

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
Housing Authority of the City and County of San Francisco

Hunters View HOPE SF Vertical Phase IIIA(1) – Blocks 14 and 17 Gap Loan \$50,495,000

(Includes \$355,000 Construction & Permanent Loan Contingency
Bridge)

Evaluation of Request for:	Vertical Gap Loan Request
Loan Committee Date:	March 17, 2023
Prepared By:	Cindy Heavens, Senior Project Manager
MOHCD Asset Manager:	Michael McLoone
MOHCD Construction Representative	Sarah Tenpas
Sources and Amounts of New Funds Recommended:	Up to \$44,302,405 HOME - \$7,067,472 LMIHAF - \$5,000,000 2019 GO Bond, Public Housing - \$32,234,933
Sources and Amounts of Previous City Funds Committed:	Certificates of Participation - \$6,192,595
NOFA/PROGRAM/RFP:	HOPE SF
Applicant/Sponsor(s) Name:	HV Partners 3, LP, a California Limited Partnership formed by The John Stewart Company (JSCo), Hunters Point Affordable Housing, Inc. (Ridge Point Non-Profit Housing Corporation), and Devine & Gong, Inc.

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Hunter View Vertical Phase IIIA(1)	Sponsor(s):	John Stewart Company (“JSCo”), Devine & Gong, Inc. (“DGI”), Ridge Point Non-Profit Housing Corporation (“Ridge Point”)
Project Address (w/ cross St):	Eastern side of Middle Point Road, 94124	Ultimate Borrower Entity:	HV Partners 3, LP

Project Summary:

This loan request is for gap funding for Hunters View HOPE SF Phase IIIA(1) - Blocks 14 and 17 which must close construction financing by May 29, 2023 as required by the California Debt Limit Allocation Committee’s (“CDLAC”) tax-exempt bond award received in November 2022. Hunters View HOPE SF Phase IIIA(1) - Blocks 14 and 17 is the final affordable housing multifamily rental development planned for Hunters View HOPE SF revitalization. This construction closing represents 9 years of work by staff and John Stewart Company (“JSCo”), Devine & Gong, Inc. (“DGI”), Ridge Point Non-Profit Housing Corporation (“Ridge Point”) (together, “Sponsors”) to make this final affordable housing phase a reality. Once Hunters View HOPE SF Phase IIIA(1) - Blocks 14 and 17 is completed, only the market rate sites within the Hunters View HOPE SF revitalization on blocks 2, 3, 8, 9, 12, 13, 15, 16, 18 need to be developed. Blocks 12, 13, 15, 16, and 18 are located in Hunters View Phase III, the third and final infrastructure phase of Hunters View. Hunters View Phase III Infrastructure began construction in Summer 2022.

Hunters View HOPE SF Phase IIIA(1) - Blocks 14 and 17 is a mixed-use vertical multifamily development targeted to low-income families. Phase IIIA(1) exists within Hunters View Phase III. Hunters View HOPE SF Phase IIIA(1) - Blocks 14 and 17 totals 118 units comprised of: 52 one-bedrooms; 11 two-bedrooms; 16 three-bedrooms; 34 four-bedrooms; 5 five-bedrooms; and, 1 two-bedroom onsite staff unit (“Project” or “Phase IIIA(1)”). Of the 118 units, 53 are public housing replacement units; except for 5 three-bedroom units, all other three-bedroom and larger units are public housing replacement units. The public housing replacement units are supported by project-based vouchers (“PBVs”). Phase III(A)(1) has an affordability average below 60% City Area Median Income (“City AMI”).

In addition to the affordable units, Block 14 includes a 1,985 square foot (“sf”) learning center and Block 17 includes a 1,365 sf commercial kitchen/café and both spaces are a response to residents’ request when the Hunters View HOPE SF revitalization began its planning in 2003. Block 14 and 17 also include property management, resident services offices, and 88 onsite parking spaces with a parking ratio of 0.75 parking per unit, the largest parking ratio of any Hunters View HOPE SF affordable housing development.

In addition to the MOHCD loan, financing includes tax credit equity, commercial tax-exempt permanent loan, deferred developer fee, Housing Trust Silicon Valley Apple Fund, and a tax-exempt and taxable construction loan. If this loan is approved, the Sponsors plan to start construction in May 2023. The estimated construction completion date is May 2025.

Project Description:

Construction Type:	Type III-A over Type I-A	Project Type:	New Construction
Number of Stories:	Block 14: 6 stories plus partial-level garage basement; Block 17: 4 stories	Lot Size (acres and sf):	1.45 acres / 63,379 sf
Number of Units:	118 units (Block 14: 42; Block 17: 76)	Architect:	David Baker Architects

Total Residential Area:	141,290 sf (Block 14: 67,212 sf; Block 17: 74,078 sf)	General Contractor:	Cahill-Nibbi Joint Venture
Total Commercial Area:	3,350 sf (Block 14: 1,985 sf; Block 17: 1,365 sf)	Property Manager:	The John Stewart Company
Total Building Area:	144,640 sf (Block 14: 69,197 sf; Block 17: 75,443 sf)	Supervisor and District:	Supervisor Shamann Walton (D-10)
Land Owner:	San Francisco Housing Authority ("SFHA")		
Total Development Cost (TDC):	\$140,695,022	Total Acquisition Cost:	\$0.00 – Ground lease with SFHA
TDC/unit:	\$1,192,331	TDC less land cost/unit:	\$1,192,331
Loan Amount Requested:	\$44,302,405 (new funds)	Request Amount / unit:	\$375,444
HOME Funds?	Yes	Parking?	Yes – 88 stacked spaces, 0.75 parking ratio

PRINCIPAL DEVELOPMENT ISSUES

- **Construction costs per unit:** Phase III(A)1 is expensive. Items that drive up Phase III(A)(1) costs are the Project is comprised of two buildings; the site is steep creating the need for additional shoring; 45% of the building consists of 3-bedroom or larger units, and; in keeping with a general HOPE SF commitment all 3-bedroom or larger units in this phase have washer-dryer hook-ups. (In previous phases the washer-dryer hook ups were only in accessible 3-bedroom or larger units.) See Sections 4.2, 4.3, and 6.4.5.
- **Lease up Risk:** To date, all residents that lived on site at the execution of the Exclusive Negotiation Right Agreement ("ENRA") between the Principal Developer, Hunters View Association, L.P, a California limited partnership, have been housed in new units in Hunters View Phase I and II. People eligible for Phase III(A)1's public housing replacement units would come from SFHA waitlist, per SFHA Administrative Plan. However, SFHA waitlist has not been updated in some time and the information on the waitlist remains stale. As such, SFHA continues to have difficulty placing households in units. For this reason, there is a long lease up time period assumed in the financing of the Project and this additional lease up time increases the construction interest calculated for Phase IIIA(1). As of this loan evaluation, there have been no mitigation measures provided. However, with this request staff and Sponsors request that Phase IIIA(1) be allowed to maintain its own waitlist. See Section 6.4.5 for discussion related to construction interest.
- **Construction-Permanent Loan Bridge/Apple Fund Not Included as Development Source:** The Sponsors received an Apple Fund award administered by Housing Trust Silicon Valley in September 2022. The loan is \$2.2 million at 2% interest and 17-18 year term. As awarded the loan has a loan-to-TDC issue that will not be resolved prior to Loan Committee. Sponsors request that the Loan Committee recommend approval of the MOHCD loan at \$50.49 million allowing the project to close prior to the CDLAC deadline. The construction-permanent loan bridge will only be used if the Apple Funds are removed from the project entirely or at permanent loan conversion. See Section 6.4.1.a and 6.4.1.f.
- **Interest Rate Contingency:** There is \$1,480,000 as an interest rate contingency to absorb any interest rate increased up to 50 basis points ("bps") on either the construction or permanent loan interest rates from the date of the Loan Committee meeting to the construction closing. See Sections 6.4.5 and 9.3.
- **Commercial Spaces:** Commercial warm shell spaces will be developed under this loan request. All tenant improvements are not part of this loan request, and some warm shell improvements are not part of this loan request. While the Educational Space will more than likely have a nonprofit operator, the nonprofit will need to raise approximately \$665,260, and the operator of the Café Space will need to raise approximately

\$2,101,200. While the Sponsors are willing to support the eventual operators with fundraising for some warm shell and all tenant improvements that are not in the general contractor budget and included in the base bid, funding remains challenging. It is possible that the buildings will be complete, and the commercial spaces will remain unfinished, in this community recovering from neglect and blight. See Sections 4.4.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
MOHCD	\$6,192,595	3 yrs @ 0.25% Def	Committed
Total	\$6,192,595		

Permanent Sources	Amount	Terms	Status
MOHCD includes predevelopment funds	\$50,495,000	55 yrs @ 0.25% / Res Rec	This Request
Permanent Loan	\$24,700,000	17-18 yrs @ 6.05%, 40 yr amort / Hard Debt	In Process
HTSV Apple Fund	\$2,200,000	18 yrs @2% / Hard Debt	Committed
Equity	\$61,999,922	\$0.928 tax credit pricing	Committed
GP Equity	\$100	N/A	Committed
Deferred Fee	\$1,300,000	N/A	Committed
Total	\$140,695,022		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$0	\$0	\$0
Hard Costs	\$113,587,541	\$962,606	\$785
Soft Costs	\$23,427,381	\$198,537	\$162
Developer Fee	\$3,680,100	\$31,187	\$25
Total	\$140,695,022	\$1,192,331	\$973

RECOMMENDATION

Staff recommends approval of this loan .

1. BACKGROUND

1.1. Project History Leading to This Request.

Hunters View was the first HOPE SF development to start construction and complete a residential building. Phase I infrastructure improvements and vertical affordable developments were completed in 2013. Phase II infrastructure improvements and vertical affordable developments were completed in 2017. All former residents of the original Hunters View public housing were successfully relocated to new units at the completion of Phase II.

The Sponsors demolished the remaining 18 dilapidated public housing buildings to their foundations in 2018 to forestall public safety issues. In June 2022, the Sponsors issued a Notice to Proceed for the Phase III infrastructure improvements, which are currently underway. (A separate MOHCD Infrastructure Loan Agreement dated September 10, 2021 gap loan closed construction financing in the same month.) Site permits for both Block 14 and Block 17 were received in July 2021 and review of subsequent addenda is underway.

Hunters View Phase-vertical (“HV3-V” “Phase IIIA(1)” or “Project”) is responsive to the need for affordable housing in San Francisco in that it contributes to the Regional Housing Needs Assessment (“RHNA”) goals to produce 20,867 very low-income units, 12,014 low-income units, and 13,717 moderate units by 2031.

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

The San Francisco Housing Authority (SFHA) issued a Request for Qualifications for a developer to redevelop the Hunters View public housing site in 2003. In 2005, SFHA selected the development team originally formed as Hunters View Community Partners (“HVCP”) and now currently formed as Hunters View Associates, L.P., a California limited partnership (“HVA”) and Principal Developer of Hunters View HOPE SF revitalization area. HVA and SFHA entered into a Master Development Agreement in July 2009.

Former HVCP and now HVA is comprised of The John Stewart Company (“JSCo”), Devine & Gong, Inc. (“DGI”), and Hunters Point Affordable Housing, Inc., a subsidiary of Ridge Point Nonprofit Housing Corporation (“Ridge Point”). JSCo is the lead developer and project manager of Hunters View HOPE SF revitalization area. DGI is Hunters View HOPE SF revitalization area’s financial consultant and co-developer. Ridge Point is Hunters View HOPE SF revitalization area’s community-based partner co-developer.

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.

HV Partners 3, LP., a California limited partnership (“HP3”), is the borrower entity for Phase IIIA(1) and is formed by JSCo, DGI, and Ridge Point. The same entities comprise HVA, the Principal Developer of Hunters View HOPE SF revitalization area. HVA was the borrower entity of the original predevelopment loan dated November 4, 2016, and is the borrower named in the MOHCD Infrastructure Loan Agreement dated September 10, 2021.

1.3.2. Joint Venture Partnership.

Ridge Point currently operates low and moderate-income housing and community facilities for the residents of Bayview-Hunters Point. As co-developer of the entire Hunters View project, Ridge Point’s involvement has allowed for capacity building, connection to the community, and a special emphasis on resident and community involvement, training, and employment opportunities. Due to their involvement in Hunters View, Ridge Point is eligible to claim full TCAC experience points as a Sponsor. Regina Coleman is the current President & CEO of Ridge Point. Ms. Coleman has been involved in public meetings relating to Hunters View on topics such as community safety. Ms. Coleman works in a property management capacity at Ridgeview Terrace, which is adjacent to Hunters View, and has close relationships with many community members and residents of Hunters View.

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

	Gender Identity	Race
John Stewart Company Board	40% Female 60% Male	100% White
John Stewart Company Development Team	75% Female 25% Male	50% White 25% African American 25% Other

	Gender Identity	Race
Ridge Point Board	67% Female 33% Male	100% African American
Ridge Point Staff	100% Female	100% African American

	Gender Identity	Race
Devine & Gong Board	100% Female	100% Asian American
Devine & Gong Staff	50% Male, 50% Female	20% Asian, 75% White

1.3.4. Racial Equity Vision.

JSCo launched a Diversity, Equity and Inclusion (“DEI”) initiative in mid-2020 to ensure all JSCo staff are empowered to thrive and fulfill their highest personal potential. As part of this work, JSCo undertook a company-wide survey to inform the DEI Initiative, among other in-person and virtual opportunities for honest engagement across all employee groups. While the aggregated feedback indicated

very little internal discrimination at the company and a strong perception that JSCo is welcoming, inclusive, and appreciates its employees, the survey also identified areas of opportunity. Working with a third-party consultant, JSCo formed a DEI Committee, comprised of a diverse group of employees representing all offices and departments, and has developed an Action Plan to address these areas of opportunity. The Action Plan priorities include implementation of a DEI training program for all staff; development of an additional code of conduct to ensure clear expectations around resident and staff interaction; evaluation of and planning around contracting goals and protocols to achieve the highest level of minority participation; and evaluation and implementation of plans to ensure fair compensation, reasonable workloads, and clear pathways for employee advancement. The DEI Committee and third-party consultant meet monthly to discuss progress on these goals.

1.3.5. Relevant Experience.

This is the third and final affordable phase within the Hunters View redevelopment project. This is also the third 4% tax-credit and tax-exempt bonds project within the redevelopment project. The Sponsors team – including all leadership parties from each co-developer – has been involved in all prior phases of Hunters View and brings that experience to bear on Phase IIIA(1). Further, both JSCo and DGI have extensive experience working in San Francisco and with MOHCD. Both organizations closed several new construction and RAD projects over the last seven years.

1.3.6. Project Management Capacity.

Catherine Etzel, Director of Development, and Julie Mendel, Project Manager, are the primary contacts representing JSCo. Ms. Etzel spends 40% of her time on Hunters View HOPE SF. Julie Mendel spends 30% of her time on Hunters View HOPE SF. Margaret Miller, President of Development, Dan Levine, President of Construction Maintenance Services, and Jack Gardner, CEO, are all also involved in the project and step in periodically to provide support, executive leadership, and a historical perspective.

Andrew Burhmann, Devine & Gong, Inc. (“DGI”) Senior Associate, is the day-to-day development contact for DGI and is also the project’s lead financial consultant. Regina Coleman, President, is the main contact for Ridge Point.

1.3.7. Past Performance.

- 1.3.7.1. City audits/performance plans. There are no City audits for any member of the HV Partners 3, LP.
- 1.3.7.2. Marketing/lease-up/operations. JSCo along with BRIDGE Housing Corporation worked on the 735 Davis and Broadway Cove and submitted the marketing plan together. MOHCD staff reported that JSCo was amenable to changing their resident selection criteria and other lease-up forms to conform to updated MOHCD policies for lease-up. They created a robust outreach list

to market the project to low and middle-income households and they worked with the Port Commission to market to employees and vendors. 8431 applicants applied on DAHLIA – San Francisco Housing Portal, including 13 Certificate of Preference holders, 45 Displaced Tenant Housing Preference holders, and 1,069 Neighborhood Resident Housing Preference applicants from District 3 and a half-mile around the project.

JSCo was the responsible partner for the lease-up at Broadway Cove. the first few months of lease-up were challenging due to lower staffing levels. MOHCD spent more time training new staff on DAHLIA Partners and monitoring this lease up than other projects for the first few months. Once the permanent property manager started working on lease up, lease up operations ran much smoother with the permanent property manager leading the lease-up efforts. MOHCD will require that the permanent property manager be brought in three months prior to the temporary certificate of occupancy so that the marketing and lease up of Phase IIIA(1) runs smoothly. See Section 9.2, Loan Conditions.

On 735 Davis and Broadway Cove, the greatest challenge was leasing-up the 100% and 120% MOHCD AMI units. BRIDGE and JSCo worked together to think of creative ways to lease the units. Eventually, they were successful after contacting thousands of applicants with an email alert system. Despite a significant administrative burden, JSCo was persistent and leased-up all units at Broadway Cove. At Phase IIIA(1) there are no units that are at or above 80% MOHCD AMI, and staff and the there should be little to no issues related to leasing market rate or near market-rate units.

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

Site Description	
Zoning:	RM-1 (Residential, Mixed, Low-Density), which allows 1 dwelling unit per 800 sf of lot area. Also governed by the Hunters View Special Use District and the guidelines in the Design for Development document. Buildings designed and constructed under a Conditional Use Authorization received in 2008 and amended in 2020 (amendments adjusted height, open space, and parking requirements).
Maximum units allowed by current zoning (N/A if rehab):	Up to 800 dwelling units for the entire Hunters View site.
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Seismic Zone 4, no PML (new construction)
Soil type:	The near surface soil consists primarily of 1.5-15 feet of dark brown to grayish-brown silty clay and silt with varying amounts of sand and gravel. Under this is

	serpentine bedrock. Further information is in the Phase I report by ENGEO dated May 21, 2010.
Environmental Review:	CEQA/NEPA was approved in 2008 for the entire site. In January 2020, SF Planning certified an addendum to the 2008 EIR that confirmed no additional environmental review was needed for the modifications to the Conditional Use Permit.
Adjacent uses (North):	Operating PG&E power station.
Adjacent uses (South):	Single-family residential neighborhood on Innes Avenue.
Adjacent uses (East):	PG&E-owned vacant land, Hunters Point Boulevard, and India Basin Shoreline Park.
Adjacent uses (West):	Hunters View Phase IIA affordable housing – Blocks 7 & 11.
Neighborhood Amenities within 0.5 miles:	Hilltop Park is 0.31 mi away, India Basin Shoreline Park is 0.4 mi away, Promontory Park is 0.24 mi away, and Ironwood Park is 0.11 mi away. Phase III infrastructure improvements will also include a new 0.71-acre park between Block 14 and Block 17. Malcolm X Academy Elementary School is directly adjacent to the site. The Hunters View Wellness Center operated by the Department of Public Health is 0.14 mi away in Block 10.
Public Transportation within 0.5 miles:	Muni bus lines 19 and 44 run directly through Hunters View along Middle Point Road, with stops about a block from Blocks 14 and 17.
Article 34:	Article 34 allocation for 64 new affordable housing units in addition to the 53 public housing replacement units was received February 2020.
Article 38:	Exempt. While the project is new construction, it is not listed in the Article 38 Air Pollution Exposure Zone Map area.
Accessibility:	20 mobility units (16%), 13 communication units (11%), and 85 adaptable units (72%). In addition, two of the five-bedroom units are designed as mobility units to make up for the lack of five-bedroom mobility units at other HOPE SF sites.
Green Building:	Blocks 14 and 17 will be LEED for Homes certified. The Master Plan for Hunters View is certified as LEED Silver for Neighborhood Development.
Recycled Water:	Blocks 14 and 17 are exempt as they are affordable housing. The Phase III park and market-rate lots will contain recycled water piping.
Storm Water Management:	The Phase III SWPPP was approved in June 2022, prior to the start of Phase III infrastructure.

2.1. Description of Hunters View Phase III HOPE SF Revitalization Area.

The Phase III site is bordered by Middle Point Road to the west, PG&E sites to the north and east, and residential homes on Innes Avenue to the south. Within the Phase III area, Phase IIIA(1) – Blocks 14 and 17 – are located approximately in the center, at

the top of the highest point of the Phase III site and on either side of the future park. Original public housing units in Phase III were demolished in 2018 and the Phase III area has been vacant since then.



2.2. Zoning.

Hunters View has been designed and constructed under a Conditional Use Authorization first received in 2008. In 2020 the Planning Commission amended the Conditional Use Permit to 1) extend the performance period by another ten years to 2030; 2) allow height on Blocks 14 and 17 to extend above 50 feet; 3) adjust the park requirement to allow for one large park in Phase III; 4) amend off-street parking requirements to be determined by underlying zoning; and other minor changes.

2.3. Probable Maximum Loss. N/A – HVIII-V is a new construction project.

2.4. Local/Federal Environmental Review.

Hunters View received sitewide CEQA approval in 2008. Because the initial EIR on which the 2008 CEQA approval was based did not contemplate a Phase III, an EIR Addendum addressing Phase III was prepared and certified by the Planning Commission in 2020.

The project received sitewide NEPA approval in 2010.

2.5. Environmental Issues.

- Phase I/II Site Assessment Status and Results.

PSI-Intertek prepared a Phase I Site Assessment for the Phase III site area dated February 13, 2020, that found no new negative environmental conditions other than

those described under Known Hazards. The Phase I dated February 13, 2020 does not need to be updated for MOHCD. However, if the debt lender or equity investor require an updated report, it will be shared with MOHCD.

- Potential/Known Hazards.

A combined Phase I/Phase II Site Assessment for the entire Hunters View site performed by ENGEO dated November 2009 confirmed that the underlying serpentine soil at Hunters View contains naturally occurring asbestos. The Bay Area Air Quality Management District approved an Asbestos Dust Management Plan (ADMP) for Phase III construction on June 11, 2020. The San Francisco Department of Public Health also approved a Soil Management Plan for Phase IIIA(1) construction on June 11, 2020.

2.6. Adjacent uses and neighborhood amenities.

In addition to the amenities listed above, the Bayview Shopping Plaza (including Lucky Bayview), Southeast Health Center, City College of San Francisco School of Design, SFPL's Bayview Branch, Walgreens, and the T-Street light rail line along Third Street are within one mile of the site. Heron's Head Park is 0.7 miles from the site. Foods Co. is approximately 1.11 miles away. Numerous places of worship are also within 2 miles of the site.

2.7. Green Building. Phase IIIA(1) will be LEED for Homes certified. The Master Plan for Hunters View is certified as LEED Silver for Neighborhood Development.

3. COMMUNITY SUPPORT

3.1. Prior Outreach.

The Sponsors work continuously to maintain comprehensive community relationships with residents, community organizations, the former Bayview PAC, City agencies, and neighboring schools. Up until the end of Phase II construction, residents held monthly revitalization meetings on-site. Since 2009, JSCo has attended every resident meeting to provide construction updates, solicit design feedback for future phases, and answer questions. DGI and Ridge Point attend these meetings when they have additional information to support JSCo on certain critical aspects of the development. These meetings allow residents an opportunity to communicate with the Sponsors and design team about what systems, appliances, and building and unit features have worked well in Phases I and II and what changes residents would like to see for future phases.

Prior to March 2020, the Sponsors held three meetings focused on design for the new buildings and park in Phase III. Over 2020 as in-person meetings were shut down, the Sponsors pivoted to a virtual format and created a video paired with an online survey to solicit additional feedback from residents. Links to the video and survey were distributed via flyers and text messages and all materials were available in English, Cantonese, and Spanish. The Sponsors and design team have worked to incorporate the feedback received through this virtual outreach into the building and park designs.

3.2. Future Outreach.

While the 0.81-acre park in Phase III was included in the online video and survey distributed in fall 2020, the Sponsors paused park design work throughout 2021 and 2022 to focus on securing vertical financing. The Sponsors and design team plan to return to residents this spring with a few final design variations for the park so residents can provide one more round of comments on the park.

As the team gears up to start construction, the Sponsors will also begin attending regular resident meetings to update residents on upcoming construction activities.

3.3. Proposition I – Neighborhood Notification. Proposition I – Neighborhood Notification is required for HVIII-V and was posted in November 2016 prior to demolition of the original public housing buildings in the Phase III area.

4. DEVELOPMENT PLAN

4.1. Site Control.

The entire Hunters View site is owned by the San Francisco Housing Authority (“SFHA”). The Sponsors executed a Disposition and Development Agreement (“DDA”) for the Phase III site on January 28, 2021 that contemplated the ownership structure described below. As part of the construction loan closing process and if required by the debt lender and equity investor, the Sponsors will amend the DDA to update the Phase IIIA(1) financing plan and extend the Phase IIIA(1) ground-lease term.

4.1.1. Proposed Property Ownership Structure

SFHA will retain long-term ownership of the entire Hunters View site. The Sponsors and SFHA executed a ground lease for Phase IIIA(1) on January 28, 2021 for an annual base rent of \$1.00 and residual rent of \$10,000 and a term of 75 years, which commences at construction loan closing. (The residual rent is 10% of appraised land value.)

4.2. Project Design. The Project has completed 100% CDs. In addition to residential units, Phase IIIA(1) will contain a literacy-focused education space, commercial kitchen/food retail space, community room, meeting room, property management and resident service offices, resident lounge, activity room, lobbies, bike rooms, and laundry facilities.

Block 17 will also feature a courtyard with a play structure for young children and outdoor seating for residents of both buildings. As part of the infrastructure work for Phase III that began construction in summer 2022, a 0.81-acre neighborhood park will be constructed between Blocks 14 and 17. The neighborhood park will include play structures, seating areas and walking paths, and a community garden for residents.

Block 14 and 17 buildings respond to the steep grade of the site with stoops along the park and common areas along the street to activate the building frontage. The facades are subtly angled to add variation to the facade, with painted insets to define stoop entries and balconies for the units. At Block 14, the education space and lobby enclosure projects outward from the units above to provide sweeping views and a welcoming entry sequence into the building. The parking garage is tucked into the

slope of the site to provide parking while minimizing the impact to the exterior street frontage. At Block 17, the two wings of the building splay outward to create a series of interconnected common areas, including a children’s play area, a large community room, and a residential courtyard that step down with the mass of the building.

Unlike Alice Griffith, Sunnydale, and Potrero HOPE SF developments, Hunters View provides a one-for-one replacement of the exact unit mix of the original public housing units on-site. As stated in the predevelopment loan evaluation approved by the Affordable Housing Loan Committee on November 4, 2016, the Project is required to comply with Community Redevelopment Law (“CRL”) as MOHCD is the housing successor agency of the former Redevelopment Agency. As such, CRL Section 33413 requires “an equal number of replacement dwelling units that have an equal or greater number of bedrooms as those destroyed or removed units at affordable housing costs within the territorial jurisdiction.” CRL does not require the exact unit-type replacement to occur onsite. However, in August 2008, the Board of Supervisors through File Number 080692 required that at Hunters View one-to-one replacement “shall mean replacement with a unit mix with the equivalent or greater number of bedrooms per unit as currently exists.” Consequently, there are a more than typical number of three-, four-, and five-bedroom units in Phase IIIA(1); all of these units have washer/dryer hookups.

Avg Unit SF by Type (net):	Unit averages and unit distributions are shown in the chart below.		
	Unit Type	Block 14	Block 17
	1-BDR (avg sf. 550 sf)	17	35
	2-BDR (avg sf. 880 sf)	7	4
	3-BDR (avg sf. 1,130 sf)	8	8
	4-BDR (avg sf. 1,310 sf)	10	24
	5-BDR (avg sf. 1,830 sf)		5
	TOTAL	42	76
Do all units meet TCAC minimum SF?	Yes, all units exceed the TCAC minimum SF.		
	Unit Type	TCAC Minimum SF as written in 6/16/2021 TCAC Regulations 10325(g)(1)(B)	Parcel C3.1 unit type percentage greater than TCAC minimums
	1-BDR	450	22%
	2-BDR	700	26%
	3-BDR	900	26%
	4-BDR	1,100	19%
	5-BDR	No mentioned in TCAC Regulation	N/A

Property Management & Resident Services Offices	1,078 sf (combination of Blocks 14 and 17)
Common Area SF:	6,476 sf (combination of Blocks 14 and 17)
Circulation SF:	24,610 gross sf (combination of Blocks 14 and 17)
Bicycle Parking:	837 sf. This is for 110 bicycle parking spaces.
Parking SF:	11,698 gross sf. This is for 88 covered stacked parking spaces 0.75:1.0 ratio.
Residential SF:	141,290 gross sf
Commercial SF:	3,350 sf (combination of Blocks 14 and 17) For Block 14: 1,985 sf of educational/learning/literacy hub For Block 17: 1,365 sf of commercial kitchen/cafe
Building Total SF:	144,640 gross sf

4.3. Construction Supervisor/Construction Representative’s Evaluation. The \$113 million hard costs pricing is based on the David Baker Architects 90% Construction Drawings. The GMP contract does not include shoring costs or infrastructure except for underground within the property line. This is because the shoring and infrastructure in the public right of way is being performed under a separate contract.

In all previous phases, the Sponsors, its architects, and MOHCD have advocated for a design that does not repeat design problems of public housing, which includes long double loaded corridors and high-rise towers. In Hunters View Phase I and II, not repeating design problems of public housing included having open-air corridors for safety. However, due to costs and after vetting with the Sponsors’ management agents, MOHCD and HOPE SF, all open-air corridors in Phase III(A)1 are enclosed and the enclosed areas will have security cameras. The angular façade and multi-recessed design of both buildings is more costly than a basic cube building. However, the architect’s design intends to create a more welcoming environment for residents. The multi-leveled roofs also add cost but create continuity with the sloped landscape. Furthermore, these two buildings sit on a steep hill, which creates the need for additional shoring costs and contributes to design complexity.

As shown on the cost comparison chart, the projected construction cost per unit excluding infrastructure associated with the vertical development is \$962,606, 41% above comparable MOHCD projects. The cost per bedroom is \$401,369 and only 7% higher than comparable MOHCD projects. The per square foot hard cost of \$785 is 43% above average of comparable MOHCD projects. In all cases, the costs are escalated by the sloped site and by standard HOPE SF related design features, which for Phase III(A)1 specifically includes in-building car parking with stackers, in-unit washer/dryer hookups in 50 units that are three-bedroom and larger units, and much larger bedroom type counts than typical MOHCD developments, drive up the construction costs on all HOPE SF buildings. (Phase III(A)1 has 34 four-bedrooms and (5) five-bedrooms.)

4.4. Commercial Space.

- Space Description and Leasing Plan.

Block 14's community-serving ground-floor retail is a 1,985 square foot space slated for literacy and education-oriented uses ("Education Space"). This use grew out of discussions with the San Francisco Public Library ("SFPL") and HOPE SF about common areas in the affordable housing that could be open to and encourage interactions between affordable housing households and market-rate households that are planned as part of the Hunters View HOPE SF revitalization area. Due to budget constraints and prioritizing expansion in other neighborhoods, SFPL is only able to provide a state-of-the-art book vending machine, rather than a built out and staffed SFPL branch. The Sponsors are working with HOPE SF to identify a community-serving partner that can complete the tenant improvements and operate the space under the HOPE SF guiding principles. Like the childcare space in Block 10, the proposed commercial lease structure will be a master lease between the Phase III(A)1 owner, HV Partners 3, LP, and the Principal Developer, HVA. HVA will sub lease to the operators of the Phase III(a)1 commercial spaces. The Sponsors intend to identify operators of the spaces and enter a Memorandum of Understanding and commercial lease by January 2024.

Block 17's community-serving ground-floor retail is a commercial kitchen and small café/retail space ("Kitchen/Café Space"). The space is approximately 1,365 square feet. Sponsors have worked with the Hunters View Resident Council, HOPE SF, and MOHCD to develop a Request for Proposals ("RFP") to find an operator for this space, prioritizing respondents who are residents of Hunters View, other HOPE SF sites, and Bayview-Hunters Point and District 10. The RFP also asked respondents to describe their commitment to supporting Hunters View residents through hiring and training programs. The RFP was issued on September 30, 2022 and responses were due back on November 30, 2022. No responses were formally received, but in December the Sponsors received an inquiry from Mohamed Abdelmeguid, the owner and operator of a catering business called *Hungry Kitchens*, expressing interest in the Phase IIIA(1) Café Space. The Sponsors invited Mr. Abdelmeguid to submit a short proposal about his business and vision for the space but to date have not received anything.

The Sponsors are now working with MOHCD on a HOPE SF-wide business incubator program to identify an operator for this space and will continue to work with the Hunters View Resident Council to ensure outreach is accessible to those with language, technical, or other barriers, as well as those with little experience responding to formal RFPs or participating in business development programs. Like the childcare space in Block 10, the proposed lease structure will be a master and sub lease. The Sponsors intend to identify an operator of the space and enter a Memorandum of Understanding and commercial lease by January 2024.

- Operating Pro Forma. N/A: There is no income assumed to be received from the Education or Kitchen/Café spaces.
- Cold Shell and Some Warm Shell Improvements Included In The General Contractor's Contract. The drawings upon which the general contractor's contract will be based and included in this loan request has commercial cold and some shell improvements costs totaling approximately \$1,326,500.
- Remaining Warm Shell and Tenant Improvements **Not** Included In The General Contractor's Contract. While MOHCD will consider paying warm shell items if the commercial tenant is a nonprofit, because the providers of the Café and Educational Spaces are unknown, some warm shell improvements are not in the based drawings upon which the general contractor based its costs. The estimate warm shell and tenant improvements not included in the general contractor's contract is \$575,500 for the Educational Space and \$1,855,200 for the Café Space. The combined total that needs to be raised for both spaces outside of this loan request is \$2,403,200.
 - Tenant Improvement Build Out. Tenant Improvements are not included in the budget, per MOHCD Commercial Underwriting guidelines but are included in the above estimate for warm shell and tenant improvements not in the general contractor's contract. This budget will be further refined prior to construction loan closing and through design conversations with potential tenants, the design and construction teams, HOPE SF, and the Hunters View Resident Council. The schedule is:
 - February 2023-May 2023: Work with HOPE SF to identify tenant and remaining warm shell-and-tenant improvement scope.
 - June-July 2023: Price remaining warm shell-and-tenant improvement scope.
 - August 2023-August 2024: Finalize tenant, enter MOU and commercial lease, and fundraise for remaining warm shell-and-tenant improvements.
 - September 2024-April 2025: Permit and buildout remaining warm shell-and-tenant improvements.
 - May 2025: Education and Café Spaces complete and opens with Project completion.

Tenant Improvements are not eligible uses of MOHCD housing funds. The Sponsors, along with the commercial tenants, will need to seek out alternative sources of funds, including seeking assistance from the Office of Economic and Workforce Development ("OEWD").

4.5. Service Space. Approximately 360 square feet total in services office space will be provided on-site at Block 17. This space can be divided into two offices to accommodate a total of four occupants. The services offices are ADA-accessible and are intentionally separated from property management offices to provide client privacy. Community building events, educational workshops, and other large group programming hosted by the service provider will take place in Phase IIIA(1)'s

community room in Block 17 (which also includes a kitchen and storage) and the Project's two activity/meeting rooms, one each in Block 14 and Block 17. Block 17's community room looks directly out onto a courtyard. Prior phases of Hunters View include additional on-site services space that will be accessible to residents of Hunters View Phase 3.

- 4.6. Interim Use. Not applicable – no interim use.
- 4.7. Infrastructure. Significant infrastructure construction at the Phase III site began in June 2022 and is funded through a separate MOHCD loan which closed in September 2021. The infrastructure improvements include mass grading to prepare for future affordable and market-rate development on Blocks 12 through 18, construction of a privately owned, publicly accessible 0.71-acre park between the future affordable housing at Blocks 14 and 17, construction of additional open space near Innes Avenue; and roadway and utility improvements for two new streets in Phase III. The Sponsors anticipate that most of the infrastructure construction will be complete in spring 2023, in time for vertical construction of Blocks 14 and 17 to begin. The park area will be used for construction staging of the affordable housing and will be constructed when staging is no longer needed for Blocks 14 and 17. The Sponsors anticipate the park will finish concurrently with Block 14 and 17 construction completion.
- 4.8. Communications Wiring and Internet Access. Hunters View Phase III – specifically the Phase IIIA(2-3) infrastructure plans, which call for two vaults, each with two 4” conduits to provide City fiber, in front of Block 14 and Block 17 – meet MOHCD's Communications Wiring Standards.
- 4.9. Public Art Component. Hunters View HOPE SF revitalization has no formal public art component aside from guidelines in the Design for Development document that governs the entire area. However, Sponsors are working with HOPE SF to set aside space in the Phase III park for a memorial that pays tribute to the history of Hunters View and its residents financed with MOHCD's infrastructure loan funds. This memorial will be designed in close collaboration with the Hunters View community.
- 4.10. Marketing, Occupancy, and Lease-Up

The Project has two types of units with two different populations targeted for marketing with two different referring agencies: 1) public housing replacement units whose potential residents will be referred to units by SFHA; and 2) new tax credit units without project-based operating subsidy whose potential residents will be referred to units by MOHCD through a waitlist developed after a DAHLIA lottery (“Lottery Units”).

There are 53 public housing replacement in the Project (“Replacement Units”). Households will be referred to these units by SFHA based on Hunters View Public Housing Replacement Units preference listed in the current SFHA Admin Plan. Of the 53 Replacement Units, 34 are four-bedrooms and 5 are five-bedrooms that SFHA needs to be referred to the Project. In 2018, the former SFHA Director indicated that she did not believe there were enough large families on the waiting list. To fill

the units. Also, SFHA continues to have long vacancies, over 90 days, on existing vacant units in Hunter View Phase I and II. It should be known that Phase III(A)1 will be the first development to implement the Board’s Right to Return policy on Replacement Units. Due to Phase III(A)1 being the first Right To Return policy implemented in Replacement Units, a waitlist that is not current and does not have enough large families on the waitlist, the Sponsors have a longer than typically planned in affordable housing tax credit developments. As a best practice, property managers of new affordable housing rental development plan at minimum 4 months to lease up a development with 100 units. Phase III(A)1 has 8 months to lease up and the long lead has direct impact on the construction interest calculated for the development. As of this loan evaluation, there have been no mitigation measures provided regarding leasing up large units and implementing the Right to Return policy. One mitigation measure would be to allow the Sponsors to maintain their own Phase III(A)1 waitlist. If the Sponsors will not receive approval for a Project specific waitlist, Sponsors request that SFHA, HOPE SF, Sponsors and MOHCD begin to meet regularly about large unit replacements and implementing Right to Return on Replacement Units. In addition, the HOPE SF Resident Selection Criteria must be submitted to MOHCD six-months after the start of construction.

There are 64 tax credit units without rental subsidy (“Lottery Units”). The tax credit units will be marketed through MOHCD’s typical DAHLIA lottery process, including MOHCD’s required preference system detailed below.

MOHCD Preference Level	Applicant Category
*1	Former Hunters View households who can document their previous Hunters View tenancy but do not have a formal right to return.
2	Certificate of Preference (“COP”) Holders
3	Displaced Tenants Housing Preference (“DTHP”) Certificate Holders (20%)
4	Neighborhood Residential Housing Preference (“NRHP”) (40%)
5	Live or Work in San Francisco
6	All Other

*In December 2019, the Board of Supervisors passed legislation that establishes an additional preference in tax credit and public housing replacement units at HOPE SF sites. Former Hunters View households who can document their previous Hunters View tenancy but do not have a formal right to return will have priority for these units. A similar preference has been implemented at Alice Griffith and, based on that experience, will most likely be exercised by households who (1) were not on the original SFHA lease; (2) were on lease but now want or need to start their own household, or; (3) moved away from the property before HOPE SF launched and the Right to Return was instituted. Phase IIIA(1) will be the first time ever that SFHA PBV units will be subject to the same Right to Return.

- 4.11. Income Restrictions for All Sources. All units have an income average at or below 60% MOHCD AMI and thus meet MOHCD Underwriting Guidelines for affordability in family units. Please see the chart below showing income restrictions for all units based on funding sources.

NON-LOTTERY - SFHA	No. of Units	MOHCD, actual to TCAC affordability	Proposed MOHCD Affordability Restriction	TCAC	Most Restrictive Affordability Regulation
2 BR – PBV	3	34% MOHCD AMI	40% MOHCD AMI	25% TCAC AMI	TCAC AMI
3 BR – PBV	5	35% MOHCD AMI	40% MOHCD AMI	25% TCAC AMI	TCAC AMI
3 BR – PBV	6	54% MOHCD AMI	55% MOHCD AMI	40% TCAC AMI	TCAC AMI
4 BR – PBV	8	36% MOHCD AMI	40% MOHCD AMI	25% TCAC AMI	TCAC AMI
4 BR – PBV	18	54% MOHCD AMI	55% MOHCD AMI	40% TCAC AMI	TCAC AMI
4 BR – PBV	8	67% MOHCD AMI	70% MOHCD AMI	50% TCAC AMI	TCAC AMI
5 BR – PBV	5	67% MOHCD AMI	70% MOHCD AMI	50% TCAC AMI	TCAC AMI
Sub-Total	53				
LOTTERY					
1 BR	37	54% MOHCD AMI	55% MOHCD AMI	40% TCAC AMI	TCAC AMI
1 BR	12	67% MOHCD AMI	70% MOHCD AMI	50% TCAC AMI	TCAC AMI
1 BR	3	74% MOHCD AMI	75% MOHCD AMI	55% TCAC AMI	TCAC AMI
Sub-Total	52				
2 BR	3	54% MOHCD AMI	55% MOHCD AMI	40% TCAC AMI	TCAC AMI
2 BR	4	74% MOHCD AMI	75% MOHCD AMI	55% TCAC AMI	TCAC AMI
Sub-Total	7				
3 BR	5	74% MOHCD AMI	75% MOHCD AMI	55% TCAC AMI	TCAC AMI
Sub-Total	5				
STAFF UNITS					
2 BR	1				
TOTAL	118				
PROJECT AVERAGE			58.21%	41.62%	
AVERAGE FOR LOTTERY UNITS ONLY			61.56%	44.69%	

Occupancy Standards for Units. Also, it should be noted that MOHCD and TCAC have different minimum occupancy standards based on bedroom size that must be applied to all units at the time of initial leasing and releasing. As of 2022, the minimum occupancy standards are as follows:

UNIT SIZE	Minimum Occupancy Standard	
	MOHCD	TCAC
1 BR	1	1.5
2 BR	2	2
3 BR	3	3
4 BR	4	4
5 BR	5	5

4.12. MOHCD Restrictions. The chart and similar language below will be in Exhibit A of the Project’s loan agreement and in the Declaration of Restrictions. The Declaration of Restrictions will be recorded at construction close. Median Income used below is defined in the Loan Agreement as the City’s median income.

Unit Size	No. of Units	Maximum Income Level	Rental Subsidy
1 BR	37	55% of Median Income	
1 BR	12	70% of Median Income	
1 BR	3	75% of Median Income	
Total 1 BR	52		
2 BR	3	40% of Median Income	Project Based Vouchers
2 BR	3	55% of Median Income	
2 BR	4	75% of Median Income	
2 BR	1	Unrestricted Manager's Unit	
Total 2 BR	11		
3 BR	5	40% of Median Income	Project Based Vouchers
3 BR	6	55% of Median Income	Project Based Vouchers
3 BR	5	75% of Median Income	
Total 3 BR	16		
4 BR	8	40% of Median Income	Project Based Vouchers
4 BR	18	55% of Median Income	Project Based Vouchers
4 BR	8	70% of Median Income	Project Based Vouchers
Total 4 BR	34		
5 BR	5	70% of Median Income	Project Based Vouchers
Total 5 BR	5		

4.12.1 Proposed Declaration of Restrictions Language. Fifty-three (53) units must be rented at all times to tenants holding Section 8 vouchers or certificates or an equivalent rental subsidy program as long as these subsidies are available.

If the HUD Housing Assistance Payments Contract (“HAP”) that identifies the project-based vouchers is terminated, discontinued or reduced at no fault of Borrower with respect to the Project, then the rent restrictions for the units with project-based voucher operating subsidy above may be altered but only to the extent necessary for the Project to remain financially feasible, provided that:

(a) Borrower diligently pursues an additional or alternative source of income or subsidy acceptable to the City to replace the rental subsidies.

(b) One hundred percent (100%) of the Units formerly under HAP must at all times be occupied by Qualified Tenants whose Adjusted Income does not exceed sixty percent (60%) of TCAC Median Income and the monthly rent paid by the Qualified Tenants may not exceed (a) thirty percent (30%) of sixty percent (60%) of Median Income, (b) less utility allowance. The maximum initial occupancy income level restrictions when averaged for all Residential Units in the Project may not exceed sixty percent (60%) of Median Income and subject to any applicable regulatory agreement, restrictive covenant, or other encumbrance. To the extent financially feasible, as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.

4.13. Relocation. There is no relocation of residents associated with Phase III. All residents that lived on site in 2012 at the establishment of SFHA’s Right to Return processing order have been relocated into new units in Phase I and/or Phase II.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	David Baker Architects	N	N
Landscape Architect	Fletcher Studio	N	N
JV/other Architect	Min Design	Y	N
Civil Engineer	Carlile Macy	N	N
Structural Engineer	KPFF	N	N
Electrical Engineer	Emerald City Engineers	N	N
Acoustical Engineer	Vibro-Acoustic	LBE	N
Lighting Design	Hiram Banks	N	N
Joint Trench Design	Urban Design Consulting Engineers	SBE/LBE	N
General Contractor	Cahill-Nibbi Joint Venture	N	N
Owner’s Rep/Construction Manager	Allan Butler/APC International	SBE	N
Special Inspections and Testing	RES Engineers	LBE	N
Legal	Lubin Olson Niewiadomski, LLP	N	N
Property Manager	The John Stewart Company	N	N
Services Provider	Bayview YMCA	N	N

5.1. Procurement Plan. The Contract Management Division confirmed on May 11, 2021 that the procurement goals for Phase IIIA(1) are the same as those on prior phases and are consistent with the goals set forth in the Contract/Workforce Compliance and Workforce Development and Training Memorandum of Understanding between the former San Francisco Redevelopment Agency, the San Francisco Housing Authority, the Mayor’s Office of Housing, and the Office of Economic and Workforce Development dated January 11, 2011 (“Workforce MOU”). The Workforce MOU has recommended Small Business Enterprise (SBE) goal for professional service and construction contracts of 50% and the goal for Minority Business Enterprises (MBE) and/or Women Business Enterprises (WBE) is 20%.

Currently, the Project SBE/WBE participation as a percentage of all contracts is at 50%. For the general contractor, the SBE participation is 20% of which the Local Business Enterprise participation is 7%.

5.2. Opportunities for BIPOC-Led Organizations. Ridge Point Non-Profit Housing Corporation’s participation as co-developer demonstrates the Sponsors’ strategy to include local stakeholders in the development of large, complex projects. Ridge Point has deep community ties in Bayview and has been at the table throughout the various phases of Hunters View to provide input, community engagement support, job training opportunities, and workforce development.

Hunters View residents have also risen into leadership roles within the Hunters View and HOPE SF community. Two residents of Phase I have worked for the Bayview YMCA, the site-wide service provider for Hunters View, in various housing stability and community leadership roles for over ten years. Recently, a Hunters View legacy resident, meaning the person has lived at Hunters View before the HOPE SF Mayoral Initiative, after participating in several HOPE SF leadership activities and attending university became the HOPE SF as Director of Health, Healing and

Wellness. This represents one of the specific goals of the HOPE SF program – creating leadership pathways for HOPE SF residents.

The commercial kitchen in Phase IIIA(1) represents another discrete example of creating opportunities for smaller and Black-owned businesses within the community. As described above in more detail, the commercial kitchen in Block 17 will be a space for a community-based business to operate under a low-cost lease and with support for some warm shell and tenant improvement costs made possible via capacity building and other assistance from the Sponsors, Office of Economic and Workforce Development (OEWD), MOHCD, and potentially the Department of Children, Youth, and their Families (DCYF) .

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 Predevelopment Funding: Sponsors and MOHCD executed a predevelopment loan dated June 16, 2017 for \$9,455,027. The loan was amended on October 4, 2017 to change the loan sources, and on October 1, 2021, the predevelopment loan was amended for a second time to allocate \$3,262,432 to Hunter View Phase III infrastructure and allocate the remaining funds to a vertical only predevelopment loan in the amount of \$6,192,595. The current sources and amounts remaining on the predevelopment loan are shown below.

Loan Type/ Program	Loan Date	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Outstanding Principal Balance	Amount of Loan Disbursed to Date	Remaining Funds for Disbursement
[Predevelopment] Certificates of Participation	6/16/2017	\$6,192,595	0.25%	5/30/2078	Residual Receipts	\$6,192,595	\$4,321,332.86	\$1,871,262
	Total:	\$6,192,595	0.25%	6/30/2078	Residual Receipts	\$6,192,595	\$4,321,332.86	\$1,871,262

6.2. Disbursement Status. For the new gap funds, they may be disbursed or cost incurred the date this loan request is recommended by the Affordable Housing Loan Committee.

6.3. Fulfillment of Loan Conditions. Below is the status of Loan Conditions since this project was last at Loan Committee.

Conditions from 01/29/2021 – Preliminary Gap Loan Evaluation for a CDLAC Commitment

- 1) The Sponsors must receive SFHA approval for 20 units at 80% MOHCD AMI/59% TCAC AMI. **Status: No longer applicable.** The 20 units at 80% MOHCD AMI are no longer in the project as there is no MHP financing in the project. Also, this was reported and approved at the Loan Committee meeting on January 29, 2021.
- 2) The Sponsors must provide an analysis based on 150 bps over the construction loan closing rate. Any savings will be applied to reduce the

MOHCD vertical gap loan and the savings will be applied to the MOHCD infrastructure loan. **Status: In process.** Sponsors selected a lender in early/mid-February 2023 and can provide prior to closing the final interest rate calculation and cushion. Any savings between projected interest cost and actuals at cost certification will be used to reduce the MOHCD loan.

Conditions from 08/21/2020 – Preliminary Gap Loan Evaluation for a MHP Commitment

- 3) Sponsors should continue to craft a value engineering plan to significantly reduce costs, including analysis related to moving some infrastructure-related costs to the affordable development to the horizontal development. **Status: Completed.** HV3 has undertaken value engineering efforts many times over the last four years. Beginning with the 100% Schematic, and continuing through Design Development, 35% CD's, 50% CDs, and 95% CD's, the team has diligently approached value engineering through research, discussion, and decisions to reduce the cost of the project. Examples include:
 - Shifting as much shoring work as possible into the infrastructure scope (for example – all mass grading and a greater proportion of dust control cost is in infrastructure);
 - Limiting off-haul and re-circulating dirt to create a balanced site and eliminate the need for soil import;
 - Switching exterior VPS and using fortifiber
 - Swapping ceramic tile for vinyl at the bathrooms
 - Deleting AC (using electric heat)
 - Deleting ceiling fans
 - Deleting the “open corridor” concept
 - Deleting the bridge
 - Reducing height to allow for deletion of man lift
 - Decreasing amount of solar photovoltaic system
 - Reducing areas of board formed concrete
 - Substituting 1 & 2 hour rated partitions for concrete walls
 - Switching car stacker subcontractor
- 4) Sources and uses breakdown and commercial operating budget will be provided at gap financing to the Loan Committee. **Status: Complete.** Sources and uses for cold shell improvements included in Phase IIIA(1) development budget. Commercial operating budget does not apply as Sponsors does not anticipate any operating income from the commercial spaces flowing to the property and all operating costs will be borne by the tenants.
- 5) Sponsors must provide an analysis of the project's ability to be funded under the competitive CDLAC rules given the high cost. The analysis should include analysis of the 50% test because the project currently as budgeted is almost \$20MM over the bond cap. **Status: No longer applicable.** The project received a CDLAC allocation in November 2022. Sponsors plan submitted a

supplemental bond application in February 2023 to create additional room in the 50% test.

- 6) Any additional equity raised with the selection of the investor will be used to offset the City's gap loan. **Status: In process.** Sponsors will selected an investor in early/mid-February 2023 and as part of the financial closing negotiation that began in mid-February 2023, as well, will work to optimize equity raise and MOHCD loan reductions.
- 7) Prior to the funding request for infrastructure final gap loan approval or update of vertical design, the Sponsors to analyze lowering escalation contingencies because of current market conditions. **Status: Complete.** Sponsor received a draft GMP on January 30th and the escalation contingency has been removed as the project will close and begin construction in May 2023.

Conditions from 08/21/2020 – Preliminary Gap Loan Evaluation for a MHP Commitment

- 8) Sponsors will provide a schedule and marketing strategy indicating that the commercial spaces will be occupied at least 6 months after residential temporary certificate of occupancy (TCO) is received. **Status: Complete.** See Section 4.4.
- 9) Sponsors must show in their operating assumptions some information related to operating the commercial spaces and rental assumptions in the MOHCD commercial operating budget. **Status: Complete.** Sponsor is assuming zero to minimal (e.g. \$1.00 annually) income and all operating costs associated with commercial spaces borne by the operators.
- 10) Sponsors will provide an explanation for the architectural fee overruns based on architect's estimated hours of work for proposed scope. Sponsors should include in the analysis a breakdown of the architectural fees related to split unit work for three-bedroom and larger public housing replacement units in order to respond to exact type unit replacement zoning requirement in the Hunters View Special District (City Resolution 080692, Ordinance Number 201-01). By June 1, 2020, Sponsors will provide a comparison of Hunters View phases for vertical architecture services that demonstrate reasonable architectural costs for Phase III. If fees remain over MOHCD underwriting guidelines, Sponsors will provide an explanation for the architectural fee overruns based on architect's estimated hours of work for proposed scope. **Status: Complete.** In addition, architectural design exploration that occurred during predevelopment before 2019 has been allocated to the infrastructure loan. For this reason, costs in this vertical budget are now within the MOHCD standard.
- 11) Sponsors to provide MOHCD with a breakdown of their assumptions for hard-shell, warm-shell and tenant improvements for the two commercial spaces.

Sponsors must include commercial shell costs on the appropriate line items on the MOHCD permanent budget. Sponsors to verify that the commercial spaces have separate utility connections from the residential. **Status: Complete.** The Café and Education Spaces are separately metered for electrical. Cold-shell and some warm shell costs that are in the drawings that the general contractor's costs are based upon totals \$1.3 million. The remaining warm shell and tenant improvement costs not in the general contractor's pricing and not included in this loan request totals \$2.4 million.

- 12) Sponsors must reduce the capitalized operating reserves to MOHCD acceptable guidelines. **Status: In process.** Sponsor will negotiate once lender and investor are on board.
- 13) Sponsors must evaluate the necessity for a debt service reserve. MOHCD must review and approve the debt service analysis. **Status: In process.** Sponsor will negotiate once lender and investor are on board.
- 14) If awarded MHP, Sponsors must seek to significantly reduce the HCD Transition Reserve or eliminate it entirely. **Status: No longer applicable.** Project was not awarded MHP.
- 15) Sponsors must provide an updated proposed staffing plan to MOHCD prior to CDLAC gap financing request. The updated plan must include a staffing plan comparison to completed phases with annual total and per unit per annual totals. **Status: Complete.** See Section 7.3.
- 16) Sponsors will work with the HOPE SF team to have a proposed services plan for the entire site and a plan for the unplanned services funds prior to CDLAC gap loan request. **Status: In process.** Sponsor has requested information from the Bayview YMCA summarizing services on the entire Hunters View site that are funded outside the project's operating budgets. There are no unplanned services funds from any phase's operating budget.

6.4. Proposed Permanent Financing

6.4.1. Permanent Sources Evaluation Narrative: The Borrower proposes to use the following sources to permanently finance the project:

- a. MOHCD Loan (\$50,295,000): The MOHCD loan will mature 55-years from the conversion date and has a 0.25% interest rate, which is consistent with all previous Hunters View phase loans. The loan includes \$6,192,595 in predevelopment financing and \$44,102,405 in new gap financing. The new gap funding includes \$355,000 for a construction-permanent loan contingency bridge to be used only if the Apple Funds are removed from the development entirely or only used during construction and taken out at the permanent loan conversion, and \$1,480,000 interest rate contingency to be used for any interest rate increases that may occur from Loan Committee

through the construction closing. See below in Section 6.4.1.f for a discussion of the removing of the Apple Funds.

- b. Private mortgage (\$25,000,000): The permanent lender is Citibank. The interest rate is 6.01% based on 10-year Treasury and 2.75% spread. The loan has a 40-year amortization (17 or 18-year term that will be finalized prior to the financial construction closing). Expected lower based on initial bid feedback.
- c. 4% Tax Credit Equity (\$60,291,424): The equity investor is Enterprise. Enterprise has agreed to provide \$0.928 cents per dollar of eligible basis.
- d. HCD funds (AHSC/MHP/IIG Loan/Grant) The information below was provided in the Loan Evaluation dated February 20, 2020 and has been updated for this request.
 - i. **AHSC**: This program funds land use, housing, transportation, and land preservation to support infill and compact developments that reduced greenhouse gas emissions. A competitive development in San Francisco typically is associated with Municipal Transportation Agency (“MTA”) developments. Currently, there are no MTA projects associated with Hunters View.
 - ii. **IIG**: IIG has not been allocated to Phase III vertical or infrastructure. The Sponsors and MOHCD were awarded \$30MM IIG funds in May 2011 for the entire Hunters View development. IIG has been allocated to each Hunters View phase based on the number of affordable units and the cost of infrastructure work. Approximately \$20.9MM has been allocated to Phase IA, Phase IB, and IIA. However, because market rate development will have less density than assumed at the IIG application, and market rate housing may not be completed before the IIG housing deliverable dates, which currently is June 2026, providing any IIG to Phase III would result in a potential claw back of up to approximately \$3.9 million.
 - iii. **MHP** (\$20,000,000): The Sponsors applied for MHP in March and September 2020, and the application was unsuccessful.
 - iv. **TOD**: TOD seeks to increase the overall supply of housing, increase the supply of affordable housing, increase public transit ridership, and minimize auto trips. Since Hunters View is not located near any public transit stations, The Project was not competitive for TOD financing.
- e. AHP: None expected due to lack of homeless units and for profit sponsorship. Sponsors will score the project in each round that an application is possible with the construction lender.
- f. HTSV Apple Funds (\$2,200,000): On September 9, 2021, the Sponsors were awarded Apple affordable housing funds (“Apple Funds”) administered by the Housing Trust of Silicon Valley (“HTSV”). The Apple Funds are loaned at 2% interest with a 20-year term and a 20-year amortization, but awardees are able to propose the loan structure at application for the Apple

Funds. For Phase IIIA(1), the financing structure approved by HTSV is a fixed payment after hard debt service of \$145,500 per year, for 18 years. The funds will be drawn down during construction, and interest payments will be made during construction. During operations, the loan will be paid from rental income. The funds are structured to have a lien position subordinate to MOHCD's Loan. However, the loan payments are to precede payments on the MOHCD loan since the MOHCD loan is paid from residual receipts, and because of this there is risk that the Borrower could default on the hard debt payment on the Apple Funds. If the Apple Fund hard payment to MOHCD residual receipts cannot be worked out during the loan closing process and after Loan Committee, it is possible that the Apple Fund will be removed from the Project. While the loan interest is extremely favorable, staff has discussed the Apple Funds not being part of the Project's financing.

The Sponsors would like the Apple Funds, if possible, to remain in the Project because HTSV has continued to work with the Sponsors and support the Project beyond the required construction date of June 2022 listed in the award letter. If the Apple Funds remain in the Project, the requested loan amount of \$48,615,000 will be reduced by the construction-permanent loan contingency amount of \$355,000 with the total loan being \$48,260,000 since the permanent mortgage will increase due to additional funds being available to service the loan. A loan not to exceed \$48,615,000 allows the project to meet the CDLAC closing deadline and proceed to the various City loan approval processes, while allowing staff and Sponsors to continue negotiations with HTSV.

- g. Deferred Developer Fee (\$1,300,000): The deferred fee is consistent with MOHCD Developer Fee Policy and will be paid out over 15 years.
 - h. General Partner Equity (\$100): Due to the highly constrained bond allocation and lack of room in the 50% test, no General Partner equity/developer fee cycling was proposed. The \$100 is the required minimum General Partner equity required by tax credit program.
 - i. Construction Loan (\$65,000,000 tax-exempt and \$6,000,000 taxable tail): Interest rate underwritten at 6.09% tax exempt and 6.59% taxable. One month term SOFR and a 1.80% spread plus 50 more BPS cushion. Actual rate and loan interest reserve sizing based on lender terms.
- 6.4.2 CDLAC Tax-Exempt Bond Application: Not applicable – the project was awarded bonds on November 30, 2022. Closing in time to meet the readiness requirement is the reason for this gap loan request.
- 6.4.3 HOME Funds Narrative: HOME Funds are a source in the MOHCD loan. The HOME Funds total \$7,067,472. The Project will have 44 units that are at or below 50% HUD/TCAC AMI. The HOME analysis follows the permanent sources and uses in Attachment J.

6.4.4 Commercial Space Sources and Uses Narrative: Currently, there are no sources confirmed for the warm shell and tenant improvement costs that are not in general contractor's budget, which are in the base bid design. As discussed in Section 4.4, the warm shell and tenant improvement costs not included in this loan request totals \$2,403,200. The proposed sources are OEWD and Department of Children, Youth & Their Families ("DCYF"). Along with the Sunnydale and Potrero HOPE SF, the Sponsors have submitted a request for funds to OEWD to fund amount not included in this loan requests. Hopefully, some direction will be provided within the next year. The warm shell and tenant improvement uses are bulleted below.

- A. Warm Shell not in the not in general contractor's budget and bid drawings for the both commercial spaces:
- Partition walls or doors, incl locks for bathrooms
 - Wall and ceiling finishes – though paint is included (e.g., anywhere there is gyp board finish in either space – which there isn't a lot of, mostly there is exposed concrete – the gyp will be painted white as a part of the Cold Shell improvements, instead of just being the raw gyp with fire taping)
 - Bathroom venting and ducting for heating
 - Exterior signage and installation
 - Finish plumbing and distribution of water and waste vents to plumbing fixture locations in the restaurants (only stub outs are provided as part of cold shell)
- (1) Warm shell not in the not in general contractor's budget and bid drawings for the Café Space only:
- Ventilation hoods
 - All kitchen equipment – stoves, ovens, sink, etc.
- B. Tenant Improvements ("TI") not in the not in general contractor's budget and bid drawings for the both commercial spaces, and not allowed to be included in MOHCD's loan:
- Furniture
 - Floor finishes (e.g. carpet)
 - Decorative items (e.g. wall art)
- (1) TI not in the not in general contractor's budget and bid drawings for the Education Space:
- Computers / laptops / other hardware
 - Educational software for training programs
 - Books, board games, art supplies
- (2) TI not in the not in general contractor's budget and bid drawings for the Café Space:
- Cash register
 - Plates and cutlery

6.4.5 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	N	\$962,606/unit Phase IIIA(1) is 41% more expensive than comparable projects in the MOHCD portfolio. As described in Section 4.3, the cost drivers are steep topography, washer & dryer hook up in all units 3-bedroom or larger (and the property has 50 units that are 3 bedrooms and larger), parking stackers to achieve a 0.75 parking ratio, and 45% of the Phase IIIA(1) units are 3-bedrooms or larger. (There are 34 4-bedrooms and 5 5-bedrooms at Phase IIIA(1)).
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	Architect Fees are within standards.
Construction Management Fees are within standards	Y	Construction Management Fee is \$144,000 or \$72,000 for two years of vertical construction and is consistent with MOHCD Underwriting Guidelines.
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$1,100,000 At risk fee: \$1,280,000 Deferred fee: \$1,300,000 GP equity: \$100 Commercial fee: Not Requested Total fee: \$3,680,100
Consultant and legal fees are reasonable	Y	Legal fees are consistent to other MOHCD projects of similar size.
Entitlement fees are accurately estimated	Y	Entitlement/Permit fees are budgeted at \$554,008
Construction Loan interest is appropriately sized	Y	Construction loan interest is \$5,776,022 and is appropriately sized. The construction loan interest rate is 6.09% on the tax-exempt portion of the loan and 6.59% on the taxable portion of the loan.

Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 4.8% and below the MOHCD Underwriting Guideline. Staff accepts this soft cost contingency amount since most soft cost for contracts final as this project has been in predevelopment for over 5 years.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 6 months and sized based on expected lender/investor requirements. Sponsors will make every effort to negotiate this after and/or during the execution of the Letter of Intent.
Other standards: Furnishings	Y	Furnishing is below allowable furnishing cost in MOHCD Underwriting Guidelines.
Other standards: Interest Rate Contingency	N/A	This is \$1,480,000. It is a contingency to absorb any interest rate increases up to 50 bps on the construction or permanent loans during this volatile market. This contingency will cover any interest rate increases that cannot be absorbed by current interest rate assumption until construction closing, which is approximately 8 weeks from the Loan Committee meeting.

6.4.6 Developer Fee Evaluation: The milestones for the payment of the developer fee to the Sponsors are specified below.

Total Developer Fee:	\$3,680,100	
Project Management Fee Paid to Date:	\$ 450,000	
Amount of Remaining Project Management Fee:	\$ 650,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,280,000	
Amount of Fee Deferred (the "Deferred Fee"):	\$1,300,000	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$ 100	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	% Project Management Fee
Predevelopment milestone #1: Paid at Construction Closing	\$ 100,000	9%
Construction close	\$ 220,000	20%
Construction milestone #1: Delivery of final services budget for Phase III(A)1, delivery of draft of comprehensive	\$ 110,000	10%

sitewide service plan and 50% Construction Completion		
Construction milestone #2: Receipt of temporary certificate of occupancy (“TCO”)	\$ 110,000	10%
Project close-out	\$ 110,000	10%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		% At Risk Fee
100% lease up and draft cost certification	\$ 256,000	20%
Permanent conversion	\$ 640,000	50%
Project close-out	\$ 384,000	30%

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

7.1. Annual Operating Budget. The proposed operating budget is generally in compliance with MOHCD policies. The proposed Project will receive project-based vouchers on 53 Replacement Units (\$2,177,064 in Year 1). Tenant rents for 64 Lottery Units total \$1,885,368 in the first year of operations. The Replacement Unit and Lottery Units rents increase annually by 2.5%.

7.2. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	Y	DSCR is 1.15 at Year 1 and 1.539 at Year 17. The 1.15 DSCR meets the requirement of the investor.
Vacancy meets TCAC Standards	Y	Vacancy is 5% on all Units.
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/N	Total Operating Expenses are \$14,521 per unit Compared to other HOPE SF developments, HV Phase III(A)1 operating expenses are reasonable. See immediately below this chart for a chart comparing 3 out of 4 HOPE SF developments operating expenses.
Property Management Fee is at allowable <u>HUD Maximum</u>	Y	Total Property Management Fee is \$106,200 or \$75 PUPM (HUD max PUPM is \$80)

Property Management staffing level is reasonable per comparables	Y	Refer to chart below in Section 7.3.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$21,910/yr and taken before debt payments and required reserves. Annual PM Fee is \$25,000/yr and received after debt payment.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$600 per unit per year and exceed the TCAC minimum of \$300 on new construction developments.
Limited Partnership Asset Management Fee (“LP AMP”) meets standards	N	While the LP AMP is \$5,000 in the first year and meets MOHCD’s Operating Fee Policy, the investor requires that the fee trend at 3.5%. The trend does not meet MOHCD Operating Fee Policy. However, staff recommends approval because the selected investor, Enterprise, has competitive pricing but is putting their equity early in the project, which allows for a reduction of the construction interest.
Master Association Fee	N/A	All developments affordable and market rate will pay a masters association fee. On all affordable developments the fee was approximately \$1000 per unit per year. But as the area gets built out, the master developer fee will decrease annually on existing property and be less with each new development. The master association fee for Phase III is \$653 per unit per annum.
Tenant Participation Fee	N/A	The Master Developer has a Memorandum of Understanding (“MOU”) with the resident council. The MOU outlines that the Master Developer through the various owner entities on the affordable developments will provide the resident council \$25 per unit per annum.

7.2.1 Operating Expense Comparable Chart: Phase III(A)1’s operating expenses are lower than the most recent HOPE SF developments in predevelopment or starting construction and are lower than Hunter’s View Phase 11B Block 10 (“HV Block 10”). HV Block 10 has fewer units (72 total) than Phase IIIA(1) and does not benefit from economies of scale. Below is a comparison chart regarding operating expenses for 3 out of 4 HOPE SF developments.

<u>HOPE SF Projects</u>	<u>Total OpEx PUPA</u>	<u>Total w/o Reserves PUPA</u>
Sunnydale Parcel Q Casala	\$18,985	\$18,682
Sunnydale 3A	\$17,060	\$15,847
Potrero Block X: 1101 Connecticut	\$16,671	\$15,625
Hunter’s View Phase 11B Block 10	\$16,577	\$15,912
[SUBJECT PROPERTY] Phase IIIA(1).	\$16,063	\$14,572
Sunnydale 3B	\$15,985	\$14,793
Potrero Block B	\$13,455	\$12,859

7.3. Staffing Summary.

Position	Phase III(A)1 FTE (118 units)	Phase IIB FTE (72 units)	Phase IIA FTE (107 units)	Phase I FTE (107 units)
Property Manager	1.0	0.4	0.6	1.0
Assistant Property Manager	1.5	0.8 *(+0.5 will become 1.3)	1.2	1.0
Maintenance Personnel	2.0	0.8	1.2	1.0
Janitor Personnel	2.0	0.8	1.2	2.25
Service Provider/Resident Activities Coordinator	1.0	**0.5	**0.5	**0.5
Total	7.5	3.3 *(+0.5 will become 3.5)	4.7	

* Indicates 0.5 administrative FTE that will be added to Phase IIB once Phase III comes online. (JSCo, as property management agent, will hire 1.0 FTE administrative assistant to split between IIB and III)

** Indicates a position shared between Phase I and Phase II.

8. SUPPORT SERVICES

8.1. Services Plan. The Bayview YMCA will provide the following services for Phase IIIA(1):

- 1.0 FTE Service Coordinator/Resident Activities Coordinator for resident job referrals and employment counseling, housing stability counseling and/or advocacy, assistance with GED access or other educational linkages
- Staff time (through a Resident Connector position) for at least 84 hours of instruction per year for adult skill building for the following types of content: adult education, health and nutrition classes, financial literacy, computer training, GED classes, family coaching, and health information/awareness training.

These services will be available to all residents of Phase IIIA(1). In addition, current Bayview YMCA service delivery activities that take place in Phase I and Phase II (Block 10) will also be available to residents in Phase IIIA(1).

Essential functions of the Resident Activities Coordinator include:

1. Conduct an ongoing schedule of established events; such as bingo, movie night, breakfasts, buffets, outings, and social groups.
2. With the assistance of residents and property management, develop and implement new ideas for activities such as (but not limited to) craft and art groups, educational presentations, exercise and relaxation techniques, coffee and chat groups by floor, etc.
3. Plan and facilitate special events as appropriate.

4. Work with management team staff to ensure minimum disruption and coverage of scheduled activities.
5. Compose and produce monthly newsletter. Establish monthly deadline for staff and resident contributions. Distribute to staff and residents no later than the last working day of the preceding month.
6. Complete monthly dry-erase wall calendar no later than the last working day of the preceding month.
7. Post activity and informational flyers, poster and sign-ups in a timely manner to ensure maximum participation.
8. Welcome all new residents and provide them with current newsletter and orientation to activities within site.
9. Support other service providers in their onsite community activities.
10. Assist residents and/or the Resident Council in the development and provision of resident-led activities.
11. Assist residents with socialization and network building.
12. Work schedule most beneficial to resident participation including one weekend day per week.
13. Evaluate activity programming as necessary;
14. Meet regularly with onsite service providers and property management to review program success and management concerns.
15. Collect information and document incidents that could potentially need follow-up by property staff and/or residents involved.
16. Attend all required training to ensure individual and professional growth.
17. Participate in recruitment and management of volunteers.

8.2. Services Budget. Please note that the budget below is not final. The Sponsors and Bayview YMCA are continuing negotiations on the service budget. A condition has been added to the loan requiring the delivery of a final budget along with a comprehensive sitewide services plan.

PERSONNEL: Salaries and Wages		
Resident Activities Coordinator	\$25/hour	\$52,000.00
Resident Connector	\$23.92/hour	\$12,438.40
	Total Salary	\$64,438.40
PERSONNEL: Fringe		
	FICA - 7.65%	\$4,930.00
	SUI - 1%	\$644.00
	WC - 2.15%	\$1,385.00
	Health: Medical and Dental	\$12,000.00
	Retirement - 12%	\$7,733.00
	Group Life AD&D - 0.20%	\$129.00
	Long Term Disability - 0.10%	\$64.00
	Total Fringe	\$26,885.00
TOTAL PERSONNEL		\$91,324.00
Operating Expense		
1 new Desktop @ \$1,500	IT equipment	\$0.00

General monthly provisions	Office Supplies	\$1,500.00
Supplies for activities	Program Supplies	\$18,126.00
\$50/month x 12.	Cell Phone Reimbursement	\$0.00
Mileage/Parking: \$50/month x 12	Mileage/Parking	\$550.00
Mandatory trainings & Leadership Development Course	Employee Training	\$1,000.00
Total Operating Expenses		\$21,176.00
Indirect Expense		
10%	Administrative Cost for Direct Oversight, HR, Payroll, etc.	\$12,500.00
Total Indirect Expense		12,500.00
GRAND TOTAL		125,000.00

8.3. HSH Assessment of Service Plan and Budget. Not Applicable. There are no units for unhoused families in the development.

8.4. HOPE SF Assessment of Service Plan and Budget. The services plan is under development, and once complete will be reviewed by HOPE SF. The Sponsors are required to submit the draft comprehensive service plan, inclusive of Phase III(A)1 to MOHCD and HOPE SF six months after the construction closing.

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$48,260,000
Loan Term:	55 years from the conversion date or 57 years from the Deed of Trust recorded at the construction closing.
Loan Maturity Date:	2078
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	0.25%
Date Loan Committee approves prior expenses can be paid:	January 1, 2016

Financial Description of Proposed Bridge Loan	
Loan Amount:	\$355,000
Loan Term:	55 years from the conversion date or 57 years from the Deed of Trust recorded at the construction closing.

Loan Maturity Date:	2078
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	0.25%
Date Loan Committee approves prior expenses can be paid:	March 17, 2023

9.2. Recommended Loan Conditions

1. Sponsors must provide MOHCD with detailed monthly updates via the MOHCD Monthly Project Report, including on:
 1. Community outreach completed,
 2. Outcomes achieved related to racial equity goals, and
 3. Commercial-use programming.
 4. Service Planning
2. Sponsors 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. Included with the draft marketing plan, the Sponsors must complete the HOPE SF Resident Selection Plan.
3. MOHCD will require that the permanent property manager be brought in three months prior to the temporary certificate of occupancy so that the marketing and lease up of Phase IIIA(1) runs smoothly.
4. Sponsors must submit a draft site wide services plan to MOHCD no later than 6 months after the start of construction. The services plan must include a staffing plan and will be required to be submitted before the developer fee payable at 50% construction is received. In addition, the service plan must include the final services budget for Phase III(A)1.
5. Sponsors must provide quarterly updated response to any letters requesting corrective action.

9.3 Loan Conditions to include in Loan Agreement

6. The Construction-Perm Loan Contingency of \$355,000 will only be used if MOHCD elects to remove the Apple Funds from the development. If the Apple Funds remain in the project, the MOHCD loan will be reduced by \$355,000 and this amount will be unencumbered.
7. The interest rate contingency of \$1,480,000 will only be used to absorb any interest rate increases on the construction or permanent loan from the period of

the Loan Committee until the construction closing. Any unused portion of the interest contingency that is not needed, will reduce the MOHCD loan amount and will be immediately unencumbered and not disbursed.

10. 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: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Tonia Lediju, Director
Housing Authority of the City and County of San Francisco
Date: _____

- Attachments:
- A. HOPE SF Project Summary
 - B. Project Milestones/Schedule
 - C. Borrower Org Chart & Land Use Chart
 - D. Hunters View Developer Fee Chart for Vertical, Master Planning, Infrastructure
 - E. Developer & Development Staff Resumes
 - F. Asset Management Analysis of Sponsor
 - G. Site Map with amenities
 - H. Elevations and Floor Plans, if available
 - I. Comparison of City Investment in Other Housing Developments
 - J. Development & Commercial Budgets & HOME Analysis
 - K. 1st Year Operating Budget
 - L. 20 Year Cash Flow

RE: REQUEST FOR FINAL GAP FINANCING FOR HUNTERS VIEW PHASEIII(A)1 – BLOCK 14 AND 17

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

Mon 3/27/2023 9:06 AM

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

I approve

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

Sent: Friday, March 24, 2023 5:20 PM

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

Subject: REQUEST FOR FINAL GAP FINANCING FOR HUNTERS VIEW PHASEIII(A)1 – BLOCK 14 AND 17

Hi Eric,

At the moment I do not have a record of your vote.

Please reply with your vote for the subject matter of this email from March 17th 2023 Loan Committee Meeting.

Thank you.

[Vanessa Amaya](#)

[Assistant Housing Loan Administrator](#)

[San Francisco Mayor's Office of Housing and Community Development](#)

[1 South Van Ness Ave, 5th Floor, San Francisco, CA 94103](#)

[\(628\) 652-5967](#)

RE: REQUEST FOR FINAL GAP FINANCING FOR HUNTERS VIEW PHASEIII(A)1 – BLOCK 14 AND 17.

Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>

Tue 3/21/2023 3:48 PM

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

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

Approved, thanks!

Best Regards,

Thor



Thor Kaslofsky

Executive Director

One South Van Ness Avenue, 5th Floor

San Francisco, CA 94103

415.749.2588

thor.kaslofsy@sfgov.org

www.sfocii.org

*Please note that if you are receiving this email outside of your normal working hours there is no urgent need to respond unless there is a specific request to do so.

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

Sent: Tuesday, March 21, 2023 1:27 PM

To: Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>

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

Subject: Re: REQUEST FOR FINAL GAP FINANCING FOR HUNTERS VIEW PHASEIII(A)1 – BLOCK 14 AND 17.

Hi Thor,

Please reply with your vote for the subject matter of this email from 3/17 Loan Committee Meeting.

Thank you.

REQUEST FOR FINAL GAP FINANCING FOR HUNTERS VIEW PHASEIII(A)1 – BLOCK 14 AND 17

Katz, Bridget (CON) <bridget.katz@sfgov.org>

Fri 3/17/2023 12:01 PM

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

Cc: Shaw, Eric (MYR) <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

Hunters View Phase 3-Vertical: Loan - APPROVED BY LEDIJU

Tonia Lediju, PhD <ledijut@SFHA.ORG>

Fri 3/17/2023 11:27 AM

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

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

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Respectfully,

Tonia Lediju, PhD

Chief Executive Officer

Housing Authority of the City & County of San Francisco

[\(650\) 356-8401](#)

[\(415\) 619-1936](#)

Clear is kind. Unclear is unkind -- Brene' Brown, PhD

Attachment A: HOPE SF Project Summary

HOPE SF Initiative:

The vision for all HOPE SF developments, as stated in the HOPE SF Taskforce Summary dated March 23, 2007, is to ***“Rebuild our most distressed public housing sites, while increasing affordable housing and ownership opportunities, and improving the quality of life for existing residents and the surrounding communities”***. HOPE SF seeks to transform four of San Francisco’s most distressed public housing sites into new mixed-income communities. HOPE SF sites share unified principals and goals to eradicate intergenerational poverty by:

- Ensuring No Loss of Public Housing, which includes unit-for-unit replacement, building modern high-quality homes, and minimizing temporary and permanent displacement.
- Creating an Economically Integrated Community.
- Maximizing the Creation of New Affordable Housing.
- Involving Residents in the Highest Levels of Participation in the Entire Project.
- Providing Economic Opportunities through the Rebuilding Process.
- Integrating Process with Neighborhood Improvement Revitalization Plans.
- Creating Economically Sustainable and Accessible Communities.
- Building a Strong Sense of Community.

The four HOPE SF sites are Alice Griffith, Hunters View, Sunnydale/Velasco and Potrero Annex/Terrace.

Project Summary:

Hunters View HOPE SF site is located on the eastside of Third Street in the Bayview Hunters Point neighborhood of San Francisco. Formerly owned and operated by the Housing Authority of San Francisco Housing Authority (SFHA). In 2002, SFHA completed a comprehensive physical needs assessment of all SFHA properties and identified a number of sites with extensive physical problems. One of the sites identified was Hunters View, located within the former Redevelopment Agency Bayview Hunters Point Redevelopment Project Area.

In 2003, SFHA issued a Request for Qualifications for a developer to redevelop the Hunters View public housing site (the “Development”). In August 2005, SFHA selected the development team originally formed as Hunters View Community Partners (HVCP) (and now currently formed as HVA) and comprised of the John Stewart Company (JSCo), Devine & Gong, Incorporated (DGI), and Hunters Point Affordable Housing, Inc. (a subsidiary of Ridge Point Nonprofit Housing Corporation (Ridge Point)).

In April 2011, the Affordable Housing Loan Committee and the former Redevelopment Agency Commission approved a loan of \$31,406,982 for Hunters View affordable housing vertical developments, Phases IA and IIA, with the condition that each future phase would require approval by the Loan Committee as they become further refined. Shortly thereafter, Hunters View broke ground as the first HOPE SF development to

begin infrastructure and its transformation. In 2013, Phase I affordable developments were completed and operations began.

In November 2016, HVA with assistance from SFHA, Office of Community Investment and Infrastructure (OCII), and Mayor's Office of Housing and Community Development (MOHCD) began relocation of existing Phase III residents into Phase IIA – Blocks 7 & 11. Relocations was completed in 2017, and all residents formerly living onsite at Hunters View were successfully relocated. In early 2018, the developer began asbestos removal, lead abatement and demolition of 18 public housing building in the final phase of Hunters View, Phase III. Early demolition of the existing buildings prior to the start of infrastructure was a community safety measure requested by residents and service providers working at Hunters View.

Project Funding Summary – Funded to Date:

Vertical and Horizontal Funding to Date:

Start Year	Finis h Year	Block Name	Phase	Phase Type	Tota l Unit s	Status	Total MOHCD Loan Amount	Total OCII Loan Amount	TDC
2009	2011	All Blocks in Phase I	IB	Infrastructure	N/A	Complete	\$3,060,494	\$3,000,000	\$11,917,980
2010	2012	Phase I - Blocks 4, 5, 6	IA-0	Affordable	107	Complete	\$3,994,745	\$19,449,014	\$80,842,334
2015	2017	All Blocks in Phase II	IIB	Infrastructure	N/A	Complete	\$5,679,807	\$0	\$6,383,202
2016	2017	Blocks 7 & 11	IIA	Affordable	107	Complete	\$2,267,134	\$18,026,428	\$84,320,837
2016	2017	Block 10	IIB	Affordable	72	Complete	\$17,393,406	\$0	\$48,417,529
2022	2024	Blocks 2, 3, & 9	IA & IIA	Market Rate	64	In Process	N/A	N/A	N/A
2022	2023	All Blocks in Phase III	IIIA (2-3)	Infrastructure	N/A	Complete	\$27,894,198	\$3,000,000	\$33,903,540
						Previously awarded predev	\$3,009,342	\$0	
2023	2025	Block 14 & 17	IIIA(1)	Affordable	118	Previously awarded predev	\$6,445,685	\$0	\$133,030,881 (CDLAC app 8/9/22)
						Previous gap approval (Sept 2020)	\$18,554,315	\$0	
						Anticipated additional gap request (This request)	\$23,260,067	\$0	
Total to Date							\$111,559,193	\$43,475,442	\$398,816,303

Total Cost of Hunters View	\$111,559,193	\$43,475,442	\$398,816,303
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Attachment B: Project Milestones and Schedule

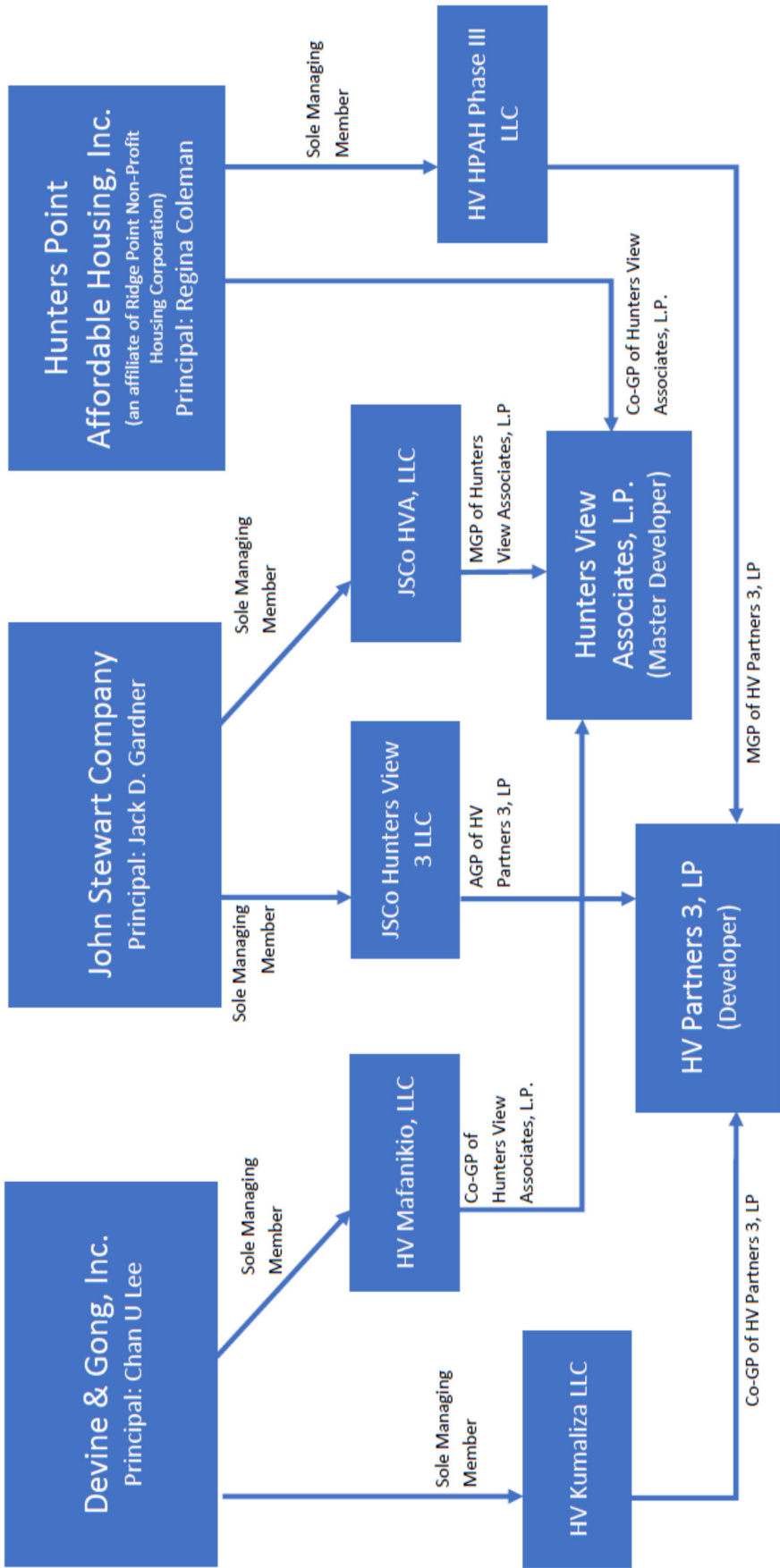
No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)		
1	Predevelopment Financing Commitment	06/16/2017	
2.	Site Acquisition	01/28/2021	DDA and ground lease for Phase IIIA(1) executed with SFHA.
3.	Development Team Selection		
a.	Architect	09/01/2017	
b.	General Contractor	11/21/2007	
c.	Owner's Representative	5/12/2021	
d.	Property Manager	03/07/2021	Management agreement for Phase IIIA(1) executed with JSCo.
e.	Service Provider	N/A	Bayview YMCA already selected as site-wide service provider.
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	10/24/2019	
b.	Submittal of Design Development & Cost Estimate	02/03/2020	
c.	Submittal of 35% CD Set & Cost Estimate	07/02/2020	
d.	Submittal of Pre-Bid Set & Cost Estimate (70% CDs)	05/11/2020	
5.	Commercial Space		
a.	Commercial Space Plan Submission		
b.	LOI/s Executed		
6.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	N/A	
b.	CEQA Environ Review Submission	02/20/2020	Certification date for updated CEQA/NEPA.
c.	NEPA Environ Review Submission	02/20/2020	Certification date for updated CEQA/NEPA.
d.	CUP/PUD/Variances Submission	02/20/2020	Approval of updated CUP.
7.	PUC/PG&E		
a.	Temp Power Application Submission		
b.	Perm Power Application Submission		
8.	Permits		

a.	Building / Site Permit Application Submitted	09/12/2019	
b.	Addendum #1 Submitted	08/05/2021	
c.	Addendum #2 Submitted	09/17/2021	
g.	Request for Bids Issued	11/03/2022	
10.	Service Plan Submission		
a.	Preliminary		
b.	Final		
11.	Additional City Financing		
a.	Preliminary Gap Financing Application	01/29/2021	
b.	Gap Financing Application	03/17/2023	
12.	Other Financing		
a.	HCD Application	03/03/2020 09/16/2020 04/08/2022	Unsuccessful MHP application, HCD application.
b.	Construction Financing RFP	11/30/2022	
c.	AHP Application	TBD	Not currently competitive.
d.	CDLAC Application	02/03/2021 05/20/2021 03/16/2022 08/09/2022	
e.	TCAC Application	02/03/2021 05/20/2021 03/16/2022 08/09/2022	
f.	Other Financing Application	N/A	
g.	LOSP Funding Request	N/A	
13.	Closing		
a.	Construction Loan Closing	05/09/2023	Projected.
b.	Conversion of Construction Loan to Permanent Financing	05/19/2026	
14.	Construction		
a.	Notice to Proceed	05/19/2023	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	05/19/2025	
15.	Marketing/Rent-up		
a.	Marketing Plan Submission	TBD	
b.	Commence Marketing	02/19/2025	

c.	95% Occupancy	08/19/2025	
16.	Cost Certification/8609	10/19/2026	
17.	Close Out MOH/OCII Loan(s)	10/19/2026	

Attachment C: Borrower Org Chart

HV Partners 3, LP Organizational Chart



Land Use Chart

Phase	Site Plan Name	Final Map Reference*	SF/Acreage	Description	Initially Ground Leased To	Ultimate Owner/Operator
Phase IIIA(1)	Block 14	Lot 3	23,862 sq. ft. 0.55 acre	Housing	HVP3	HVP3
	Block 17	Lot 4	39,307 sq. ft. 0.90 acre			
Phase IIIA(2)	Future Park	Lot A	31,135 sq. ft. 0.71 acre	Park	HVA	HVCA
	Open Space	Lot B	3,314 sf. ft. 0.08 acre	Open Space		
Phase IIIA(3)	Public Right of Way/Infrastructure	Lot 9	53,881 sq. ft. 1.22 acres	Street 1	HVP3	DPW
		Lot 8	9,801 sq. ft. 0.23 acre	Street 2		
Phase IIIB	Block 12	Lot 1	26,904 sq. ft. 0.62 acre	For-Sale and/or Rental Housing	HVA	To Be Determined
	Block 13	Lot 2	42,012 sq. ft. 0.96 acre	For-Sale and/or Rental Housing		
	Block 15	Lot 7	40,369 sq. ft. 0.93 acre	For-Sale and/or Rental Housing		
	Block 16	Lot 6	38,823 sq. ft. 0.75 acre	For-Sale and/or Rental Housing		
	Block 18	Lot 5	22,845 sq. ft. 0.48 acre	For-Sale and/or Rental Housing		

*NOTE: Lot numbers restart at each Phase as required by the Bureau of Street Use & Mapping.

Attachment D: Developer Fee Chart for Vertical, Master Planning, Infrastructure

Revised Residential/Vertical Developer Fee Disbursement Schedule on Vertical Loan		
Payment Milestone	% of Project Mgmt Fee	Amount
PM Fee: At closing of initial pre-development financing & Predevelopment	50%	\$550,000
100% Schematic Design (DISBURSED)	15%	\$150,000
Submission of Site Permit (DISBURSED)	10%	\$100,000
MHP Application Submission (DISBURSED)	10%	\$150,000
Submission of TCAC/CDLAC Application (DISBURSED)	5%	\$50,000
Remaining Project Management Fee paid at Construction Closing	10%	\$100,000
PM Fee: Construction Close	20%	\$220,000
PM Fee: During or at End of Construction – <i>The interim payments in the loan evaluation dated March 17, 2023 apply</i>	20%	\$220,000
PM Fee: At Project Close Out	10%	\$110,000
Total Project Management Fee	100%	\$1,100,000
At Risk: 95% Leased up and Draft Cost Certification	20%	\$256,000
At Risk: Permanent Loan Closing/Conversion (Final Cost Certification Audit)	50%	\$640,000
At Risk: Project Close Out (Placed-In-Service application; 100% lease-up; City approval of sponsor's project completion report and documents; and City acceptance of final cost certification.)	30%	\$384,000
Total At-Risk	100%	\$1,280,000
Total Cash Out Developer Fee		\$2,380,000
Total GP Equity		\$100
Total Deferred Developer Fee		\$1,300,000
TOTAL RESIDENTIAL/VERTICAL DEVELOPER FEE		\$3,680,000
MASTER PLANNING DEVELOPER FEE ON INFRASTRUCTURE LOAN		
Payment Milestone	% of Project Mgmt Fee	Amount
MP2: Close of Predevelopment Loan (PAID)	15%	\$108,526
MPA: Close on Predevelopment Loan (PAID)	24%	\$170,000
MPA: Interim Payment - Notice to Proceed – Infrastructure	23%	\$165,000
MPA: Interim Payment - Notice to Proceed – Vertical Construction	23%	\$165,000
TOTAL MASTER PLANNING CASH OUT PROJECT MANAGEMENT DEVELOPER FEE	100%	\$608,526
Total Master Planning Fee		\$608,526

Master Planning & Infrastructure Sources of Approval	
MP2: Master Planning Fee held not paid in Phase II (PAID)	\$108,526
MPA: Master Planning Fee, additional approved by MOHCD on June 29, 2015. Disbursed as shown above and as approved for Phase I and II.	\$500,000
TOTAL MASTER PLANNING & INFRASTRUCTURE DEVELOPER FEE	\$608,526

DEVELOPER FEE INFRASTRUCTURE DISBURSEMENT SCHEDULE ON INFRASTRUCTURE LOAN		
Payment Milestone	% of Project Mgmt Fee	Amount
Issuance of Infrastructure Permits	25%	\$250,000
100% Completion of Demolition (PAID)	25%	\$250,000
50% Infrastructure Completion	25%	\$250,000
100% Infrastructure Completion (excluding landscaping)	20%	\$200,000
B.O.S acceptance of public infrastructure	5%	\$50,000
TOTAL PROJECT MANAGEMENT		\$1,000,000
Total Infrastructure Developer Fee		\$1,000,000

Attachment E: Developer & Development Staff Resumes

The Development team is comprised of the following staff from The John Stewart Company and Devine & Gong, Inc. who work day-to-day on Hunters View.

Catherine Etzel, Director of Development, JSCo

Catherine Etzel joined JSCo in 2013 as a Project Manager and has since been promoted to Director of Development. Ms. Etzel manages the development activities for both new construction and rehabilitation projects across the Bay Area and has primarily worked on Hunters View, where she has managed the design and construction process, overseen financial closings, and coordinated community outreach for nearly ten years.

Julie Mendel, Project Manager, JSCo

Julie Mendel joined JSCo in 2019 as an Assistant Project Manager and now works as a Project Manager on new construction and rehabilitation projects in San Francisco and Sacramento County. Her responsibilities include managing entitlement and environmental review processes, developing and tracking project scope and budgets, preparing funding applications and draws, and supporting financial closings and other day-to-day development activities.

Andrew Burhmann, Senior Associate, JSCo

Andrew Burhmann joined Devine & Gong in 2012 and supports financing and development efforts throughout the project lifecycle for both DGI and DGI's clients throughout the state of California. He has been working on Hunters View for over 10 years where his role is project financing and structuring; working on all aspects of financial projections, funding applications, closing and compliance with funders.

Regina Coleman, President & CEO of Ridge Point

The following staff step in periodically to provide support, executive leadership, and a historical perspective:

Margaret Miller, President of Development, JSCo

Margaret Miller joined JSCo in 2004 as a Project Manager and now leads the firm's eight-person Development Division. In this capacity Ms. Miller oversees the full range of activities related to developing affordable and mixed-income housing, including identifying and acquiring properties, business development, project design, obtaining entitlements and environmental approvals, financial structuring, loan packaging, construction oversight, and regulatory compliance.

Dan Levine, President of Construction & Maintenance Services, JSCo

Dan Levine joined JSCo in 1997 as Director of Construction Administrative after nearly 25 years of practice as a registered architect. Mr. Levine has comprehensive expertise in the housing and construction industries, including the preparation of bid and contract drawings, specifications, and construction administration services.

Jack Gardner, CEO, JSCo

Jack D. Gardner has been actively involved in the financing, development, and management of affordable housing since 1985 and has served as the CEO of The John Stewart Company since 2002. Under Mr. Gardner's leadership JSCo has become one of the largest managers of affordable housing in the United States – with over 33,000 units under management – and one of the top developers of affordable housing in California, with over 1,000 units of affordable housing under construction or in predevelopment.

Attachment F: Asset Management Evaluation of Project Sponsor

Number of projects and average number of units/project currently in sponsor's asset management portfolio

JSCo owns 34 projects, which include 4,028 units and has an average project size of 119 units. Note that JSCo provides active asset management on only a portion of its portfolio as it owns all of these projects with non-profits, some of whom have strong asset management functions within their own organization. JSCo is responsible for day-to-day active asset management on 15 of its projects, which include 2,165 units for an average project size of 144 units.

Sponsor's current asset management staffing – job titles, FTEs, average number of units assigned to each FTE, org chart and status of each position (filled/vacant)

- Margaret Miller (President) oversees asset management of JSCo owned portfolio and spends approximately 20% of her time on asset management related activities.
- Teresa Liu (Asset Manager) is a full-time asset manager for JSCo and oversees the 15 properties for which JSCo is the day-to-day asset manager.
- Ally Vigil (Executive Assistant) works with Margaret and Teresa on asset management reporting and special projects and spends approximately 25% of her time on these activities.
- Iris Lee (Accountant) works on the accounting, audit, tax and finance for JSCo's owned portfolio and spends approximately 25% of her time devoted to this responsibility.
- JSCo will fill an Asset Management Analyst position in 2023 to support JSCo's asset management function.

Description of scope and range of duties of sponsor's asset management team.

- Creates and maintains comprehensive asset management/strategy plans for each property in assigned portfolio.
- Completes portfolio analysis and summary reports to determine concerns impacting the financial and/or physical health of the asset.
- Establishes and maintains good working relationships with lenders and investors as JSCo's primary contact.
- Negotiates with partners and/or lenders as needed to amend agreements and/or secure approvals.
- Develops and sponsors occasional meetings to review portfolios with investors, lenders and internal groups, including the coordination of on-site property visits.
- Coordinates all responses to questions from investors/lenders on assigned portfolio.
- Reviews all reporting information due to investors/lenders.
- Researches partnership agreements, financing documents, regulatory agreements, tax returns, and other source documents to determine constraints and barriers to long-term needs.
- Conducts site visits, documents property condition and develops corrective action as appropriate.
- Reviews all governing documents for new and existing properties.
- Monitors property commercial spaces and work with brokers to market and negotiate leases with prospective tenants, as needed.

- Works with Development and Property Management to create accurate proformas and long-term strategic plans for new properties.
- Evaluates property plans to ensure surplus cash will meet long-term corporate cash flow targets.
- Works in collaboration with others to resolve issues related to cash-flow and long-term capital needs, including working with investors/lenders to free-up existing reserves or secure loans.
- Manages the annual budget process and proposes creative solutions to cash-flow issues.
- Monitors portfolio to ensure that financial performance is in-line with budgets, that variance explanations meet owner and investor/lender requirements, and that operating deficit guarantees are “burned off” as quickly as possible.
- Monitors and reviews audits to ensure surplus distributions are made correctly and on a timely basis.
- Monitors that properties moving into operations are meeting financial performance according to the proforma.
- Reviews long-term capital plans for the properties in assigned portfolio, suggesting adjustments to Construction Services if necessary, managing reserve balances to meet long-term cash needs, identifying those properties requiring outside funding, and ensuring that major projects are progressing on plan.

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

JSCo has a unique advantage in that asset management, development, property management, accounting, compliance, and construction and maintenance services are all within JSCo. Coordination between these functional teams is eased as a result and capabilities and capacity is leveraged to the benefit of JSCo’s owned assets. Additionally, both development and asset management are under the leadership of Margaret Miller (President) which makes the transition and coordination from development to asset management more seamless and successful. At JSCo, once a property is fully developed, asset management is responsible for all coordination between the different functional teams within JSCo as it relates to the owned asset.

Sponsor’s budget for asset management team – shown as cost center for projects in San Francisco.

JSCo does not bill asset management costs to any of its properties and instead collects pre-determined asset management fees, as allowable by lenders and investors, from each property. All JSCo asset management costs are paid by the asset management fees collected, as well as any surplus cashflow generated from properties.

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

It is currently anticipated that JSCo will add 8 new projects, or 787 units, to its owned portfolio in the next five years. JSCo will continue to grow its asset management team accordingly, and as previously indicated JSCo is currently in the process of hiring an Asset Management Analyst to add additional capacity to the team.

Attachment G: Site Map with amenities



Hunters View Phase III Amenities Map – Key

Amenity Type	Number on Map	Name	Address	Distance from Site*	TCAC Score
Transit	1	Muni Bus Lines 19 and 44	The 19 and 44 make stops along Middle Point Road at Hare and Fairfax (currently named West Point Road).	290 ft	7 points
Park	2	Hilltop Park	La Salle & Whitney Young Circle	0.31 mi	3 points
Library	3	Bayview-Linda Brooks-Burton Library	5075 3 rd Street	0.66 mi	2 points
Grocery Store	4	Foods Co.	345 Williams Avenue	1.11 mi	3 points
School	5	Malcom X Academy Elementary School	350 Harbor Road	0.14 mi	3 points
Medical Clinic	6	Southeast Health Center	2401 Keith Street	0.95 mi	2 points
Pharmacy	7	Walgreens	5300 3 rd Street	0.86 mi	1 point
				TOTAL	21 points
				TCAC Max	10 points

*Distance = "As the crow flies"

Attachment H: Elevations and Floor Plans

[Insert information]

Hunters View Phase III Affordable



- **INFRASTRUCTURE**
 - New Park
 - New Roads, sidewalks, curb and gutters, and utilities
 - 7 parcels created (2 affordable housing and 5 market rate)
 - Infrastructure began in June 2022
 - Anticipated City infrastructure acceptance and transfer 2026
- **AFFORDABLE HOUSING**
 - 118 units
 - 53 public housing replacement units (all PBV)
 - 64 new tax credit units
 - 1 manager's unit
 - 88-space parking garage (0.75 ratio)
 - Community-service restaurant/retail
 - Education/learning space
 - Working in close partnership with HOPE SF, HV Resident Council, and Bayview YMCA to identify operators for these community-serving ground floor spaces
- **MARKET RATE**
 - Parcel marketing will begin when affordable housing construction begins (summer 2023)
 - Construction TBD







Attachment I: Comparison of City Investment in Other Housing Developments

Attachment J: Development & Commercial Budgets

[Insert pages from proforma]

Application Date: # Units: 118
 Project Name: Hunters View Phase III # Bedrooms: 283
 Project Address: 853-855 TBD TBD
 Project Sponsor: The John Stewart Co., Ridgepoint Housing, Devine & Gong

SOURCES	Total Sources						Comments	
	50,495,000	24,700,000	2,200,000	100	61,999,922	1,300,000		140,695,022
	Name of Sources:	MOHCD/OCl	Perm Mortgage	HTSV Apple	GP Equity	GP/LP Equity	Deferred Fee	

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

CONSTRUCTION (HARD COSTS)								
Unit Construction/Rehab	16,878,590	24,700,000	2,200,000	100	50,261,902		94,040,592	Include FF&E and approx \$525K in cold shell for Caf6 and \$801,500 for Education Space
Commercial Shell Construction								
Demolition	461,000						461,000	
Environmental Remediation							0	
Onsite Improvements/Landscaping							0	
Offsite Improvements							0	
Infrastructure Improvements							0	HOPE SF/OCl costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes	1,659,705						1,659,705	1.5%
GC Overhead & Profit	3,534,020						3,534,020	3.3%
CG General Conditions	8,514,779						8,514,779	7.9%
	Sub-total Construction Costs	31,048,058	24,700,000	2,200,000	100	50,261,902	0	108,212,657
Design Contingency (remove at DD)							0	0.5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)							0	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	5,377,454						5,377,454	5% new construction / 15% rehab
	Sub-total Construction Contingencies	5,377,454	0	0	0	0	0	5,377,454
TOTAL CONSTRUCTION COSTS	36,425,539	24,700,000	2,200,000	100	50,261,902	0	113,587,541	

SOFT COSTS								
Architecture & Design								
Architect design fees	1,014,200						1,014,200	See MOHCD A&E Fee Guidelines: http://almohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)	1,136,860						1,136,860	
Architect Construction Admin	458,000						458,000	
Permits/fees	133,588						133,588	
Additional Services	648,131						648,131	
	Sub-total Architect Contract	3,368,897	0	0	0	0	0	3,368,897
Other Third Party design consultants (not included under Architect contract)	125,000						125,000	Waterproofing (\$115k), Noise and Shadow (\$20.1K), Traffic, other
Total Architecture & Design	3,513,897	0	0	0	0	0	3,513,897	
Engineering & Environmental Studies								
Survey	45,000						45,000	
Geotechnical studies	108,000						108,000	
Phase I & II Reports	13,900						13,900	
CEQA / Environmental Review consultants							0	
NEPA / IIS Review							0	
CNA/PNA (rehab only)							0	
Other environmental consultants	304,544						304,544	Energy Rater (\$67k), Traffic/other (\$81k), Arch./Bio. (\$155k)
Total Engineering & Environmental Studies	471,494	0	0	0	0	0	471,494	
Financing Costs								
Construction Financing Costs								
Construction Loan Origination Fee					590,125		590,125	Includes HTSV Apple origination
Construction Loan Interest					5,776,022		5,776,022	
Title & Recording					100,000		100,000	
CDLAC & CDIAC fees	26,975						26,975	
Bond Issuer Fees	391,335						391,335	
Other Bond Cost of Issuance	45,000						45,000	MOHCD FA
Cons. Monitoring, third parties (engineering, plan and cost, a	80,000						80,000	
	Sub-total Const. Financing Costs	543,310	0	0	0	6,436,147	0	6,979,457
Permanent Financing Costs								
Permanent Loan Origination Fee	492,600						492,600	Includes MOHCD Origination
Credit Enhance. & Appl. Fee	1,480,000						1,480,000	50 BPS Rate Cushion
Title & Recording	125,000						125,000	0 and plan/lost, Legal, conversion costs
	Sub-total Perm. Financing Costs	2,097,600	0	0	0	0	0	2,097,600
Total Financing Costs	2,640,910	0	0	0	6,436,147	0	9,077,057	
Legal Costs								
Borrower Legal fees	155,000						155,000	Org. construction closing, perm closing
Land Use / CEQA Attorney fees	50,000						50,000	
Tax Credit Counsel	100,000						100,000	Investor and GPs
Bond Counsel	70,000						70,000	
Construction Lender Counsel	85,000						85,000	
Permanent Lender Counsel							0	
Other Legal (specify)							0	
Total Legal Costs	460,000	0	0	0	0	0	460,000	
Other Development Costs								
Appraisal	5,000						5,000	
Market Study	5,600						5,600	
Insurance	0				5,301,873		5,301,873	
Property Taxes							0	
Accounting / Audit	40,000						40,000	
Organizational Costs							0	
Entitlement / Permit Fees	544,008						544,008	
Marketing / Rent-up	242,581						242,581	
Furnishings	288,250						288,250	\$2,000/unit. See MOHCD UW Guidelines on: http://almohcd.org/documents-reports-and-forms
PSE / Utility Fees							0	
TCAC App / Alloc / Monitor Fees	116,004						116,004	
Financial Consultant fees							0	
Construction Management fees / Owner's Rep	144,000						144,000	2 years @ \$72K
Security during Construction							0	
Relocation							0	
Special Inspections	260,000						260,000	
Plecon	60,000						60,000	
Construction-Perm Loan Contingency	355,000						355,000	
Total Other Development Costs	2,040,743	0	0	0	5,301,873	0	7,342,616	
Soft Cost Contingency								
Contingency (Arch, Eng, Fin, Legal & Other Dev)	755,302						755,302	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	9,882,346	0	0	0	11,738,020	0	21,620,366	

RESERVES								
Operating Reserves	1,807,115						1,807,115	6 months all op ex and ds
Replacement Reserves							0	
Tenant Improvements Reserves							0	
Other (specify)							0	
Other (specify)							0	
Other (specify)							0	
TOTAL RESERVES	1,807,115	0	0	0	0	0	1,807,115	

DEVELOPER COSTS								
Developer Fee - Cash-out Paid at Milestones	1,100,000						1,100,000	
Developer Fee - Cash-out At Risk	1,290,000						1,290,000	
Commercial Developer Fee							0	
Developer Fee - GP Equity (also show as source)							0	
Developer Fee - Deferred (also show as source)	0				1,300,000		1,300,000	Need MOHCD approval for this cost. N/A for most projects
Development Consultant Fees							0	
Other (specify)							0	
TOTAL DEVELOPER COSTS	2,390,000	0	0	0	1,300,000	0	3,690,000	

TOTAL DEVELOPMENT COST								
	50,495,000	24,700,000	2,200,000	100	61,999,922	1,300,000	140,695,022	
Development Cost/Unit by Source	427,924	209,322	18,644	1	525,423	11,017	1,192,331	
Development Cost/Unit as % of TDC by Source	35.9%	17.6%	1.6%	0.0%	44.1%	0.9%	100.0%	
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/Unit by Source	308,691	209,322	18,644	1	428,948	0	962,606	
Construction Cost (inc Const Contingency)/SF								

*Possible non-eligible GO Bond/COP Amount: 19,857,836
 City Subsidy/Unit: 427,924

Tax Credit Equity Pricing: 0.328
 Construction Bond Amount: 65,000,000
 Construction Loan Term (in months): 36 months
 Construction Loan Interest Rate (as %): 7.05%

Application Date: # Commercial Spaces: 2
 Project Name: Hunters View Phase III
 Project Address: 853-855 TBD TBD
 Project Sponsor: The John Stewart Co., Ridgepoint Housing, Devine & Gong

COMMERCIAL SPACE	Space 1	Space 2	Space 3	Space 4	Space 5	%age Total Building Costs in Commercial Budget
Commercial Use - Description	Learning Hub	Cafe/Commercial Kitchen				
Gross SF	2902	1546				3,848
Total Commercial SF						

SOURCES	Name of Sources	665,260	2,101,200	-	-	-	Total Sources	Comments
	DCYP						2,766,460	Sources to be confirmed
	CEWD							

USES

ACQUISITION	Acquisition cost or value	Lease/ Closing costs / Broker's Fee	Holding Costs	Transfer Tax	TOTAL ACQUISITION
					0
					0
					0
					0
					0

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab	575,500	1,855,200				2,430,700	
Commercial Warm Shell Construction							See MOHCD Commercial Underwriting Guidelines: http://mfmoecd.org/documents-reports-and-forms
Commercial Cold Shell Construction							
Demolition							
Environmental Remediation							
Onsite Improvements/Landscaping							
Offsite Improvements							
Infrastructure Improvements							
Parking							
GC Bond Premium/GC Insurance/GC Taxes	11,510	37,104				48,614	1.9%
GC Overhead & Profit	20,143	64,932				85,075	3.3%
GC General Conditions							0.0%
Sub-Total Construction Costs	607,153	1,957,236	0	0	0	2,564,389	
Design Contingency (remove at DD)							0.0%
Bid Contingency (remove at bid)							0.0%
Plan Check Contingency (remove/reduce during Plan Review)							0.0%
Hard Cost Construction Contingency	12,143	39,145				51,288	2.0%
Sub-Total Construction Contingencies	12,143	39,145	0	0	0	51,288	
TOTAL CONSTRUCTION COSTS	619,296	1,996,381	0	0	0	2,615,676	

SOFT COSTS

Architecture & Design	10,000	0				10,000	
Architect design fees							See MOHCD A&E Fee Guidelines: http://mfmoecd.org/documents-reports-and-forms Sponsor has \$10k SF Foundation grant for arch fees for kitchen
Architecture design fees for Schematic Drawings for tenant-paid tenant improvements							
Design Subconsultants to the Architect (incl. Fees)							
Architect Construction Admin							
Reimbursables							
Additional Services							
Sub-Total Architect Contract	10,000	0	0	0	0	10,000	
Other Third Party design consultants (not included under Architect contract)							
Total Architecture & Design	10,000	0	0	0	0	10,000	
Engineering & Environmental Studies							
Survey							
Geotechnical studies							
Phase I & II Reports							
CEQA / Environmental Review consultants							
NEPA / 105 Review							
CNA/PNA (rehab only)							
Other environmental consultants							Name consultants & contract amounts
Total Engineering & Environmental Studies	0	0	0	0	0	0	
Financing Costs							
Construction Financing Costs							
Construction Loan Origination Fee							
Construction Loan Interest							
Title & Recording							
CDLAC & CDIAC fees							
Bond Issuer Fees							
Other Bond Cost of Issuance							
Other Lender Costs (specify)							
Sub-Total Const. Financing Costs	0	0	0	0	0	0	
Permanent Financing Costs							
Permanent Loan Origination Fee							
Credit Enhance. & Appl. Fee							
Title & Recording							
Commercial Loan Origination Fee							
Sub-Total Perm. Financing Costs	0	0	0	0	0	0	
Total Financing Costs	0	0	0	0	0	0	
Legal Costs							
Borrower Legal fees							
Land Use / CEQA Attorney fees							
Tax Credit Counsel							
Bond Counsel							
Construction Lender Counsel							
Permanent Lender Counsel							
Other Legal (specify)							
Total Legal Costs	0	0	0	0	0	0	
Other Development Costs							
Appraisal							
Market Study							
Insurance							
Property Taxes							
Accounting / Audit							
Organizational Costs							
Entitlement / Permit Fees	5,000	5,000				10,000	
Marketing / Lease-up							
Furnishings							
PG&E / Utility Fees							Included in warm shell cost in line 25 submitters included in hard shell
TCAC App / Alloc / Monitor Fees							
Financial Consultant fees							
Construction Management fees / Owner's Rep							
Security during Construction							
Relocation							
Other (specify)							
Other (specify)							
Other (specify)							
Total Other Development Costs	5,000	5,000	0	0	0	10,000	
Soft Cost Contingency							
Contingency (Arch, Eng, Fin, Legal & Other Dev)	30,965	99,819				130,784	5% of warm shell construction costs
TOTAL SOFT COSTS	45,965	104,819	0	0	0	150,784	Total Soft Cost Contingency as % of Total Soft Costs 63.9%

RESERVES

Operating Reserves	Replacement Reserves	Tenant Improvements Reserves	Commercial Lease-Up Reserves	Other (specify)	TOTAL RESERVES
					0
					0
					0
					0
					0

DEVELOPER COSTS

Commercial Developer Fee - Cash-out Paid at Milestones	Other (specify)	Other (specify)	TOTAL DEVELOPER COSTS
			0
			0
			0

TOTAL DEVELOPMENT COST	665,260	2,101,200	0	0	0	2,766,460
Development Cost/SF by Source	289	1,359				
Development Cost/Unit as % of TDC by Source						
Acquisition Cost/SF by Source	0	0				0
Construction Cost (inc Const Contingency)/SF by Source	269	1,291				
Construction Cost (inc Const Contingency)/SF	269.03	1,291.32				

Commercial Loan Amount: N/A
 Commercial Loan Term (in years): N/A
 Commercial Interest Rate (as %): N/A

HOME LOAN LIMITS
Hunters View Phase III

HOME Maximum Subsidy Limits from effective March 17, 2022

- HOME eligible on new units only
- Only units at or below 65% HUD AMI are eligible for HOME funding
- Very Low-Income HOME rents must be on 20% of the new units

Total New Units excluding Manager	63
Total HOME Eligible units excluding Manager	44
Required Very Low-Income HOME units	9

REPLACEMENT UNITS

		50% and Below		70% AMI	
0bd	\$ 159,754	0	\$ -		
1bd	\$ 183,132	0	\$ -		0
2bd	\$ 222,694	3	\$ 668,082		0
3bd	\$ 288,094	11	\$ 3,169,034		
4bd	\$ 316,236	34	\$ 10,752,024		
5bd	\$ 316,236	5	\$ 1,581,180		
		53	\$ 16,170,320		0

NEW UNITS

		50% and Below		70% AMI	
0bd	\$ 159,754	0	\$ -		
1bd	\$ 183,132	37	\$ 6,775,884		15
2bd	\$ 222,694	2	\$ 445,388		5
3bd	\$ 288,094	5	\$ 1,440,470		
4bd	\$ 316,236	0	\$ -		
5bd	\$ 316,236	0	\$ -		
		44	\$ 8,661,742		20

Total HOME Funding

Planned for Project \$ **7,067,472**

Meets HOME Loan Limits

Yes

Analysis completed by: Cindy Heavens

Date Analysis completed: 3/13/2023

Signed: _____

Acknowledged: _____

Attachment K: 1st Year Operating Budget

[Insert pages from proforma]

Application Date: 118 Project Name: Hunters View Phase III
 Total # Units: 118 Project Address: 853-855 TBD TBD
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2025 Project Sponsor: The John Stewart Co., Ridgepoint Housing, Devine & Gong

INCOME	Total	Comments
Residential - Tenant Rents	2,302,526	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	1,923,240	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Spaces	40,702	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	0	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Landry and Vending	13,200	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))		
Gross Potential Income	4,279,678	
Vacancy Loss - Residential - Tenant Rents	(115,127)	Vacancy loss is 5% of Tenant Rents
Vacancy Loss - Residential - Tenant Assistance Payments	(96,162)	Vacancy loss is 5% of Tenant Assistance Payments
Vacancy Loss - Commercial	(20,351)	From 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	4,048,038	PUPA: 34,305

OPERATING EXPENSES		
Management		
Management Fee	113,280	HUD fee schedule - HUD Maximum is \$50 PUPM
Asset Management Fee	23,550	Consistent with 2023 schedule
Sub-total Management Expenses	136,830	PUPA: 1,160

Salaries/Benefits		
Office Salaries	83,200	Occupancy Specialist and shared Admin Assist (w/ phase I)
Manager's Salary	79,040	
Health Insurance and Other Benefits	57,307	
Other Salaries/Benefits		
Administrative Rent-Free Unit	15,468	
Sub-total Salaries/Benefits	235,015	PUPA: 1,992

Administration		
Advertising and Marketing	2,400	
Office Expenses	67,250	Telephone, equipment, supplies
Office Rent		
Legal Expense - Property	14,400	
Audit Expense	13,200	
Bookkeeping/Accounting Services	12,780	
Bad Debts	3,600	
Miscellaneous	12,600	Misc., mileage, trainings, computers
Sub-total Administration Expenses	126,230	PUPA: 1,070

Utilities		
Electricity	100,000	
Water	112,940	
Gas		
Sewer	106,400	
Sub-total Utilities	319,340	PUPA: 2,706

Taxes and Licenses		
Real Estate Taxes	2,800	
Payroll Taxes	29,850	
Miscellaneous Taxes, Licenses and Permits	3,240	
Sub-total Taxes and Licenses	35,890	PUPA: 304

Insurance		
Property and Liability Insurance	105,000	2/21/2023 - Based on broker recommendation
Fidelity Bond Insurance	900	
Worker's Compensation	12,604	
Director's & Officers' Liability Insurance		
Sub-total Insurance	118,504	PUPA: 1,004

Maintenance & Repair		
Payroll	191,360	2 FTE Maint and 2 FTE Janitorial
Supplies	68,800	Repairs, plumbing, electrical, appliances, windows, janitorial, painting
Contractors	104,400	Repairs, pest, grounds, elevator, janitorial, fire alarm
Garbage and Trash Removal	115,000	
Security Payroll/Contract	176,400	
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses	4,000	Uniform/laundry, misc.
Sub-total Maintenance & Repair Expenses	660,960	PUPA: 5,594

Supportive Services	127,950	Resident Coordinator & Activity Coordinator Salary, Supplies & Tenant Participation Fee
Commercial Expenses	20,351	From 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL OPERATING EXPENSES	1,780,170	PUPA: 15,086

Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	1	Francisco Housing Authority. Provide additional comments here, if needed.
Bond Monitoring Fee	32,125	Fiscal agent plus SF bond fees
Replacement Reserve Deposit	70,800	\$600 PUPA
Operating Reserve Deposit		
Other Required Reserve 1 (Deposit)	109,740	Master Association Dues - Sitewide at \$930
Other Required Reserve 2 (Deposit)	0	
Required Reserve Deposits, Commercial	0	From 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	212,666	PUPA: 1,402

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	1,992,836	PUPA: 16,888	Min DSCR: 1.00 Mortgage Rate: 5.00%
NET OPERATING INCOME (INCOME minus OP EXPENSES)	2,055,202	PUPA: 17,417	Term (Years): 30 Supportable 1st Mortgage Pmt: 1,885,507 Supportable 1st Mortgage Amt: \$29,269,602 Proposed 1st Mortgage Amt: \$24,700,000

DEBT SERVICE/MUST PAY PAYMENTS (Hard debt/Amortized loans)		
Hard Debt - First Lender	1,641,200	First Mortgage Assumed 40 yr amort, 17 year term, Freddie Forward, with
Hard Debt - Second Lender (MOHCD Program 0.42% p/yr, or other 2nd Len	152,763	HTSV Apple Funds Housing Trust Silicon Valley Apple funds 2% must-pay debt
Hard Debt - Third Lender (Other HOCD 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%
TOTAL HARD DEBT SERVICE	1,793,963	PUPA: 15,203

CASH FLOW (NO) minus DEBT SERVICE)	261,239
USES OF CASH FLOW BELOW (This row also shows DSCR.)	119

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		
Partnership Management Fee (see policy for limits)	25,000	2nd
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	1st
Other Payments	9,999	SFHA Ground Rent (Residual Rent)
Non-amortizing Loan Pmt1 - Lender 1 (select lender in comments field)		Provide additional comments here, if needed.
Non-amortizing Loan Pmt1 - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell H130)	110,620	Def. Develop. Fee split: 50% Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	150,619	PUPA: 1,276

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	110,620
Residual Receipts Calculation	
Does Project have a MOHCD Residual Receipt Obligation?	Yes Project has MOHCD ground lease? No
Will Project Deficit 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.): 110,620
% 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/OCI - Soft Debt Loans	All MOHCD/OCI Loans payable from res. repts	\$50,495,000	100.00%
MOHCD/OCI - Ground Lessee Value or Land Acq Cost	Acquisition Cost	\$55	0.00%
HCD (soft debt loan) - Lender 3			0.00%
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	110,620	50% of residual receipts, multiplied by 100% - MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	110,620	Entire/overide 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 repay.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	0
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NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	0	
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	0	

REMAINDER (Should be zero unless there are distributions below)		
Owner Distributions/Incentive Management Fee	0	
Other Distributions/Uses	0	
Final Balance (should be zero)	0	

Attachment L: 20-year Operating Proforma

[Insert pages from proforma]

Hunters View Phase III

Total # Units: 118

TACAC Income Limits In Use!

Table with columns for years 2025-2034 and rows for INCOME, OPERATING EXPENSES, DEBT SERVICE, CASH FLOW, RESIDUAL RECEIPTS, and REMAINDER. Includes sub-totals and detailed expense breakdowns.

Hunters View Phase III

Total # Units: 118

Table with columns for years 2035-2044 and rows for INCOME, OPERATING EXPENSES, TOTAL OPERATING EXPENSES, DEBT SERVICE, CASH FLOW, and RESIDUAL RECEIPTS. Includes sub-totals and detailed expense breakdowns.