)  
3/32" = 1'-0"



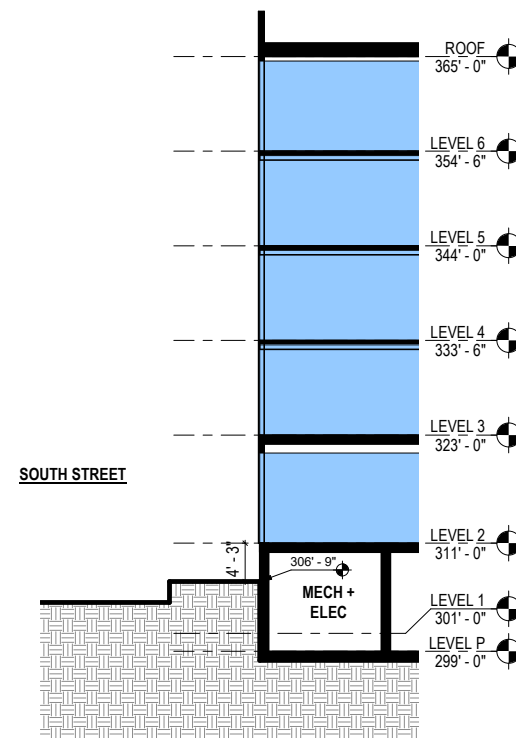
7 SECTION - SOUTH STREET (BIKES)  
3/32" = 1'-0"



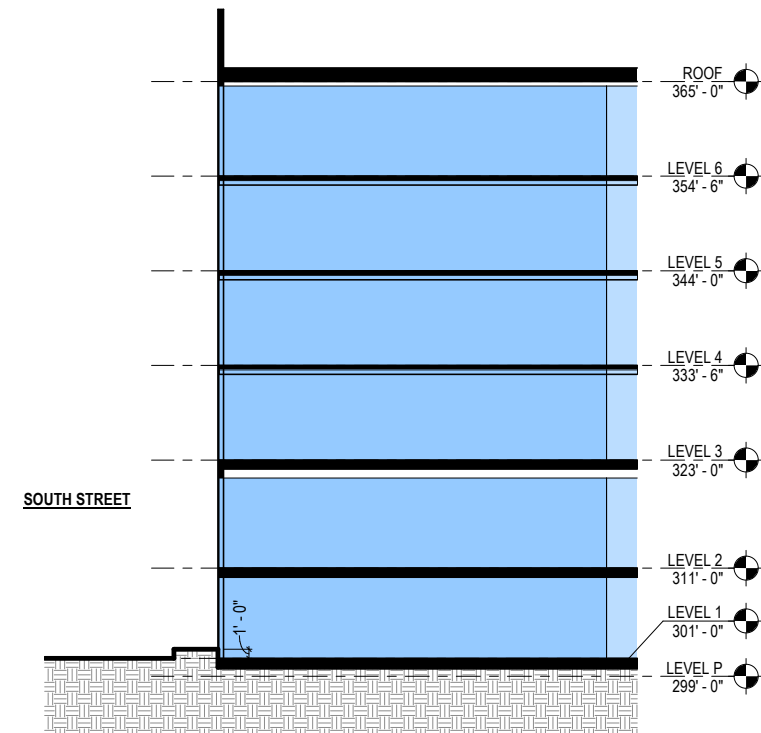
1 SECTION - SOUTH STREET AT LEE  
3/32" = 1'-0"



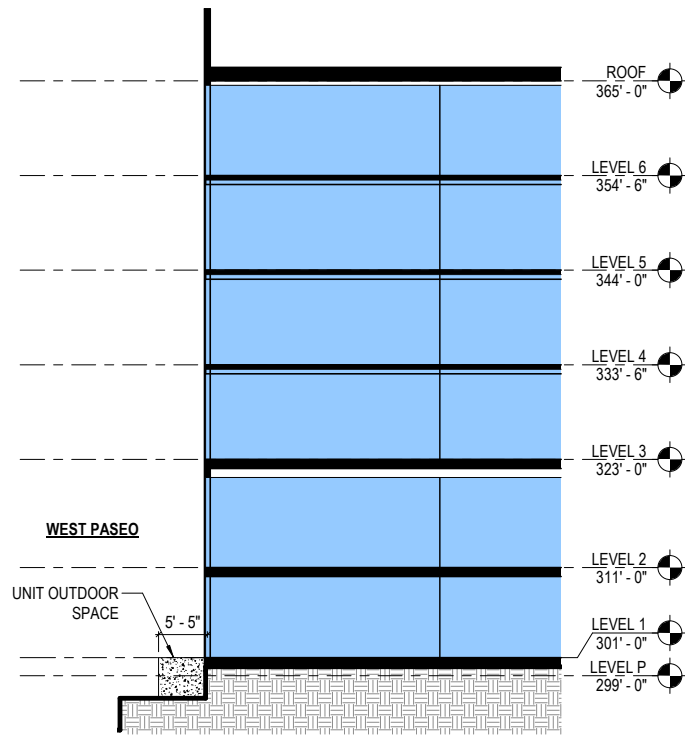
4 SECTION - SOUTH STREET (TRASH OPT 2)  
3/32" = 1'-0"



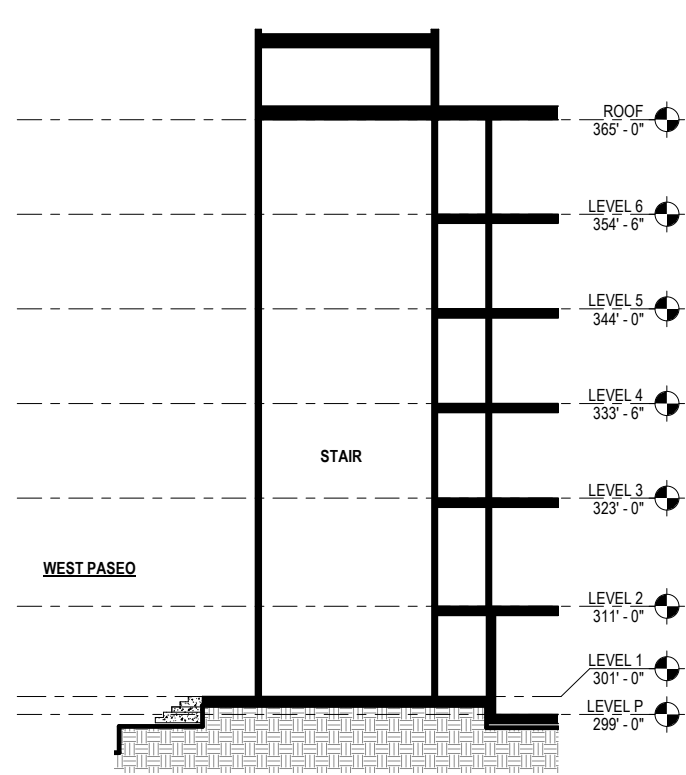
6 SECTION - SOUTH STREET (MECHANICAL ELEC)  
3/32" = 1'-0"



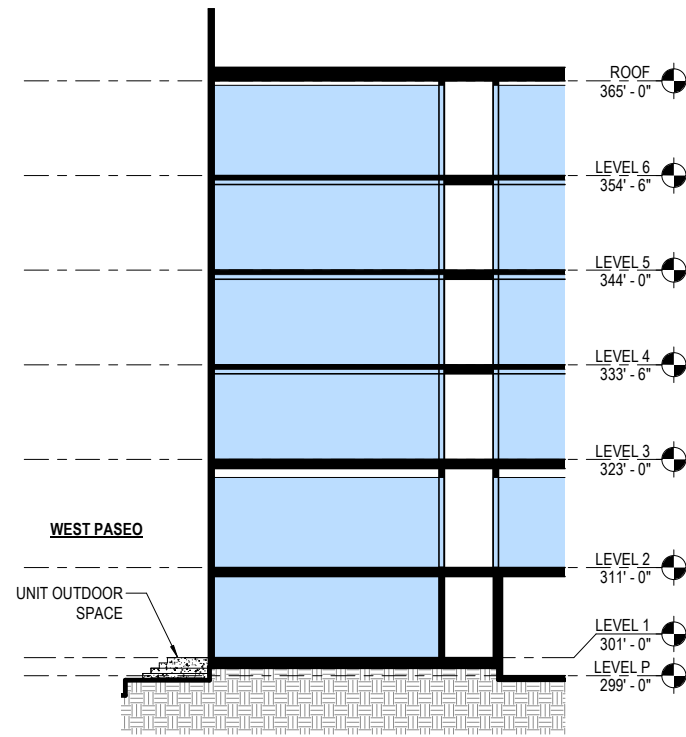
2 SECTION - SOUTH STREET (UNIT CONCENR BELOW)  
3/32" = 1'-0"



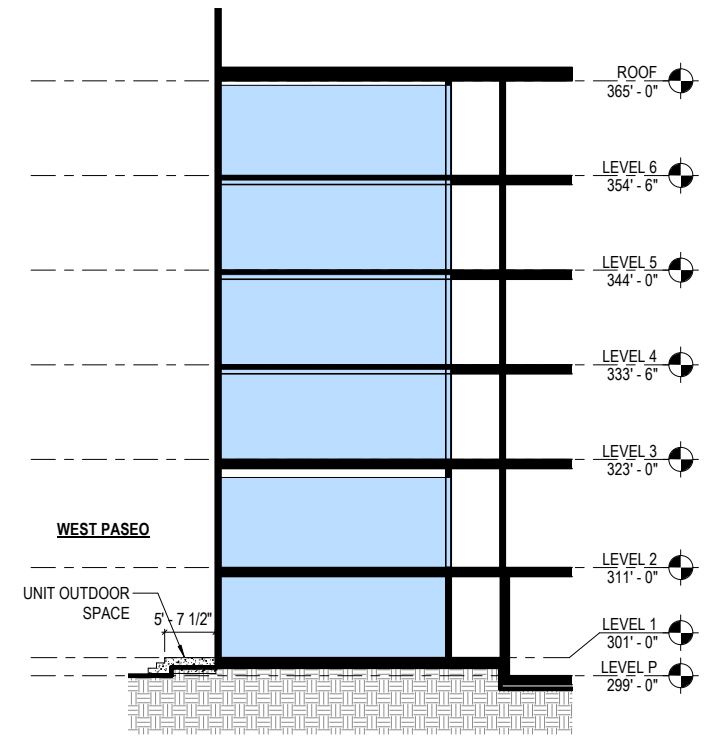
4 SECTION - PASEO SECTION SOUTH  
3/32" = 1'-0"



3 SECTION - PASEO SECTION STAIR  
3/32" = 1'-0"

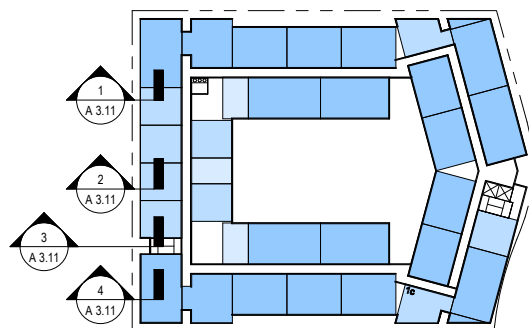


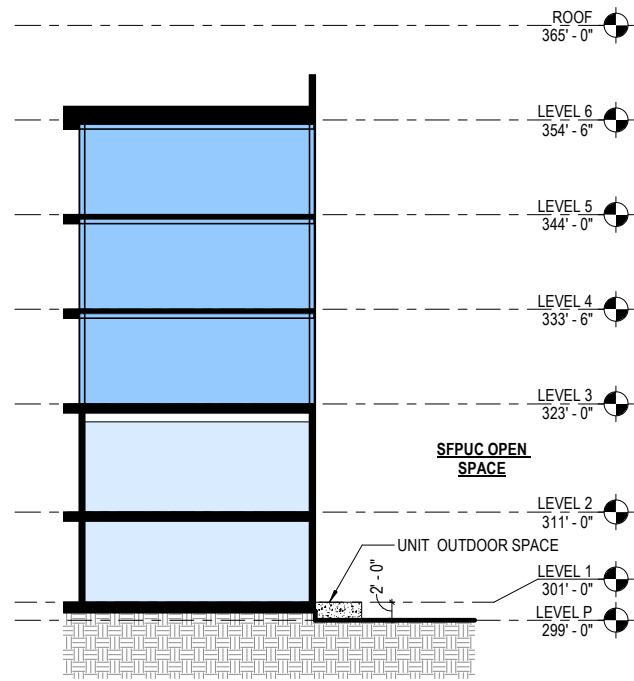
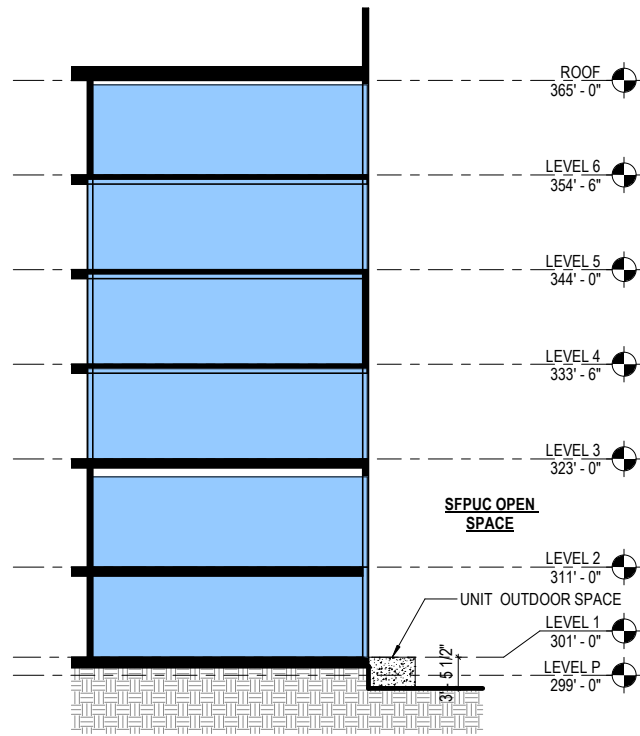
2 SECTION - PASEO SECTION MIDDLE  
3/32" = 1'-0"



1 SECTION - PASEO SECTION NORTH  
3/32" = 1'-0"

**KEYPLAN**

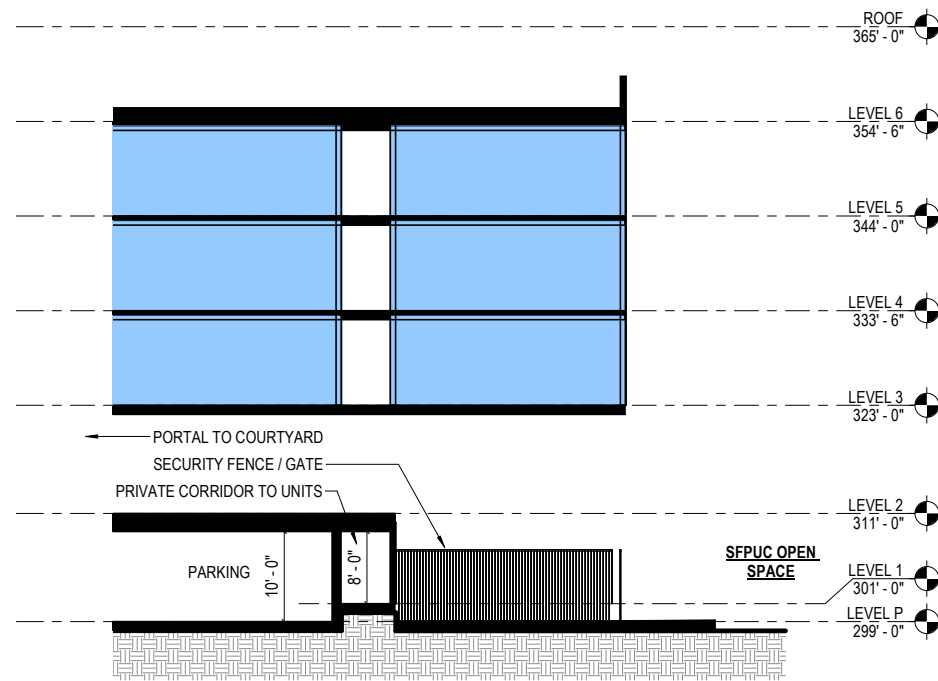
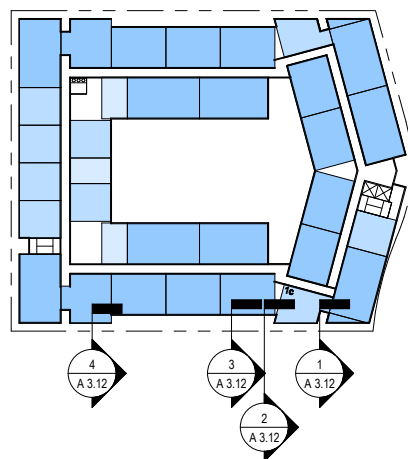




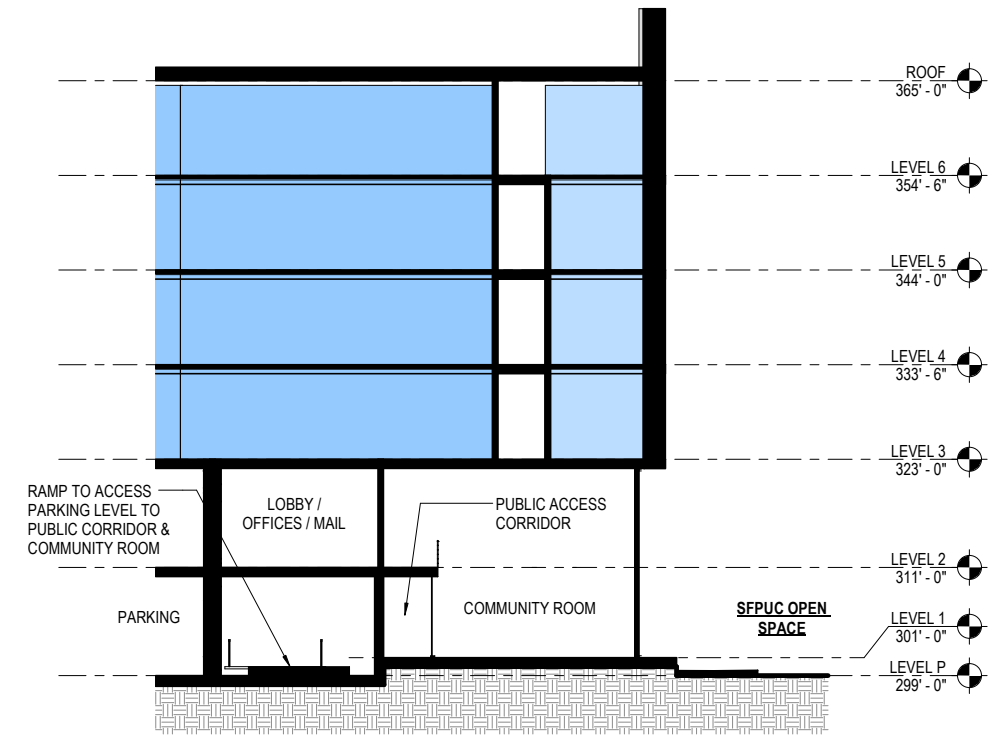
4 SECTION - SFPUC OPEN SPACE SECTION WEST  
3/32" = 1'-0"

3 SECTION - SFPUC OPEN SPACE SECTION MIDDLE  
3/32" = 1'-0"

**KEYPLAN**

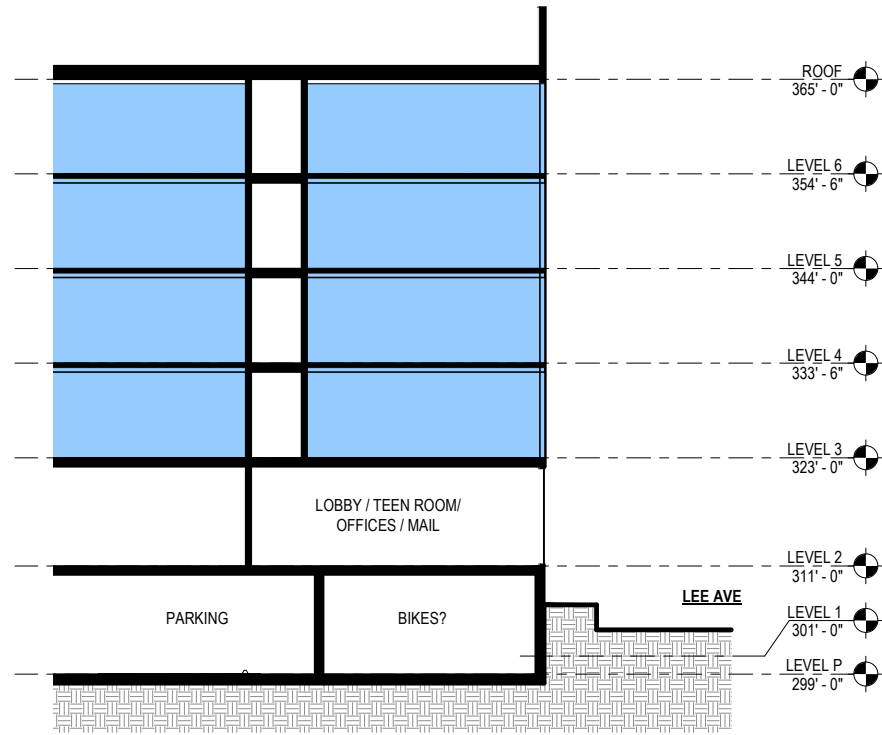


2 SECTION - SFPUC OPEN SPACE SECTION COURTYARD STAIR  
3/32" = 1'-0"

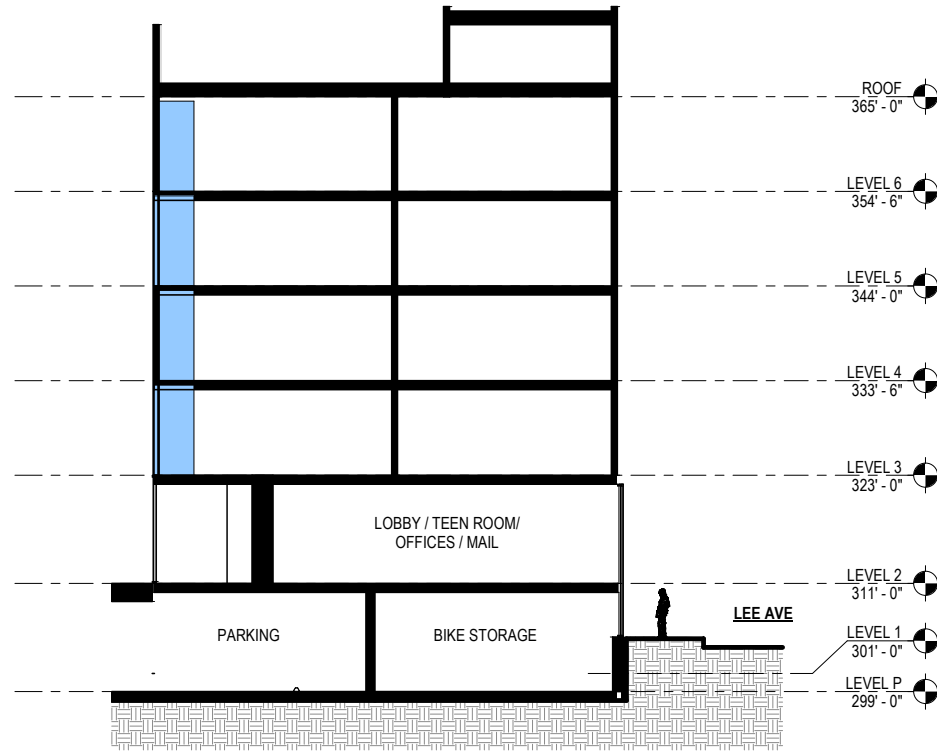


1 SECTION - SFPUC OPEN SPACE SECTION COMMUNITY ROOM  
3/32" = 1'-0"

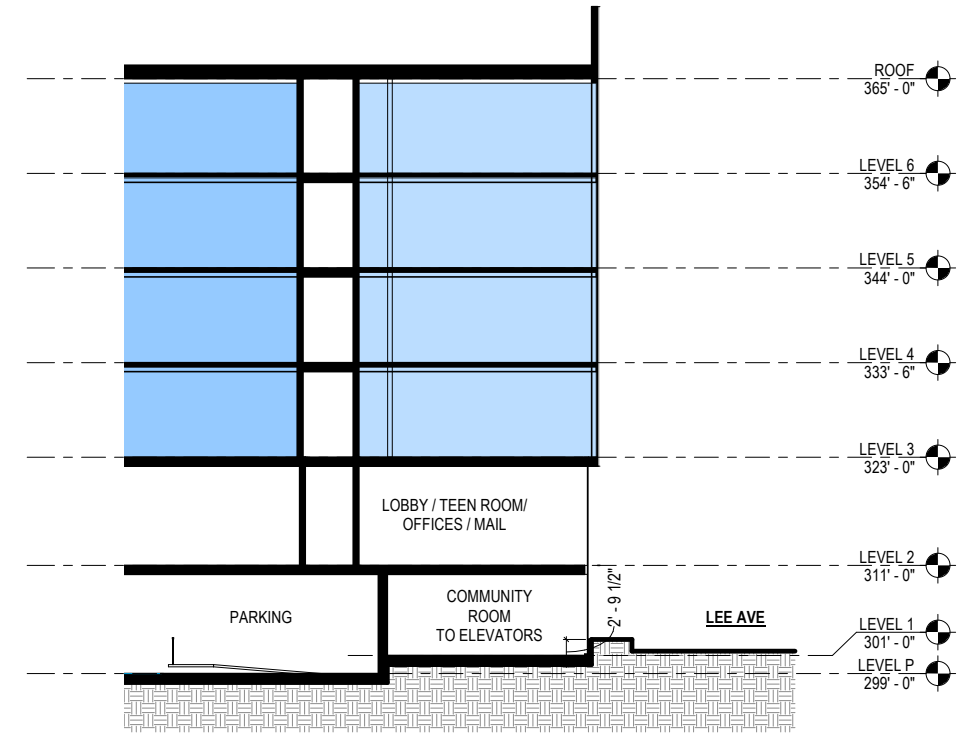




3 SECTION - LEE AVE SECTION AT LOBBY L2  
3/32" = 1'-0"

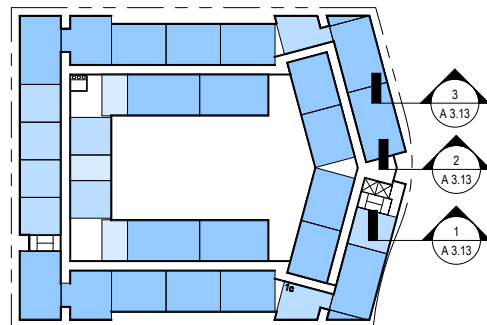


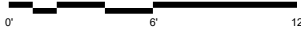
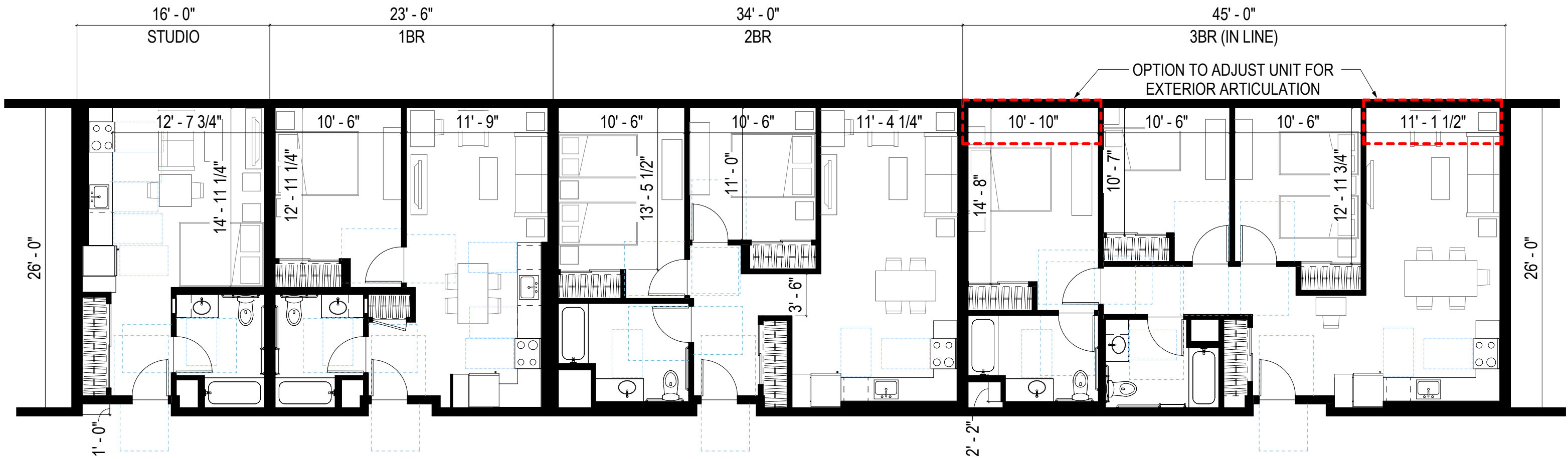
2 SECTION - LEE AVE SECTION MIDDLE  
3/32" = 1'-0"



1 SECTION - LEE AVE SECTION SOUTH  
3/32" = 1'-0"

**KEYPLAN**





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

N/A

**Attachment I: Predevelopment Budget**

Application Date: 8/19/22 # Units: 159  
 Project Name: Balboa Reservoir Building A # Bedrooms: 348  
 Project Address: 11 Frida Kahlo St # Beds:  
 Project Sponsor: BRIDGE Housing Corporation

SOURCES	3,000,000	1,244,211	-	-	-	-	Total Sources	4,244,211	Comments
Name of Sources:	MOHCD/OCII	Developer							

USES

ACQUISITION

Acquisition cost or value	196,076						196,076	Reimbursement that ties to land/entitlement excel file
Legal / Closing costs / Broker's Fee	2,003						2,003	Reimbursement for actual costs paid attributable to Building A
Holding Costs	40,858						40,858	
Transfer Tax	15,297						15,297	Reimbursement for actual costs paid attributable to Building A
<b>TOTAL ACQUISITION</b>	<b>254,234</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>254,234</b>	

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab							0	
Commercial Shell Construction							0	
Demolition							0	
Environmental Remediation							0	
Onsite Improvements/Landscaping							0	
Offsite Improvements							0	
Infrastructure Improvements							0	
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes							0	
GC Overhead & Profit							0	
CG General Conditions							0	
Sub-total Construction Costs	0	0	0	0	0	0	0	
Design Contingency (remove at DD)							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency							0	5% new construction / 15% rehab
Sub-total Construction Contingencies	0	0	0	0	0	0	0	
<b>TOTAL CONSTRUCTION COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees	1,092,399	131,101					1,223,500	See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
Design Subconsultants to the Architect (incl. Fees)		625,000					625,000	
Architect Construction Admin							0	
Reimbursables							0	
Additional Services							0	
Sub-total Architect Contract	1,092,399	756,101	0	0	0	0	1,848,500	
Other Third Party design consultants (not included under Architect contract)							0	
<b>Total Architecture &amp; Design</b>	<b>1,092,399</b>	<b>756,101</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,848,500</b>	

Engineering & Environmental Studies

Survey		70,000					70,000	
Geotechnical studies		85,000					85,000	
Phase I & II Reports							0	
CEQA / Environmental Review consultants							0	
NEPA / 106 Review							0	
CNA/PNA (rehab only)							0	
Other environmental consultants							0	Name consultants & contract amounts
<b>Total Engineering &amp; Environmental Studies</b>	<b>0</b>	<b>155,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>155,000</b>	

Financing Costs

<b>Construction Financing Costs</b>								
Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording							0	
CDLAC & CDIAC fees							0	
Bond Issuer Fees							0	
Other Bond Cost of Issuance							0	
Other Lender Costs (specify)							0	
Sub-total Const. Financing Costs	0	0	0	0	0	0	0	
<b>Permanent Financing Costs</b>								
Permanent Loan Origination Fee							0	
Credit Enhance. & Appl. Fee							0	
Title & Recording							0	
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	
<b>Total Financing Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Legal Costs

Borrower Legal fees		65,000					65,000	
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel							0	
Other Legal (specify)							0	
<b>Total Legal Costs</b>	<b>0</b>	<b>65,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65,000</b>	

Other Development Costs

Appraisal		10,000					10,000	
Market Study		10,000					10,000	
Insurance		5,000					5,000	
Property Taxes							0	
Accounting / Audit		5,000					5,000	
Organizational Costs		5,000					5,000	
Entitlement / Permit Fees							0	
Marketing / Rent-up							0	
Furnishings							0	\$2,000/unit; See MOHCD UAW Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
PGE / Utility Fees							0	
TCAC App / Alloc / Monitor Fees							0	
Financial Consultant fees		20,000					20,000	
Construction Management fees / Owner's Rep		100,000					100,000	
Security during Construction							0	
Relocation							0	
Other (Entitlements)		776,867					776,867	Reimbursement that ties to land/entitlement excel file
Other (AHSC Application)		100,000					100,000	
Other (specify)							0	
<b>Total Other Development Costs</b>	<b>876,867</b>	<b>155,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,031,867</b>	

Total Soft Cost Contingency as % of Total Soft Costs 11.9%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	226,500	113,110	0	0	0	0	339,610	Should be either 10% or 5% of total soft costs.
<b>TOTAL SOFT COSTS</b>	<b>2,195,766</b>	<b>1,244,211</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,439,977</b>	

RESERVES

* Operating Reserves							0	
Replacement Reserves							0	
* Tenant Improvements Reserves							0	
Other (specify)							0	
Other (specify)							0	
Other (specify)							0	
<b>TOTAL RESERVES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	550,000						550,000	
Developer Fee - Cash-out At Risk							0	
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	Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0	
<b>TOTAL DEVELOPER COSTS</b>	<b>550,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>550,000</b>	

TOTAL DEVELOPMENT COST

3,000,000	1,244,211	0	0	0	0	0	4,244,211	
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Development Cost/Unit by Source	18,868	7,825	0	0	0	0	26,693	
Development Cost/Unit as % of TDC by Source	70.7%	29.3%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

1,233	0	0	0	0	0	0	1,233	
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Construction Cost (inc Const Contingency)/Unit By Source

0	0	0	0	0	0	0	0	
---	---	---	---	---	---	---	---	--

Construction Cost (inc Const Contingency)/SF

0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
------	------	------	------	------	------	------	------	--

\*Possible non-eligible GO Bond/COP Amount:

0								
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Tax Credit Equity Pricing:

0.88								
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Construction Bond Amount:

80,715,000								
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Construction Loan Term (in months):

35 months								
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Construction Loan Interest Rate (as %):

8.07%								
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**Attachment J: Development Budget**

Application Date: 8/19/22  
 Project Name: Balboa Reservoir Building A  
 Project Address: 11 Frida Kahlo St  
 Project Sponsor: BRIDGE Housing Corporation

# Units: 159  
 # Bedrooms: 348  
 # Beds: 348

SOURCES	Total Sources								Comments	
	14,000,000	33,000,000	15,475,000	76,233,402	15,352,979	4,162,373	1,300,000	-		
Name of Sources:	MOHCD/OCH	AHSC	Perm	4% Credits	GP Contribution	RCP Subsidy	Deferred Dev Fee	-	-	159,523,754

USES

ACQUISITION

	14,000,000	33,000,000	15,475,000	76,233,402	15,352,979	4,162,373	1,300,000	-	-	159,523,754
Acquisition cost or value	1,923,491									1,923,491
Legal / Closing costs / Broker's Fee	80,000									80,000
Holding Costs	212,297									212,297
Transfer Tax										0
<b>TOTAL ACQUISITION</b>	<b>2,215,788</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,215,788</b>

CONSTRUCTION (HARD COSTS)

	14,000,000	33,000,000	15,475,000	76,233,402	15,352,979	4,162,373	1,300,000	-	-	159,523,754
Unit Construction/Rehab	9,584,242	33,000,000	15,475,000	28,578,110		353,731				86,991,083
Commercial Shell Construction										0
Demolition										0
Environmental Remediation										0
Onsite Improvements/Landscaping										0
Offsite Improvements										0
Infrastructure Improvements						3,808,642				3,808,642
Parking										0
GC Bond Premium/GC Insurance/GC Taxes										0
GC Overhead & Profit										0
GC General Conditions										0
<b>Sub-total Construction Costs</b>	<b>9,584,242</b>	<b>33,000,000</b>	<b>15,475,000</b>	<b>28,578,110</b>	<b>0</b>	<b>4,162,373</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>90,799,725</b>
Design Contingency (remove at DD)				3,090,135						3,090,135
Bid Contingency (remove at bid)				3,090,135						3,090,135
Plan Check Contingency (remove/reduce during Plan Review)				3,090,135						3,090,135
Hard Cost Construction Contingency				4,349,554						4,349,554
<b>Sub-total Construction Contingencies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,619,959</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,619,959</b>
<b>TOTAL CONSTRUCTION COSTS</b>	<b>9,584,242</b>	<b>33,000,000</b>	<b>15,475,000</b>	<b>42,198,069</b>	<b>0</b>	<b>4,162,373</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>104,419,684</b>

Construction line item costs as a % of hard costs

SOFT COSTS

	14,000,000	33,000,000	15,475,000	76,233,402	15,352,979	4,162,373	1,300,000	-	-	159,523,754
<b>Architecture &amp; Design</b>										
Architect design fees				2,620,500						2,620,500
Design Subconsultants to the Architect (incl. Fees)				90,000						90,000
Architect Construction Admin				100,000						100,000
Reimbursables										0
Additional Services										0
<b>Sub-total Architect Contract</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,810,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,810,500</b>
Other Third Party design consultants (not included under Architect contract)										0
<b>Total Architecture &amp; Design</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,810,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,810,500</b>
<b>Engineering &amp; Environmental Studies</b>										
Survey				70,000						70,000
Geotechnical studies				85,000						85,000
Phase I & II Reports				15,000						15,000
CEQA / Environmental Review consultants										0
NEPA / 106 Review										0
CNA/PNA (rehab only)										0
Other environmental consultants				35,000						35,000
<b>Total Engineering &amp; Environmental Studies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>205,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>205,000</b>
<b>Financing Costs</b>										
<b>Construction Financing Costs</b>										
Construction Loan Origination Fee				605,363						605,363
Construction Loan Interest				16,889,238						16,889,238
Title & Recording				70,000						70,000
CDLAC & CDLAC fees				31,232						31,232
Bond Issuer Fees				605,363						605,363
Other Bond Cost of Issuance				273,000						273,000
Borrower Financial Advisor										0
<b>Sub-total Const. Financing Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,474,196</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,474,196</b>
<b>Permanent Financing Costs</b>										
Permanent Loan Origination Fee				154,750						154,750
Credit Enhance. & Appl. Fee										0
Title & Recording										0
<b>Sub-total Perm. Financing Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>154,750</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>154,750</b>
<b>Total Financing Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,628,946</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,628,946</b>
<b>Legal Costs</b>										
Borrower Legal fees				120,000						120,000
Land Use / CEQA Attorney fees										0
Tax Credit Counsel										0
Bond Counsel										0
Construction Lender Counsel				30,000						30,000
Permanent Lender Counsel				50,000						50,000
Other Legal - Expenses				80,000						80,000
<b>Total Legal Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>260,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>260,000</b>
<b>Other Development Costs</b>										
Appraisal				10,000						10,000
Market Study				10,000						10,000
Insurance				3,736,697						3,736,697
Property Taxes										0
Accounting / Audit				50,000						50,000
Organizational Costs				60,000						60,000
Entitlement / Permit Fees				3,751,774						3,751,774
Marketing / Rent-up				238,750						238,750
Furnishings				318,000						318,000
PGE / Utility Fees				87,000						87,000
TCAC App / Alloc / Monitor Fees				123,111						123,111
Financial Consultant fees				85,000						85,000
Construction Management fees / Owner's Rep				200,000						200,000
Security during Construction				400,000						400,000
Relocation										0
Construction Inspector				100,000						100,000
Printing				32,500						32,500
Start Up/Lease Up Expenses				318,000						318,000
<b>Total Other Development Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,520,832</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,520,832</b>
<b>Soft Cost Contingency</b>										
Contingency (Arch, Eng, Fin, Legal & Other Dev)				1,259,320						1,259,320
<b>TOTAL SOFT COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,684,598</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>32,684,598</b>
<b>RESERVES</b>										
Operating Reserves				789,783						789,783
Replacement Reserves										0
Tenant Improvements Reserves										0
AHSC Transit Pass				560,952						560,952
Other (specify)										0
Other (specify)										0
<b>TOTAL RESERVES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,350,735</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,350,735</b>
<b>DEVELOPER COSTS</b>										
Developer Fee - Cash-out Paid at Milestones	1,100,000									1,100,000
Developer Fee - Cash-out At Risk	1,100,000									1,100,000
Commercial Developer Fee										0
Developer Fee - GP Equity (also show as source)					15,352,979					15,352,979
Developer Fee - Deferred (also show as source)							1,300,000			1,300,000
Development Consultant Fees										0
Other (specify)										0
<b>TOTAL DEVELOPER COSTS</b>	<b>2,200,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,352,979</b>	<b>0</b>	<b>1,300,000</b>	<b>0</b>	<b>0</b>	<b>18,852,979</b>
<b>TOTAL DEVELOPMENT COST</b>	<b>14,000,000</b>	<b>33,000,000</b>	<b>15,475,000</b>	<b>76,233,402</b>	<b>15,352,979</b>	<b>4,162,373</b>	<b>1,300,000</b>	<b>0</b>	<b>0</b>	<b>159,523,754</b>
Development Cost/Unit by Source	88,050	207,547	97,327	479,455	96,560	26,178	8,176	0	0	1,003,294
Development Cost/Unit as % of TDC by Source	8.8%	20.7%	9.7%	47.8%	9.6%	2.6%	0.8%	0.0%	0.0%	100.0%
Acquisition Cost/Unit by Source	12,097	0	0	0	0	0	0	0	0	12,097
Construction Cost (inc Const Contingency)/Unit By Source	60,278	207,547	97,327	265,397	0	26,178	0	0	0	656,728
Construction Cost (inc Const Contingency)/SF	47.47	163.44	76.64	208.99	0.00	20.61	0.00	0.00	0.00	517.16
*Possible non-eligible GO Bond/COP Amount:	9,584,242									
City Subsidy/Unit	88,050									
Tax Credit Equity Pricing:	0.882									
Construction Bond Amount:	92,109,000									
Construction Loan Term (in months):	35 months									
Construction Loan Interest Rate (as %):	6.50%									

Total Soft Cost Contingency as % of Total Soft Costs 4.8%

**Attachment K: 1<sup>st</sup> Year Operating Budget**



Application Date: 8/19/2022 Project Name: Balboa Reservoir Building A  
 Total # Units: 159 Project Address: 11 Frida Kahlo St  
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2027 Project Sponsor: BRIDGE Housing Corporation

INCOME	Total	Comments
Residential - Tenant Rents	3,353,676	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Space	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income		
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	26,064	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: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)		
<b>Gross Potential Income</b>	<b>3,379,740</b>	
Vacancy Loss - Residential - Tenant Rents	(175,534)	Vacancy loss is 5.2% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
<b>EFFECTIVE GROSS INCOME</b>	<b>3,204,206</b>	<b>PUPA: 20,152</b>

**OPERATING EXPENSES**

Management		
Management Fee	124,020	1st Year to be set according to HUD schedule.
Asset Management Fee	24,280	
<b>Sub-total Management Expenses</b>	<b>148,300</b>	<b>PUPA: 933</b>
Salaries/Benefits		
Office Salaries	56,808	1 FTE resident admin + \$34/LI unit/year waitlist and \$4.2/unit/month compliance
Manager's Salary	127,000	1 FTE manager and 1 FTE assistant manager
Health Insurance and Other Benefits	70,066	
Other Salaries/Benefits		
Administrative Rent-Free Unit		
<b>Sub-total Salaries/Benefits</b>	<b>253,874</b>	<b>PUPA: 1,597</b>
Administration		
Advertising and Marketing	1,500	
Office Expenses	51,240	Office supplies, printing/copying, postage/delivery, telephone/answering service.
Office Rent		
Legal Expense - Property	6,000	
Audit Expense	17,634	
Bookkeeping/Accounting Services	15,000	
Bad Debts		
Miscellaneous	152,640	HOA - \$60/unit/month (prelim estimate) and TDM - \$20/unit/month
<b>Sub-total Administration Expenses</b>	<b>244,014</b>	<b>PUPA: 1,535</b>
Utilities		
Electricity	54,300	
Water	130,320	
Gas		
Sewer	169,416	
<b>Sub-total Utilities</b>	<b>354,036</b>	<b>PUPA: 2,227</b>
Taxes and Licenses		
Real Estate Taxes	3,000	
Payroll Taxes	27,563	
Miscellaneous Taxes, Licenses and Permits	6,250	
<b>Sub-total Taxes and Licenses</b>	<b>36,833</b>	<b>PUPA: 232</b>
Insurance		
Property and Liability Insurance	177,869	
Fidelity Bond Insurance		
Worker's Compensation	24,825	
Director's & Officers' Liability Insurance		
<b>Sub-total Insurance</b>	<b>202,694</b>	<b>PUPA: 1,275</b>
Maintenance & Repair		
Payroll	92,020	1 FTE janitor, 1 FTE technician, and 1 FTE maintenance supervisor
Supplies	14,008	
Contracts	128,120	
Garbage and Trash Removal	108,600	
Security Payroll/Contract	26,000	
HVAC Repairs and Maintenance	8,000	
Vehicle and Maintenance Equipment Operation and Repairs	6,000	
Miscellaneous Operating and Maintenance Expenses	2,000	
<b>Sub-total Maintenance &amp; Repair Expenses</b>	<b>384,748</b>	<b>PUPA: 2,420</b>
Supportive Services	107,400	\$90,000 for 1,200 service hours per unit, and \$17,400 for 80 hours of adult education.
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
<b>TOTAL OPERATING EXPENSES</b>	<b>1,731,899</b>	<b>PUPA: 10,892</b>

**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			
Replacement Reserve Deposit	79,500		
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: 100%	
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>	<b>94,500</b>	<b>PUPA: 594</b>	

<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>	<b>1,826,399</b>	<b>PUPA: 11,487</b>	Min DSCR: 1.15
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>	<b>1,377,807</b>	<b>PUPA: 8,665</b>	Mortgage Rate: 6.29%
			Term (Years): 40
			Supportable 1st Mortgage Pmt: 1,198,093
			Supportable 1st Mortgage Amt: \$17,498,736
			Proposed 1st Mortgage Amt: \$15,475,000

**DEBT SERVICE/MUST PAY PAYMENTS** ("hard debt"/amortized loans)

Hard Debt - First Lender	1,059,493	Perm Loan	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	138,600	AHSC Loan	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: 100%	
<b>TOTAL HARD DEBT SERVICE</b>	<b>1,198,093</b>	<b>PUPA: 7,535</b>	

**CASH FLOW (NOI minus DEBT SERVICE)**

179,714

USES OF CASH FLOW BELOW (This row also shows DSCR.) 1.15

**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)	24,270	2nd	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	1st	
Other Payments			
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)			Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)			Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	75,222	Def. Develop. Fee split: 50%	Provide additional comments here, if needed.
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>	<b>104,492</b>	<b>PUPA: 657</b>	

**RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)**

75,222

**Residual Receipts Calculation**

Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?	Yes
Will Project Defer Developer Fee?	Yes		
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):	75,222
% of Residual Receipts available for distribution to soft debt lenders in	50%		

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	\$14,000,000	29.69%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$150,000	0.32%
HCD (soft debt loan) - Lender 3	AHSC Loan	\$33,000,000	69.99%
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	22,575	50% of residual receipts, multiplied by 30.01% - MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	22,575	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.

**REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE**

52,647

**NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE**

HCD Residual Receipts Amount Due	52,647	50% of residual receipts, multiplied by 69.99% - AHSC Loan's pro rata share of all soft debt
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
<b>Total Non-MOHCD Residual Receipts Debt Service</b>	<b>52,647</b>	

**REMAINDER (Should be zero unless there are distributions below)**

Owner Distributions/Incentive Management Fee	0	
Other Distributions/Uses	0	
<b>Final Balance (should be zero)</b>	<b>0</b>	

**Attachment L: 20-year Operating Proforma**



**M. Land, Entitlement, Infrastructure Cost**

Land Costs: The Master Developer intends that each parcel will be responsible for a portion of the entire land costs, based on a per door basis, except for the townhome parcel and the original parcel H – the self-help parcel. Land costs are approximately \$12,660,690 including deposits and interest. This does not include entitlement costs. For Building A this is estimated to be \$1,923,491, as shown on the Permanent Sources and Uses tab. This is part of the Master Developer Subsidy (RCP) payment. Below shows land cost breakdown of land costs per building. Note: the cost amounts are slightly out of date and the Sponsor will update prior to final gap request.

Land Cost Breakdown per # of units at Development Agreement Vs Now									
Phase	Building	Developer	Type	DA # Unit	Cost per Building	Updated # of Units	Cost Per Building	Delta	% Change
1	Bldg E	BRIDGE	Affordable	124	\$1,608,530	128	\$1,633,637	\$25,107	2%
	Bldg F (Educator)	BRIDGE	Affordable	151	\$1,958,775	159	\$2,029,284	\$70,509	4%
	Bldg C	Avalon	Market	130	\$1,686,362	125	\$1,595,349	-\$91,013	-5%
	Bldg D	Avalon	Market	130	\$1,686,362	125	\$1,595,349	-\$91,013	-5%
2	Bldg A	BRIDGE	Affordable	181	\$2,347,935	159	\$2,029,284	-\$318,651	-14%
	Bldg. B	Mission	Affordable	70	\$908,041	96	\$1,225,228	\$317,187	35%
	Bldg G	Avalon	Market	190	\$2,464,684	200	\$2,552,558	\$87,875	4%
	<b>TOTAL</b>			976	\$12,660,690	992	\$12,660,690		

The Sponsor will provide an updated detailed analysis of how the total land costs were derived and proportionally attributed to each housing parcel closer to final gap. MOHCD acknowledges that the unit mix for all developments is likely to change throughout design development and will require a final number by gap, for each parcel, based on the final purchase amounts from SFPUC, based on the initial DA calculation of units. This approach will be used for all affordable parcels moving forward.

Entitlement Costs: The Sponsor has incurred \$2.179M in entitlement fees to date. The costs are mostly design/engineering, permits and fees, and legal costs for the City and Sponsor. Similar to land costs, these are to be attributed proportionally over the remaining units.

Per the Master Developer, the total cost for entitlement are \$7.5M. However, the Sponsor is assessing the Sponsor’s share of the cost of approximate (\$2.2M) to affordable Blocks E, F, & A. Similar to Land Costs above, the Master Developer is assuming a cost per door basis. MOHCD believes this is better assessed as a parcel square footage basis.

Entitlement Cost Breakdown per # of units at Development Agreement Vs Now									
Phase	Building	Developer	Type	DA # Unit	Cost per Building	Updated # of Units	Cost Per Building	Delta	% Change
1	Bldg E	BRIDGE	Affordable	124	\$592,572	128	\$625,403	\$32,830	6%
	Bldg F (Educator)	BRIDGE	Affordable	151	\$721,600	159	\$776,867	\$55,267	8%
2	Bldg A	BRIDGE	Affordable	181	\$864,965	159	\$776,867	-\$88,097	-10%
		<b>TOTAL</b>		456	\$2,179,137	446	\$2,179,137		
		Total Affordable		456		446			
		% of Total		100%		100%			

The Sponsor will provide an updated detailed analysis to MOHCD of all incurred costs, also attributed to each parcel, per associated unit in the DA before gap. This approach will be used for all affordable parcels moving forward.

**Infrastructure Cost:**

Infrastructure Cost Breakdown per # of units at Development Agreement Vs Now									
Phase	Building	Developer	Type	DA # Unit	Cost per Building	Updated # of Units	Cost Per Building	Delta	% Change
1	Bldg E	BRIDGE	Affordable	124	\$2,302,628	128	\$2,386,490	\$83,863	4%
	Bldg F (Educator)	BRIDGE	Affordable	151	\$2,804,006	159	\$2,964,468	\$160,462	6%
	Bldg C	Avalon	Market	130	\$2,414,045	125	\$2,330,557	-\$83,488	-3%
	Bldg D	Avalon	Market	130	\$2,414,045	125	\$2,330,557	-\$83,488	-3%
2	Bldg A	BRIDGE	Affordable	181	\$3,361,093	159	\$2,964,468	-\$396,625	-12%
	Bldg. B	Mission	Affordable	90	\$1,671,262	96	\$1,789,868	\$118,606	7%
	Bldg G	Avalon	Market	190	\$3,528,220	200	\$3,728,891	\$200,671	6%
		<b>TOTAL</b>		996	\$18,495,299	992	\$18,495,299		