

**Citywide Affordable Housing Loan Committee**

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

**Casa Adelante 2205 Mission**

**\$5,724,994 Acquisition and**

**\$1,021,444 Predevelopment Loans**

**Total Funding: \$6,746,438**

Evaluation of Request for:	Acquisition and Predevelopment Loan
Loan Committee Date:	February 16, 2024
Prepared By:	Judy Shepard-Hall, Sr. Project Manager
MOHCD Asset Manager:	N/A – ownership project
MOHCD Construction Representative	Robin Wang
Predevelopment Sources Recommended:	\$500,000 Housing Trust Fund \$6,246,438 Certificates of Participation
Sources and Amounts of Previous City Funds Committed:	N/A
NOFA/PROGRAM/RFP:	2023 NOFA for New Affordable Educator Housing
Applicant/Sponsor(s) Name:	Mission Economic Development Agency (MEDA)

**EXECUTIVE SUMMARY**

**Sponsor Information:**

Project Name:	Casa Adelante 2205 Mission	Sponsor(s):	MEDA
Project Address (w/ cross St):	2205 Mission Street (@ 18th St	Ultimate Borrower Entity:	TBD (see Attachment B)

**Project Summary:**

On February 23, 2023, the San Francisco Mayor’s Office of Housing and Community Development (MOHCD) issued a Notice of Funding Availability (NOFA) for Acquisition, Predevelopment and Construction Financing for New Affordable Educator Housing. The NOFA set aside \$32M in funding of which \$12M was to be awarded to a qualified affordable homeownership educator project. Mission Economic Development Agency’s (Sponsor) 2205 Mission site was selected under that NOFA. MEDA now requests an acquisition and predevelopment loan of \$6,746,438 for the development of 2205 Mission, a 63-unit affordable homeownership building for educators (Project). The Sponsor requests \$5,724,994 to pay off the acquisition loan that was incurred when the property was purchased in December 2017. The total acquisition costs include loan interest and fees. MEDA also requests \$760,300 to pay off the predevelopment loan that was also incurred to pay for architect and engineering services, and \$261,144 in additional predevelopment funds to use for activities needed to bring the Project to construction start.

2205 Mission Street will be a for-sale affordable housing development for employees of San Francisco Unified School District (SFUSD) and San Francisco Community College District (SFCCD), for low to moderate income households earning between 80-130% of Area Median Income (AMI) as defined by MOHCD and sold under the MOHCD Below Market Rate Program. The Project will be comprised of 46 two-bedrooms and 17 three-bedrooms, including one three-bedroom that will be set aside as a Family Child Care (FCC) unit, which will be leased under a rent-to-own agreement during the New Market Tax Credit compliance period.

Anticipated permanent sources for the Project include a MOHCD permanent loan, Affordable Housing Program (AHP) loan, unit sales proceeds, New Market Tax Credits (NMTC), CalHome, a MEDA equity contribution, and a commercial loan. The Total Development Cost (TDC) is \$67,171,733. To date, the Sponsor has received a commitment for \$3.1M from CalHome. The Sponsor will need to obtain NMTC allocations as well as construction financing before returning to MOHCD for Gap funding, which is expected in May 2024.

**Project Description:**

Construction Type:	Type IB	Project Type:	New Construction
Number of Stories:	9	Lot Size (acres and sf):	.22acres/ 9,583sf
Number of Units:	63	Architect:	Gelfand Partners Architects
Total Residential Area:	66,981 sf	General Contractor:	Guzman Construction Group and Marinship
Total Commercial Area:	2,302 sf	HOA/Property Manager:	EPIC REA, Inc.
Total Building Area:	69,283 sf	Supervisor and District:	Hillary Ronen D-9
Land Owner:	MEDA		
Total Development Cost (TDC):	\$67,171,733	Total Acquisition Cost:	\$5,724,994
TDC/unit*:	\$1,066,218		
Current Loan Amount Requested:	\$6,746,438	Requested MOHCD Subsidy Amount / unit**:	\$149,920
HOME Funds?	N	Parking?	N

\*includes acquisition costs.

\*\* MOHCD subsidy is only available to the 45 units targeted to 120% MOHCD AMI or lower. The 130% AMI units including the Family Childcare unit are not subsidized by MOHCD.

## **PRINCIPAL DEVELOPMENT ISSUES**

- **Financing Plan:** Per the terms of the NOFA, MOHCD is only providing \$12M in funding, of which \$6,485,294 is for takeout of the acquisition and predevelopment loans with LIIF and \$261,144 is new predevelopment funds to use for on-going predevelopment activities. Original assumptions from the Sponsor's NOFA response showed higher than average sales prices, and lower interest rates to the home buyers, resulting in a substantial funding gap. MOHCD and Sponsor worked together to reduce costs and identify additional sources for the Project, and as a result have lowered the gap to about \$118K. However, with the changing economy, the Project's success is contingent on the Sponsor securing various allocations for NMTC, commercial loans, construction loans and AHP. See Section 6.5, Potential Proposed Permanent Financing.
- **Sales Proceeds:** The sales proceeds in the NOFA response assumed a lower interest rate for homeowners and pricing based on the maximum AMI that did not consider the pricing methodology required by the BMR program, or interest rate assumptions for the new homeowners which was the one of the contributors to the original funding gap. Changes to the target AMIs will be difficult to consider at this time due to variations in interest rates and the current market. As a condition, the Sponsor will provide a market analysis to MOHCD for approval prior to publishing final pricing on all units. See Section 9.2, Recommended Loan Conditions.
- **Commercial Loan:** The Project is assuming a commercial loan of approximately \$1.8M, which will be supported by rents from the commercial space and the Family Child Care unit (FCC). The FCC will be set-aside for purchase by a LIIF supported day care provider after the NMTC period. However, the commercial operating budget has not been reviewed by Staff and it's unknown if the assumptions in the budget are comprehensive, which could increase the gap once updated. See Section 3.4 Commercial Space, Section 6.4.4 Commercial Space Sources and Uses Narrative, and Section 9.2 Recommended Loan Conditions.
- **Operating Costs:** The Homeowners Association (HOA) budget is not yet available for review, so it is not known if the HOA payment for the units can support not only building operations but the Sponsor's deferred fee. Sponsor will provide the budget before gap for MOHCD approval. See Section 9.2. Recommended Loan Conditions.
- **Organizational Capacity and Experience:** This Project will be the Sponsor's first time as a lead developer and lead sales agent on a MOHCD project. In response to prior MOHCD performance reports about the Sponsor's organizational development and property management capacity, and as part of a previous capacity building grant from MOHCD, the development team will continue to include MOHCD on all correspondence between lenders, architects, and general contractor. Additionally key Sponsor functions like marketing and asset management activities will continue to be supported through regular technical assistance meetings. The Sponsor, MOHCD, SFUSD, and SFCCD will negotiate occupancy terms for the units related to matters of employment status, such as SFUSD termination, retirement, probationary periods, etc. The target date to produce a substantially complete set of the educator housing policy guidelines is May 2024, in order to be included as exhibits in the Declaration of Restrictions. Also given current market challenges with past lease-ups, MOHCD will require the Sponsor to contract with a realtor for the for-sale units and a

marketing consultant to complete a marketing analysis that will inform the marketing plan.  
 See Sections 1.4.2 and 9.2 Recommended Loan Conditions.

**SOURCES AND USES SUMMARY**

<b>Predevelopment Sources</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD-Acquisition (Take-out LIIF)	\$5,724,994	0% /Forgivable Upon Sale of All Units	This Request
MOHCD-Predev (Take-out LIIF)	\$760,300	Same as above	This Request
MOHCD-Predev	\$261,144	Same as above	This Request
Sponsor Equity	\$4,810,161	0%	Committed
NeighborWorks	\$1,500,000	5.15%	Committed
<b>Total</b>	<b>\$13,056,599</b>		

<b>Permanent Sources</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD Perm Gap Loan*	\$12,000,000	0% / Forgivable Upon Sale of All Units	Not Committed
CalHOME	\$3,107,750	Grant	Committed
FHLB AHP	\$2,000,000	55 yrs. @ 0%/Deferred	Not Committed
New Market Tax Credit (NMTC)	\$6,600,000	\$0.87 per credit	Not Committed
Sponsor Equity Contribution	\$4,800,000	0%	Committed
Sales Proceeds	\$34,257,125		Not Committed
Deferred Developer Fee	\$2,475,000		Not Committed
Commercial Loan	\$1,813,411	4 yrs. @ 6.50%	Not Committed
Gap Amount	\$118,447		Not Committed
<b>Total</b>	<b>\$67,171,733</b>		

<b>Permanent Uses</b>	<b>Amount</b>	<b>Per Unit</b>	<b>Per SF</b>
Acquisition/Add'l Holding Costs	\$6,596,610	\$104,708	\$95
Hard Costs	\$44,938,460	\$713,309	\$648
Soft Costs	\$13,023,611	\$206,724	\$188
Other Reserves	\$138,052	\$2,191	\$2
Deferred Developer Fee	\$2,475,000	\$39,286	\$36
<b>Total</b>	<b>\$67,171,733</b>	<b>\$1,066,218</b>	<b>\$969</b>

\* Gap includes predevelopment sources from MOHCD, including acquisition

1. BACKGROUND

1.1 Project History Leading to This Request. For over 20 years, MEDA has served as a HUD homebuyer counseling agency and housing developer in the Mission District. MEDA acquired the blighted site on the corner of 18th and Mission Streets in 2017 at 2205 Mission Street. In alignment with MEDA’s Mission Promise Neighborhood

program vision to increase academic achievement in local Mission schools and building pathways to prosperity for neighborhood households, MEDA is targeting San Francisco educators for this Project. A 2021 report by the Council of Community Housing Organizations highlighted the significant need for Missing-Middle housing, citing that over 40% of education workers live outside the city. The San Francisco Unified School District (SFUSD) revealed that housing affordability greatly impacts teachers, with most earning less than 120% AMI. This directly affects education quality, contributing to over 10% yearly job resignations. BIPOC teachers face additional challenges due to a lack of intergenerational wealth transfer. Casa Adelante 2205 Mission aims to house educator families in the neighborhoods where they teach through targeted outreach, thus stabilizing the SFUSD educator workforce and strengthening community ties.

The Project's goal is to develop below-market-rate commercial space and for-sale ownership housing in line with San Francisco's Consolidated Plan and Housing Element. In November 2017, MEDA secured an acquisition loan of \$5,652,000 and a predevelopment loan of \$750,000 from the Low-Income Investment Fund (LIIF). Additionally, MEDA has invested nearly \$4M in its own equity for design, engineering, and holding costs. After unsuccessful attempts at securing financing from 2019 to 2021, including the State of California's Housing and Community Development's (HCD) Infill Infrastructure Grant, the Project received a \$3.1M CalHome grant in 2021 for predevelopment and construction costs.

New Market Tax Credits were part of the Project's initial capital plan, and discussions with San Francisco's Community Investment Fund (SFCIF) have been ongoing. The Sponsor received a commitment letter from PNC Bank to be a second NMTC allocatee for a total gross allocation of \$8M. In addition, the commercial space is expected to be financed through a commercial loan of approximately \$1.8M and the commercial lender (to be determined) will be repaid from the commercial income. The Sponsor's goal is to continue to reach out to various sources including the San Francisco Community Land Trust, San Francisco Foundation, and others, to help raise the capital to fill the remaining gap.

To date, the Sponsor still needs additional NMTC and AHP commitments before starting construction. This request for funding is only to take out the interim acquisition and predevelopment financing in order to stop the interest rate carry on the Project. Drawings are at 95% Construction set and upon commitment of funds, the Sponsor will return to MOHCD for final gap approval, which is expected by May 2024.

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

On February 23rd, 2023, MOHCD issued a NOFA for Acquisition, Predevelopment and Construction Financing for New Affordable Educator Housing NOFA. The NOFA was for \$32MM in total funds, of which \$12MM was to be awarded towards a qualified affordable homeownership educator Project. The Sponsor met the minimum

threshold eligibility requirements and was selected to receive financing to advance the development of new affordable homeownership units at 2205 Mission.

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

1.3.1 Borrower. The Mission Economic Development Agency (MEDA Parent), a 501(c)(3) organization, will serve as the borrower entity for predevelopment and construction/permanent-gap financing. In this borrowing structure, MEDA Parent will assume dual roles. Firstly, it will act as the Leverage Lender and borrower from the NMTC Community Development Entities (CDEs) to the Qualified Active Low-Income Community Business (QALICB). This QALICB, a nonprofit entity currently in formation for NMTC purposes, will also function as the selling entity. Secondly, MEDA Parent will serve as the sponsor lender, channeling MOHCD and AHP funds into the QALICB, termed as the "Sponsor Loan" for the Project.

1.3.2 Joint Venture Partnership. N/A

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

MEDA has the internal expertise of Karoleen Feng, Elaine Yee and consulting partner Jason Vargas, who have previous experience managing condominium construction, subdivision, sales, HOA formation, and operation in compliance with State Department of Real Estate and San Francisco regulations. They bring over 20 years of experience in affordable housing and have completed three affordable homeownership projects in their collective careers.

Additionally, the development team is joined by MEDA's Housing Opportunities Program (HOP) team that supports homebuyers in accessing homeownership opportunities. In 2022, MEDA served 4,653 clients through the HOP program, placed 67 families in affordable housing, educated over 250 future homebuyers, and secured new homes for 30 client families. MEDA is a certified HUD counseling agency, one of five bilingual HUD-certified housing counseling agencies partnering through Homeownership SF and affiliation with the Unidos US and the United Wealth and Housing Alliance.

Furthermore, the team is supported by legal experts from Sheppard Mullin, who have over four decades of experience in condominium development throughout California and with the real estate permitting process for this product. 2205 Mission is also supported by Goldfarb & Lipman LLP in the

NMTC capacity, a team with over 30 years of expertise in homeownership development and NMTC transactions.

MEDA's nine-member Board of Directors are 75% Latinx and chaired by Rafael Yaquián. The Staff consists of:

- **Organization:** Luis Granados (Chief Executive Officer) whom is Latinx, leads MEDA with its Chief Operating Officer and Chief Financial Officer, one of whom is Black, and both positions are filled by women. 75% of the 12-person Management team are people of color and 60% identify as Latinx. MEDA's current staff is 74% Latinx; 15% White; 7% Asian/Pacific Islander; 1% Black; 3% Mixed/Other.
- **Development Team:** The team of 17, including the Director, are 95% people of color, over 2/3 Latinx, 1% Black and over 50% women.

- 1.3.4 Racial Equity Vision. Rooted in San Francisco Mission District, MEDA is advancing a national equity movement by building Latino prosperity, community ownership and civic power.

As a Latino-led, Latino- and minority-serving organization, MEDA is dedicated to diversity, equity, and inclusion (DEI) in all areas of its internal and external work. MEDA's DEI commitment is "to work towards fostering communities where everyone has equal access to all social, economic, and political opportunities regardless of race. MEDA is actively cultivating an organizational culture where the senior leadership, management team, staff, board members and community, are active participants in driving, supporting, and advancing our equity work internally and externally."

Since creation of its Policy & Advocacy Team in 2017, MEDA has made it a priority to ensure that race equity is at the forefront of all decision-making levels (local board of supervisors, planning commissions, school boards, etc.). MEDA has done this by (1) providing and facilitating Community Conversation sessions on topics of concern; (2) engaging in Community Leadership Development training to prepare community members to be effective advocates before decision-makers and influencers; and (3) hosting and participating in broader conversations in San Francisco as their role as cultural place keepers by advocating for the production and preservation of affordable housing and commercial spacing for residents, small businesses, and cultural institutions.

- 1.3.5 Relevant Experience. The Sponsor recognizes that homeownership has been disproportionately less accessible to Latino, African American, Indigenous and Pacific Islander households because of the sales prices of homes in San Francisco. The Sponsor serves as the backbone agency for

the San Francisco Latino BMR Collaborative, a multi-organizational initiative formed to foster education around BMR unit options and, ultimately, increase the number of Latinos successfully obtaining BMR homeownership apartments in San Francisco.

The Sponsor has achieved significant success in increasing the number of applicants and successful applicants for affordable housing through its Housing Opportunities Program (HOP). Notably, for the first affordable housing project in the Mission District in over a decade, Casa Adelante-1296 Shotwell, the initial lease-up process placed 3 COP holders, 14 displaced tenants, and 28 neighborhood residents. In 2022, the Sponsor supported more than 4,600 applications, with at least 30% of these applicants being Displaced Tenant Housing Preference (DTHP) and Neighborhood Preference holders.

From 2020 to 2022, as a non-controlling co-general partner, the Sponsor was part of two joint venture teams that completed four tax credit new construction developments listed below.

<b>Project Name</b>	<b>Project Type</b>	<b>Construction Type</b>	<b>Placed In Service</b>
Casa Adelante -1296 Shotwell	Senior	Type I/III	2020
Casa Adelante – 2060 Folsom	Family	Type I/III	2021
Casa Adelante – 2828 16 <sup>th</sup> Street (Formerly known as 1990 Folsom)	Family	Type I/III	2022
Casa Adelante – 681 Florida	Family	Type I/III	2022

The Sponsor provided several joint guarantees on the four joint venture developments listed above and on five tax credit buildings in the Mission-Castro cluster of MOHCD’s RAD Portfolio development that were placed in service from 2016-2018.

Casa Adelante housing sites in San Francisco cater to diverse populations, including families with various income levels (10% to 80% AMI), transition-aged youth, seniors, educators, and the general workforce. Casa Adelante 2205 Mission features two- and three-bedroom units for families, along with a commercial space designated for a community organization or small business services like childcare, arts, youth programs, and civic engagement.

The Sponsor's strong partnership with nine schools and over 20 education-focused collaborator positions them to provide housing and commercial support for families, educators, and educational programs. Casa Adelante 2205 Mission takes this approach further by specifically addressing



educators, building on the Sponsor's engagement through the Mission Promise Neighborhood program.

#### 1.3.6 Project Management Capacity.

Laura Daza-Garcia has been at MEDA for two years as an Assistant Project Manager and now as a Project Manager supporting the California Real Estate (CRE) team in the new construction of rental and homeownership developments. Laura will dedicate 50% of her time to this Project.

Victoria Vera has been at MEDA in her current role as a Project Assistant for over a year, focusing mostly on affordable homeownership projects. Victoria will dedicate 60% of her time to this Project.

Jason Vargas is currently serving as the New Market Tax Credit consultant to MEDA. Jason will dedicate 15% of his time to this Project.

Warren Ritter, Associate Director, Community Real Estate will support overall project with 15% of his time.

Leslie Molina is responsible for the overall physical and financial health of MEDA's residential and commercial portfolio. Leslie will dedicate 5% of her time to this Project.

#### 1.4 Past Performance.

1.4.1. City audits/performance plans. Community Development Grants: Last year, the Sponsor held four active contracts/grants with the City, from homeownership counseling, financing capability coaching, affordable rental counseling, and Mission Promise Neighborhood's parent services connection model. Generally, the organization has performed well on its grants, having recently completed corrective actions. However, the MOHCD Community Development team recently closed a performance noncompliance matter related to MEDA's 2020-21 Homeownership Counseling Project. Staff worked in close partnership with the organization's Chief Operating Officer and Director of Asset Building programs over the course of six months, and MEDA completed an extensive Corrective Action Plan as of August 2021. Since the resolution of the Corrective Action Plan in August 2021, MEDA has been in good standing with its MOHCD grants for homeownership counseling, financing capability coaching, affordable rental counseling, and the Mission Promise Neighborhood parents service connection model.

1.4.2. Marketing/Sales/operations. MEDA has most recently worked on the marketing for 681 Florida. For new construction sites, MEDA does not complete marketing plans or lease-ups. Their main role is to execute on-the-

ground marketing within the neighborhood and to help households apply for the lottery and with lease-ups through their housing counseling departments. As for the Small Sites Portfolio, MEDA has a leasing and compliance asset manager who works alongside a leasing assistant and has been filling the vacancies successfully in the past 12 months and maintaining 95% occupancy for the portfolio.

To date, MEDA has not had a homeownership property and will need additional support to maintain sales to meet the requirements of paying off the construction loan. As a loan condition, MEDA will employ a 3<sup>rd</sup> party contractor to help guide them through the marketing as well as the sales processes. MEDA will also need a compliance team or 3<sup>rd</sup> party contractor to work on loan application documents to ensure MEDA meets the compliance requirements.

In MEDA’s current housing portfolio, there are roughly 2077 tenants with 1120 Heads of Households as of September 2023. Based on the Head of Household, the racial demographics are as follows:

Racial Demographic of Head of Household	Total
American Indian/Alaskan Native	28
Asian	196
Black/African American	218
Native Hawaiian/Other Pacific Islander	10
Latino/a	387
White	204
“More than one race”	43
"Other"	203

MEDA will work with SFUSD, SFCCD, and non-profit organizations to market this homeownership opportunity. Applications will be entered in the San Francisco DAHLIA lottery and subject to preferences as per City Ordinance. Preferences will be observed in the following order:

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

MEDA will work with MOHCD, SFUSD, and SFCCD to develop educator housing policy guidelines related to employment status, such as requirements if a SFUSD or SFCCD employee is within probationary period at intake, the status of a deed if an educator’s employment is terminated, and the status of a deed if an educator files for retirement.

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

Site Description	
Zoning:	The Project site is currently zoned NCT - Mission Street Neighborhood Commercial Transit, with a 65 B Height and Bulk district. located in the Mission Alcoholic Beverage Special Use Subdistrict, Mission Street Formula Retail Restaurant Subdistrict, and Fringe Financial Services Restricted Use District.
Maximum units allowed by current zoning (N/A if rehab):	The maximum number of units on the site is based on form-based zoning B-65 or 65'. However, the project applied for a 35% density bonus and planning through SB 35 and was approved for 88'10" height.
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Seismic Zone.
Soil type:	The results of Langan’s Phase II Environmental Site Assessment (ESA) indicate the site is underlain with 15 feet of sand and silty sand. Based on the analytical results from the Partner Engineering and Science, Inc. (Partner) subsurface investigation, none of the soil samples exceed the State of California hazardous waste criteria. Therefore, the soil beneath the site will most likely be disposed of as unrestricted material. Final soil acceptance is dependent on the receiving landfill or facility’s acceptance criteria.
Environmental Review:	<p>The site is within the expanded Maher Zone and therefore subject to the requirements of Article 22A of the San Francisco Public Health Code (Maher Ordinance).</p> <p>The Partner, Phase I ESA, 2205 Mission Street, San Francisco, California, dated 28 September 2017, found no evidence of recognized environmental conditions (RECs) in connection with the Site.</p> <p>Partner's Phase II Subsurface Investigation Report dated 17 December 2019, reported that no concentrations of TPH, TPH, VOCs, SVOCs, PCBs, metals, cyanide, and/or NOA were detected at or above method reporting limits in the soil and groundwater samples analyzed. The VOCs benzene and tetrachloroethene (PCE) were detected in one or more soil gas samples at concentrations exceeding</p>

	<p>residential and/or commercial screening levels. Based on the Phase II Investigation,</p> <p>Partner concluded that there is evidence of benzene and PCE impacts to soil gas beneath the site and the source of the identified impacts is currently unknown.</p> <ul style="list-style-type: none"> <li>• Based on the review of the submitted Phase I and Phase II documents to SFDPH, SFDPH determined that a Soil Mitigation Plan (SMP) was warranted to address the issues of benzene and PCE in the soil gas that is in exceedance of the Environmental Screening Levels (ESLs) established by the San Francisco Bay Regional Water Quality Control Board (RWQCB). The SMP should address the management of excavated soils as well as a health and safety plan (HASP) for this development. Partner also recommended the installation of a vapor barrier for this project to mitigate the benzene and PCE detected at the site.</li> <li>• The SMP was requested by SFDPH through a letter dated December 23, 2019. The SMP was prepared by Langan Environmental Consultants and approved by SF DPH on September 23, 2023. The SMP includes the installation of a vapor barrier to mitigate against the potential risk of vapor intrusion from the subsurface, consisting of a membrane such as Stego Wrap 15-mil Vapor Barrier or CETCO VI-20 geomembrane installed directly beneath the building’s structural slab.</li> </ul>
Adjacent uses (North):	Small commercial and mixed-use residential buildings along 18th Street.
Adjacent uses (South):	Mixed-Use building commercial use on the ground floor, recently closed Gracias Madre restaurant, and residential use on the top floors
Adjacent uses (East):	Three adjacent residential buildings on the east side of the property facing Capp Street
Adjacent uses (West):	Mission Street Commercial Corridor
Neighborhood Amenities within 0.5 miles:	<p>List nearby grocery stores, schools, healthcare, places of worship etc.</p> <p>Grocery Stores</p> <ul style="list-style-type: none"> <li>• Mission Grocery &amp; Liquor</li> <li>• George's Market</li> </ul> <p>Pharmacy</p> <ul style="list-style-type: none"> <li>• Walgreens</li> <li>• Mission Wellness Pharmacy</li> <li>• Los Portales Family Medicine</li> </ul> <p>Parks</p> <ul style="list-style-type: none"> <li>• Mission Playground</li> <li>• Women’s Building</li> <li>• Alioto Mini Park</li> <li>• Chan Kaajal Park</li> <li>• Community Music Center</li> <li>• Kidpower Park</li> </ul>

	<p>Places of Workshop</p> <ul style="list-style-type: none"> <li>• Full Gospel Chapel</li> <li>• CornerstoneSF Church - Mission Campus</li> <li>• Outdoor Church SF</li> <li>• Iglesia Universal</li> <li>• Primera Iglesia Bautista Del Sur SF</li> <li>• Iglesia Pentecostes Jesucristo Es El Señor</li> <li>• Iglesia Pentecostes Hebreos 11:6</li> </ul> <p>Schools</p> <ul style="list-style-type: none"> <li>• La Scuola International School   Elementary School Campus</li> <li>• Marshall Elementary School</li> <li>• Mission High School</li> <li>• John O’Connell Technical High School</li> <li>• Healthcare</li> <li>• Mission Neighborhood Health Center</li> <li>• Valencia Street Care Center</li> <li>• One Medical</li> <li>• San Francisco Community Clinic Consortium</li> </ul>
Public Transportation within 0.5 miles:	<p>Bay Area Rapid Transit (BART):</p> <ul style="list-style-type: none"> <li>○ 16th Street Station is two blocks away.</li> </ul> <p>Municipal Transportation Agency (SFMTA) bus and train lines run within the Project area:</p> <ul style="list-style-type: none"> <li>▪ 12 Folsom</li> <li>▪ 14R and 14 Mission 22 Fillmore</li> <li>▪ 33 Ashbury</li> <li>▪ 49 Van Ness</li> </ul>
Article 34:	Exempt.
Article 38:	Exempt. Project is in an area with elevated pollutant concentrations. However, the Project does not fall within the Exposure Zone.
Accessibility:	California Building Code (CBC) 11B requires 10% of total units to be accessible for mobility impaired and 4% of total units accessible for hearing and visually impaired. The project exceeds requirements, with 10 units or 15% % of the project units accessible (Mobility featured, Hearing and Visual Aid featured); # and % of units adaptable.
Green Building:	The project meets the minimum City’s Green Building Code, Green Point Rated standards, and will be fully electric.
Recycled Water:	Exempt. The project site does not fall within the boundaries of the City’s Recycled Water Ordinance.
Storm Water Management:	Applicable. The Preliminary Stormwater Management Plan was submitted and approved by SFPUC. Luk and Associates submitted the final Stormwater Management Plan in Oct 2023.

2.1. Site Description. Located at the corner of Mission and 18<sup>th</sup> Street (Site), the Project parcel (Lot 3590 Block 035) is 9,583 square feet, rectangular in shape and

is occupied by a two-story vacant commercial building. Despite its prime location, this Site has been underutilized for over a decade prior to MEDA's acquisition. The Site is not located within any currently known or potential historic districts.

- 2.2. Zoning. As noted above, current zoning is NCT - Mission Street Neighborhood Commercial Transit, with a 65B Height and Bulk district which limits the height of the new building to 65 feet. The Project received entitlements in Planning Approval 2018-003616PRJ, dated September 18, 2023, and utilized SB35, which granted the Project another 23'10" feet to bring it to its current height of 88'10".
- 2.3. Probable Maximum Loss. N/A, new construction.
- 2.4. Local/Federal Environmental Review. The Project is exempt from CEQA Review, per the streamlining allowed by SB35.
- 2.5. Environmental Issues. Project's Phase I ESA revealed no evidence of recognized environmental conditions (RECs) in connection with the Site.

- Phase I/II Site Assessment Status and Results.

Project's Phase I ESA revealed no evidence of recognized environmental conditions (RECs) in connection with the site; however, based on a September 2019 letter from San Francisco Department of Public Health (SFDPH) the Site is subject to the Maher Ordinance.

Sponsor conducted a Phase II Subsurface Investigation at the site. No concentrations of TPH, VOCs, SVOCs, PCBs, metals, cyanide, and/or NOA were detected at or above method reporting limits in the soil and groundwater samples analyzed. The VOCs benzene and tetrachloroethene (PCE) were detected in one or more soil gas samples at concentrations exceeding residential and/or commercial screening levels. Based on the Phase II Investigation, Sponsor concluded that there is evidence of benzene and PCE impacts to soil gas beneath the site and the source of the identified impacts is currently unknown.

Based on the review of the submitted Phase I and Phase II documents, SFDPH determined that a Site Mitigation Plan (SMP) was warranted to address the issues of benzene and PCE in the soil gas that is in exceedance of the Environmental Screening Levels (ESLs) established by the San Francisco Bay Regional Water Quality Control Board (RWQCB). The SMP was approved on September 23, 2023, and addresses the management of excavated soils as well as a health and safety plan (HASP) for this development. Sponsor also recommended the installation of a vapor barrier for this project to mitigate the benzene and PCE detected at the site.

Langan has drafted an SMP based on the aforementioned findings. The SMP was approved on September 14, 2023.

- Potential/Known Hazards. Identified hazards as described above will be mitigated under the SMP and HASP and will include a vapor barrier.

- 2.6. Adjacent uses and neighborhood amenities. See Attachment F, Site Map with amenities for more information.
  - 2.7. Green Building. The Project will be a Green Point Rated building. The concrete building is clad with Exterior Insulation and Finish System (EIFS) which includes a layer of exterior insulation that moderates the temperature of the building structure and interior. The building's solar system is projected to offset approximately 57% of the building's electricity needs.
3. COMMUNITY SUPPORT

- 3.1. Prior Outreach. In 2017, MEDA purchased the Site with Mission Neighborhood Centers (MNC) with the goal of having MNC and Dance Mission be the tenants of the commercial space. As the development timeline drew out and the pandemic hit, MNC and Dance Mission transitioned out of the Project. Prior to MNC transitioning, MEDA hosted focus group meetings with MNC to get feedback on the design of the Site. In addition, MEDA hosted several community meetings to inform the community of any updates regarding the Site and to get feedback open decision points of the site. The building was re-designed from late 2020 through 2022 to add more housing opportunities and to reduce the commercial space.

As the Project transitioned to educator housing, MEDA started working closely with the United Educators of San Francisco (UESF) to understand the critical needs of their community. In partnership, MEDA and UESF launched a survey to gather key demographics from educators that have informed our development, along with gauging interest regarding homeownership. The survey, which was launched in May 2022 and has gained 160+ responses, has informed the AMI levels for the Project.

MEDA is currently working with UESF to determine the strategy to inform and consult educators regarding homebuyer readiness in order to have educators ready to purchase when the property becomes available.

Additionally, the Sponsor has hosted several community meetings throughout the period since MEDA has acquired the Site to inform and garner support from community members. The most recent community meetings were held in April 2023 and June 2023 and over 20 commercial owners and residential neighbors were in attendance. The meeting was very well received, and neighbors were inquiring about how to support the development progress. Further, the Project team sent letters to all the surrounding property owners in June 2023 to establish rapport and inform them of upcoming construction logistics and arrangements to aid in the development of 2205 Mission.

MEDA is committed to creating opportunities for local Mission businesses, arts groups, and nonprofits to remain in the Mission District through commercial opportunities. Further, the Sponsor is providing community meetings, project materials, and other resources in multiple languages such as English and Spanish,

Future Outreach. 2205 Mission currently sits between two cultural districts – American Indian Cultural District (AICD) and Calle 24 Latino Cultural District. Though the team has not engaged the cultural districts regarding the development,

the Project team is planning to engage the districts with the various open decision points for the Site such as the art component of the building.

Moving closer to the start of construction and lease up, the Project team will collaborate with community partners and stakeholders to develop a comprehensive pre-marketing plan and strategy to inform SFUSD and SFCCD employees of the educator homeownership opportunity. The framework for this plan will be due to MOHCD for approval before Gap approval.

- 3.2. 1998 Proposition I – Citizen’s Right-To-Know. Posted after Loan Committee approval and 30 days before the Mayor’s signature on the loan documents.

#### 4. DEVELOPMENT PLAN

4.1. Acquisition and Site Control. The Site was acquired by MEDA in 2017 for \$5,875,000 with a \$5,652,000 loan that was financed by a LIIF loan, and \$223,000 financed by Mission Neighborhood Center, Inc. Currently, the title holder entity is Casa Adelante Housing, LLC.

4.1.1 Proposed Property Ownership Structure. As this is a homeownership development, there will be no ground lease between the LP and MOHCD. After construction is complete, individual units will be transferred to each individual homebuyer in accordance with the Declaration of Restrictions, Deed of Trust, insurance requirements, covenants and restrictions, and individual unit deed restrictions will be transferred to MOHCD. Following the sale of the individual units, MOHCD’s obligations will be limited to monitoring and resale to ensure the permanent affordability of the units by qualified households.

4.2. Proposed Design. The proposed building is an all-electric, nine-story, structural concrete, mid-rise, mixed-use, affordable homeownership project containing 62 units, one Family Childcare unit with play yard, and a 2,302 sq. ft. ground floor commercial community space.

The design and construction team have explored several innovative systems in order to deliver the Project cost effectively.

The building will have architectural accents, a new and improved Exterior Insulated Finishing System with a hard trowel finish that mimics the shine of metal, while also providing the continuous exterior insulation required by the energy code.

The Project is using design-build trade contractors for HVAC, electrical, and plumbing systems. The Sponsor is exploring innovative systems, like foundation methods that drill displacement columns, and vinyl windows on the exterior that reduce outside noise.

Residential SF (includes 500 SF Outdoor Play Yard for FCC Unit):	66,981
Commercial SF:	2,302
<b>Building Total SF:</b>	<b>69,283</b>



UNIT TYPES	Unit SF - This Project	NMTC-Required Minimum SF
2BR:	715 sq ft	700
3BR:	920 sq ft	900
Do all units meet NMTC minimum SF?	Y	

The Sponsor and design team will continue Value Engineering discussions throughout the development process and prioritize ideas that do not compromise the quality of life or amenities experienced by the future owner.

4.3 Proposed Rehab Scope. N/A

4.4 Construction Supervisor/Construction Representative’s Evaluation The proposed mixed-use Project comprises 63 educator housing units in a mix of 46 two-Bedroom and 17 three-Bedroom units. The Project would be a 9-story Type IB construction project. The ground floor includes commercial space and one residential unit.

MEDA selected the General Contractor (GC) team, a joint venture of Guzman Construction and Marinship Development, very early in the process. Key subcontractor trade partners were tapped to discuss alternative materials and or methods with the design team.

Total construction hard cost estimate is \$44,938,460, \$713,309 /unit, and \$648/sq ft. The cost is based on 50% Construction Documents received on August 31, 2023, and was prepared by Guzman and Marinship Construction.

MOHCD Construction representative ran a cost analysis based on similar construction type buildings. The cost data was from Projects in predevelopment, under construction, and already completed from the MOHCD database. The average cost per unit is \$635,172 and \$714 /sq ft. The Sponsor’s per unit cost is 12% higher than comparable Projects and 9% lower on cost per square foot. The Sponsor proposed 5% soft cost contingency, 0.4% bid contingency, and 2.8% hard cost contingency. The Sponsor is planning to finalize construction GMP at the end of February 2024 and estimating to start construction in June 2024.

Based on the current industry’s projection on construction cost inflation (6%/year) for the next two years staff believes the construction cost is reasonable. However, there are still many unknowns as to the potential design change, construction related delays, construction cost escalation, supply chain issues, building code changes, and the extent of work on street improvement, etc. All these factors could contribute to the future construction cost increases. Therefore, the construction representative recommends increasing the hard cost contingency to 5% at gap.

4.5 Commercial Space. Sponsor is determined to identify a commercial tenant that is community-serving non-profit organization. The Sponsor has explored conversations

with potential tenants that are in the realm of nonprofits, arts, and small cafes. Wanting to build off the work and success of Plaza Adelante with the small business incubator, the Project team wants to model 2205 Mission’s commercial space similarly in hopes to uplift more small businesses.

The ground floor commercial space will be approximately 2,300 sf and will serve a Mission neighborhood-based, retail or community-serving non-profit organizations. In addition, the Family Childcare Unit (FCC) is part of the commercial space and will be purchased by an in-home licensed family childcare operator after the New Market Tax Credits period expired in year 7. Until then, the FCC will pay rent to the commercial entity and these funds will be used to leverage debt. Both of these spaces are funded through the NMTC financing.

The commercial loan will cover the costs associated with the development of the commercial space infrastructure: structural system, building envelope, signage and wayfinding systems, building mechanical, electrical, and plumbing systems and common utility systems, fire and life-safety systems, civil and site utility systems, and the building spaces to support these systems, any shared circulation and any common use spaces. The Project team has been working on a plan to model Plaza Adelante’s business incubator space, by subdividing and renting small commercial spaces to multiple vendors or providers.

A detailed commercial development budget has not been provided by the Sponsor at this time. As a condition, Sponsor will be required to provide this budget for MOHCD review and approval, 90 days prior to final gap funding request. The Sponsor will also be required to provide a commercial space budget, condo mapping plan, executed Letter of Intent (LOI) with commercial tenants, a commercial development budget, and a tenant improvement proforma for MOHCD review and approval, no less than 90 days prior to gap funding request. MEDA will work with LIIF to make sure the FCC rents are reasonable for current operators and for marketing to current operators.

The Sponsor administers Fondo Adelante, a community loan fund, a vehicle for MEDA to provide access to capital to small-business owners who cannot get a loan at a traditional bank. Working in partnership with this program, the prospective tenant will be directed to Tenant Improvement resources such as OEWD funds and MEDA micro loans. Fondo Adelante estimates that three businesses can be co-located in the space, while receiving financial and technical assistance from MEDA’s Fondo Adelante team.

Currently MEDA is projecting approximately ~\$13,000 a month in rental income from the commercial tenants, which is high considering other projects in MOHCD pipeline and the current market. In addition, assuming a home child care provider could afford \$5,100 a month in rent is also high. As noted previously, the Sponsor will work with LIIF in identifying a tenant and determining the appropriate rent.

<b>Space 1</b>	<b>Space 2</b>	<b>Space 3</b>	
Incubator	Family Childcare (FCC)	FCC Outdoor Area	
\$8,172	\$3,586	\$1,515	<b>\$13,273 Mo. Income</b>

The attached pro forma (See Attachment J) assumes a 50% commercial vacancy rate in the first year and 10% throughout the 20-year pro forma. MEDA must submit an updated pro forma along with the commercial space plan and budget prior to final gap funding request.

The current budget does not include funds for warm shell or Tenant Improvements (TI). The selected commercial tenant will bring their own funds to complete the design and construction of the tenant improvements. MEDA will support and connect the prospective tenant with TI resources. MEDA also encourages organizations to conduct a capital campaign in advance of building completion to ensure sufficient funds for improvements. MEDA will also review the business or organizational finances to better understand their needs and capacity to take on these costs.

- 4.6 Service Space. N/A. There will be no services space provided in the Project. Homeowners will continue to receive counseling support, individual counseling sessions or post purchase workshops, focused on adjusting to their new budget and maintaining their home and mortgage.
- 4.7 Interim Use. N/A. The Site has been vacant since MEDA acquired it in 2017.
- 4.8 Infrastructure. N/A. No infrastructure is included in this loan.
- 4.9 Communications Wiring and Internet Access. The units at 2205 Mission will be wired to offer internet access to multiple service providers such that residents can choose a provider. The Project will provide Ethernet cable design for data/internet. Service to the building from Public Right of Way to a minimum point of entry (MPOE) and to intermediate distribution frame (IDF) is designed to adequately accommodate fiber and cabling for multiple service providers, following the minimum specs included in the MOHCD Communication Systems Design Standards.
- 4.10 Public Art Component. MOHCD is to confirm if this Project is subject to the 1% of TDC cost towards Project art, nonetheless, the Sponsor will include this cost in the final budget. The goal is to showcase local artists on the 18th Street side of the property on the first floor of the Project and in the common spaces. MEDA will engage prospective buyers in the design of the public art displayed on the building during upcoming community meetings. See Section 9.2, Recommended Loan Conditions.

MOHCD Commitment	\$12,000,000
TDC	\$67,171,733
MOHCD % of TDC	5.59%
Hard Cost Total	\$44,938,460
<b>Public Art Requirement Calculation</b>	
Construction Cost	\$44,938,460
1% of Construction Cost	\$449,385
Percent funded by MOHCD (MOHCD Committed / TDC)	5.59%
<b>Public Art Requirement</b>	<b>\$25,121</b>

4.11 Marketing, Occupancy, and Sales. The Project will be marketed to SFUSD and SFCCD educators, other SFUSD and SFCCD employees, and the general public. The 62 moderate-income units, restricted between 80%-130% MOHCD AMI, are intended to prioritize SFUSD and SFCCD educators. Targeting incomes at 80%-130% MOHCD AMI allows the “missing middle” of educators to be served.

The units will be sold at 80%-130% AMI, with MOHCD funds only funding 45 of the 62 units that will be priced below 120% AMI. The MOHCD subsidy per unit is approximately \$266,000. The Sponsor is tasked with implementing MOHCD’s Lottery Preference Programs. All units will be sold according to rankings in a public lottery.

The Sponsor is committed to conducting marketing and occupancy outreach for 2205 Mission in accordance with all applicable fair housing laws. Below is the current planned list of applicable preferences for the Project:

MOHCD Preference	Applicant Category
1	Certificate of Preference (COP) Holders
2	Displaced Tenants Housing Preference (DTHP) Certificate Holders (20% of the total lottery units; 9 units total)
3	Neighborhood Resident Housing Preference (NRHP) (40% of the total lottery units; 18 units total)
4	Live/Work in San Francisco
5	All Others

In collaboration with MOHCD, MEDA will develop a marketing plan to ensure that SFUSD and SFCCD educators and other SFUSD and SFCCD employees are aware of this homeownership opportunity. Additionally, MOHCD will prioritize applicants that have already received an award from HCD’s CalHome program in support of homeownership project development. See Section 9.2, Recommended Loan Conditions.

4.12 Relocation. N/A – This Project is new construction.

4.13 Homeowner Association Property Management MEDA has identified EPIC REA, Inc. (EPIC) who will provide Homeowners Association (HOA) management services according to federal, state, and local regulations. EPIC currently manages MEDA’s small site portfolio. The final contract with the provider is to be established by the future HOA. MEDA has an MOU pending for signature with EPIC. The final contract with EPIC will be established upon construction closing and prior to the submission of the Marketing Plan.

**5 DEVELOPMENT TEAM**

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	Gelfand Partners Architects	Y	N
Landscape Architect	Gelfand Partners Architects	Y	N

JV/other Architect	N/A	N/A	N/A
General Contractor	Guzman Construction Group and Marinship Development Inc.	Y	N
Owner’s Rep/Construction Manager	Armando Vasquez	Y	N
Financial Consultant	Jason Vargas, Creative Development Partners LLC	Y	N
Legal	Goldfarb Lipman, Sheppard-Mullin	N	N
Property Manager	EPIC	Y	Y (See below)
Services Provider	MEDA’s Housing Opportunities Program	N	N

5.1. Procurement Plan. In December 2022, prior to starting the bidding process, the Sponsor reached out to the Office of Contract Management Division (CMD) to ensure they were doing their due diligence to begin the bidding process. Since the project was not supported by MOHCD at that time, CMD informed the Sponsor that procurements could not be posted on the website, nor did CMD provide a procurement goal. As a result, the General Contractor and Sponsor assumed a subcontractor procurement goal of at least 25% for San Francisco Small Business Enterprises and/or Local Business Enterprises. In a good faith effort, the General Contractors issued a bid for Mechanical, Electrical and Plumbing (MEP) and subcontractors that aligned with the Project’s goals and values. The bidding period for construction subcontractors ended on Aug 10, 2023. They carefully reviewed the certification status for 95% of the subcontractors and determined that 24% of the subconsultants are SBE/LBEs.

The Sponsor shared the status of the bidding and SBE/LBE goals with the CMD team on November 2, 2023. The Sponsor’s SBE goal for construction contracts of 25% received approval from CMD.

There are some aspects of the procurement that the project team is still finalizing such as Special Inspections & Testing, Cathodic Protection, and EBM/OSHA. The team is confident that these positions will be filled prior to the start of construction.

Lastly, the Project team also connected with OEWD’s City Build program which is aware of the Project timeline and confirmed that Guzman/Marinship are both experienced in collaborating with local trade professionals through City Build. This program also has hyper-local sourcing options from particular zip code areas. MEDA’s goal is to leverage this expertise to provide opportunities for Mission District workforce in this Project.

5.2. Opportunities for BIPOC-Led Organizations. The Sponsor is prioritizing opportunities for growth of smaller and Black, Brown, Indigenous and other people of color, (BIPOC)-led organizations in development roles or as members of the development team. The Project team has demonstrated this commitment through the selection of the Guzman Marinship Joint Venture; both groups are BIPOC owned. The Project team has selected Armando Vasquez as Owner’s Representative. Vasquez is a BIPOC professional in addition to being a SBE. Further, the Project team has been working with a BIPOC financial consultant,

Jason Vargas from Creative Development Partners LLC. The Sponsor is committed to continuing efforts to support and uplift growth of smaller and Black-, Indigenous-, and POC-led organizations within MEDA developments.

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

6.1 Prior MOHCD/OCII Funding: None.

6.2 Disbursement Status. NA

6.3 Fulfillment of Loan Conditions. There are no outstanding loans at this time connected to the project.

6.4 Proposed Predevelopment Financing

6.4.1 Predevelopment Sources Evaluation Narrative:

There were 4 sources of predevelopment originally.

Source	Loan Amount	Term	Interest/Fees	To be paid by MOHCD
LIIF Acquisition	\$5.65M	8.08%/36 months. Due 3/10/2024	\$334,138	YES
LIIF Predev	\$750K	Due 3/10/2024	\$10,300	YES
Neighborworks	\$1.5M	5.15%/per annum compounded monthly.  Matures at closing of construction financing and 10/01/2024		NO
MEDA	\$4.8M	0% loan		NO

With this request, MOHCD will take out only the LIIF acquisition and predevelopment loans, totaling \$6,485,294. The MEDA loan will stay in a permanent source. The Neighborworks loan will be taken out with Sales Proceeds.

6.4.2 Predevelopment Uses Evaluation:

The \$13,056,599 in predevelopment costs – including the \$760,300 LIIF predevelopment loan and the new \$261,144 MOHCD predevelopment loan – include eligible expenses for the design team, owner’s/construction rep, consult with real estate attorneys, work with the financial consultant, conduct community engagement meetings, and interest and fees. These fees have been paid by LIIF previously. The new \$261,144 in MOHCD predevelopment funds will be available for items accrued after the MOHCD Award Letter issued .

<b>Predevelopment Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Acquisition Cost is based on appraisal	Y	Acquisition Cost is \$94,413/unit based on preliminary unit mix estimate
Holding costs are reasonable	Y	\$183,109 for the period 12/6/2021 through 3/1/2024 includes expenses for security monitoring, insurance, and loan interest.
Architecture and Engineering Fees are within standards	Y	Total Predev Architectural and Engineering fees are \$2,048,762+\$758,020, which is within Underwriting Guidelines
Consultant and legal fees are reasonable	Y	NMTC Consultant \$190,000 and HOA Consultant/Legal \$35,563
Entitlement fees are accurately estimated	Y	\$429,562 for entitlement/permit fees is reasonable for the Project.
Construction Management Fees are within standards	Y	The construction management fee of \$83,520 is within the maximum allowable (18 months for construction plus 1 month for demolition).
Developer Fee is within standards	N/A	MEDA is not requesting a Developer Fee during predevelopment and has not been paid from any of the other sources
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 9.4%

6.5. Potential Proposed Permanent Financing. This request is for the takeout of acquisition and predevelopment funding, and for new predevelopment funding. The information presented here for permanent financing being presented to demonstrate the Project’s overall feasibility but is not intended to be presented for approval at this time. Sponsor will return to Loan Committee for gap loan approval once Project is fully funded. A gap of \$118,447 is still unfunded.

6.5.1. Permanent Sources Evaluation Narrative: The Sponsor proposes to use the following sources to permanently finance the Project:

- MOHCD Gap Loan (\$12,000,000): The current budget assumes a MOHCD subsidy of \$12,000,000 or \$266,666 per the 45 MOHCD-eligible units and represents approximately 18% of total development costs. The MOHCD subsidy, which will be used for acquisition, predevelopment, and construction costs, will be structured as a loan with 3% interest which will be forgivable upon the completion of sales of all the units and MOHCD’s issuance of a certificate of completion.

- Sales Proceeds (\$34,375,572): Although the Sponsor assumed maximum sales prices, these prices have been recalculated per MOHCD BMR guidelines with affordability at 10% below targeted AMI based on the unadjusted 2023 AMIs published by MOHCD and applying the maximum 33% housing costs to income. The assumed mortgage interest rate of approximately 6% represents the ten-year rolling average for a 30-year fixed rate mortgage at the time of the attached proforma. If interest rates increase significantly, this will decrease future buyers' purchasing power.
- CalHome (\$3,107,750): The Sponsor was awarded \$3.1M of CalHome Mortgage Assistance funding for this Project. These CalHome funds can be used for predevelopment activities or permanent mortgage down payment assistance subsidy and are structured as a 0% loan.
- NMTC (\$6,600,000): NMTC funding applications have been submitted to PNC Bank, SFCIF, and LaRaza. A final financial plan ("FFP") as required for NMTC is being developed by the Sponsor. See more details below at Section 6.5.2.
- MEDA contribution (\$4,800,000): This source represents MEDA's equity contribution to close the funding gap and will not be taken out by MOHCD at closing. MEDA's subsidy will be used during predevelopment and construction and will be structured as a 0% loan.
- AHP (\$2,000,000): The Sponsor submitted an AHP application in March 2023 but did not receive an award, however during a post application meeting with the FHLB, the Project received feedback that will make the Project competitive for the 2024 AHP round. The \$2M shown in the budget is higher than what Staff believes the Sponsor will be competitive for the program. The Sponsor will provide a competitive analysis to MOHCD within one month of the 2024 application due date to validate this number. The amount shown here may need to decrease based on competitiveness, which will raise the project gap.
- Construction Loan (\$24,896,711): The Sponsor has not secured a construction lender at this time. Rates and term are to be determined. Sponsor will return at gap with final numbers.

6.5.2 New Market Tax Credits: 2205 Mission is applying for \$28M in capital allocation from the participating Community Development Entities (CDE) which will generate an estimated \$6.6M in equity investment. There are applications out to several CDE's totaling over \$40M in asks; the Sponsor will likely need at least three allocations from various CDE's to meet the \$40M need. NMTC's do not have a self-scoring process, however, the Sponsor is confident that they will be able to secure the remaining allocation, per the criteria below:



- i. Casa Adelante 2205 Mission is located in a qualifying census tract for the purposes of NMTCs
- ii. The community benefits package is on par with previous years' awardees and the priorities of the procured CDEs
- iii. The Project GMP was submitted in Mid-October of 2023
- iv. The building permits are under review.
- v. The table below shows the SFCIF priority criteria for Projects that demonstrate the following community benefits:

Job Creation/Retention:	<p>Casa Adelante 2205 Mission will create approximately 80 temporary construction jobs.</p> <p>Through the activation of ~2,300 sqft of commercial space, three small, incubator businesses will be co-sharing the space, each with approximately 3 employees for a total of 9 full-time jobs. Moreover, the operations of a shared commercial kitchen will create an additional full-time operations position for an approximate total of 10 full-time jobs.</p>
Quality Jobs:	All temporary and permanent jobs provide living wages and/or employment benefits based on OEWD's and SFCIF's standards.
Accessible Jobs:	At least 60% of all temporary jobs and 60% of all permanent jobs will be accessible to, and ultimately filled by, Targeted Job Seekers (as defined below). Guzman/Marinship and the Project team have connected with OEWD's City Build program and will be leveraging hyper-local and local hiring workforce.
Flexible Lease Rates:	Space is provided to locally owned businesses, Minority-owned businesses, Minority-controlled businesses and/or nonprofit businesses at lease rates that are at least 50% below market as evidenced by an appraisal or similar market report. Like other MEDA commercial spaces, the small businesses co-located at 2205 Mission will have flexible rates and technical and financial assistance from MEDA's business development program, Fondo Adelante.
Community Good or Services:	Below Market rate ownership opportunities for SFUSD and SFCCD which helps stabilize the school community and the education outcomes of San Francisco students. This underutilized corner will be activated through the establishment of small community serving businesses. This Project is located in a transit-rich area, with a high concentration of schools. This Project will benefit residents and the surrounding Mission Commercial corridor community.
Community Accountability and Involvement:	MEDA has demonstrated a high level of community involvement in the community outreach process, educator involvement and plans on hiring locally to benefit the local workforce.
Catalytic:	Attract and quantify additional private investment in highly distressed areas surrounding the Project. The Project team is leveraging a combination of State and local funding in addition to private debt in order to make this Project possible. MEDA has also invested its own equity into this deal, in alignment with its commitment to wealth-creation and the success of Mission schools and the next generation of children in San Francisco.



		Commercial Dev fee: \$275,000 Deferred Total fee: \$2,475,000
Entitlement fees are accurately estimated	Y	\$429,562
Construction Loan interest is appropriately sized	Y	\$2,172,112 at 7.25% interest. Sponsor exploring loans with lower interest rates.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 9.4%
Capitalized Operating Reserves are a minimum of 3 months	N/A	Budget includes capitalized HOA reserves of \$100K to cover HOA fees that need to be paid until all units sold.
Capitalized Replacement Reserves are a minimum of \$1,000 per unit (Rehab only)	N/A	N/A in a homeownership project

6.5.6 Developer Fee Evaluation: As the Project is an affordable for-sale development and therefore not tax credit eligible, the tax credit developer fee guideline does not apply here. However, MOHCD’s Developer Fee Policy included as an attachment to the 2023 NOFA is applicable as follows:

- Consistent with MOHCD’s developer fee policy for affordable projects (updated October 16, 2020) receiving soft loans from the City, the homeownership developer fee will be subject to the same guidelines as a rental project funded by MOHCD, which is \$2.2M for the residential units.
- The Sponsor requested \$3,500,000 deferred developer fee, which is approximately \$1M above MOHCD’s maximum allowable fee. At this time, the total qualifying developer fee for this Project based on MOHCDs developer fee policy shall be \$2,475,000, including a \$2,200,000 Base Fee plus \$275,000 for a commercial space developer fee. The Sponsor and MOHCD will evaluate the opportunity for increasing the Sponsor’s developer fee before returning to for gap approval.

**7. PROJECT MARKETING AND OPERATIONS (See Attachment M for Unit Sales Analysis)**

7.1. Marketing Plan & Sales Schedule

The Sponsor will comply with MOHCD’s Homeownership Procedures Manual for marketing and selling the units. In addition, the Sponsor plans to offer hands on support to Certificate of Preference Holders as well as provide hands-on support for other Occupancy Preference groups. They plan to host regular information sessions and make presentations at neighborhood schools, SFUSD and SFCCD staff meetings and union events in order to encourage potential buyers to start working with homeownership readiness agencies. Several months prior to the lottery, Sponsor will work with potential buyers to get them ready for applications and explain the DAHLIA system and the lottery to achieve a goal of

at least 400 lottery participants. Post lottery, the sales, buyer interface, counseling and move in team will work with lottery winners to guide them through the purchase, closing and move-in process.

#### 7.2. Marketing and Sales Budget

The marketing and sales budget has not been provided by the Sponsor at this time. As a condition to this loan, Sponsor submit to MOHCD staff for review and approval of the marketing and sales budget to be certain that it accurately reflects the costs associated with the task, and will include the costs for a 3<sup>rd</sup> party broker to assist in the sales

#### 7.3. Sales Schedule

Unit sales will commence 6 months before construction completion with a lottery. The results of the lottery will also create a substantial applicant list to replace buyers who are unable to complete the application process. The Sponsor will create a unit sales closings and occupancy plan that anticipates a fixed number of units closing in the first month after completion and continue at 7 units per month over the following 17 months, and 1 unit in the 18-month. (This schedule is supported by a recently completed market study for this project and anticipates absorption of 10 units/month on average.) As stated earlier, MOHCD anticipates 4-5-unit closings/month for an approximate 30-month sales period. The Sponsor and MOHCD staff will work together to create an agreed upon unit sales closings and occupancy schedule as stated in Section 9.2., Recommended Conditions.

#### 7.4. Homeowners Association, Fees, and Reserves.

The Sponsor will set up a Homeowners Association (HOA) for the development with MOHCD's review and approval. Sponsor will control the Board of Directors until 50% of the units are sold at which time, control is transferred to the homeowners via their elected Board members. The HOA will be responsible for the operation and management of the property, including the common areas of the property, typically carried out through a property management agent.

The HOA must adopt a budget in accordance with California Civil Code. This budget must be submitted to the State of California Department of Real Estate prior to construction and/or completion.

The selected property manager will work with the developer and MOHCD to confirm the appropriateness of the budget, reserves, and HOA fees (HOA fees will be based on a market study).

At this time a detailed operations budget has not been provided by the Sponsor, this will be provided and approved by MOHCD before gap.

#### 7.5. Parking. No parking is being provided as part of the Project.

#### 7.6. Capital Needs Assessment and Replacement Reserves Analysis. N/A

7.7. Project Restrictions for All Sources. MOHCD will restrict each of the 45 MOHCD-funded condominiums, for the life of the project, to households at or below 120% MOHCD AMI. A Declaration of Restrictions will be recorded in first position on the entire parcel during construction and then on each of the 45 parcels once sold to homebuyers.

MOHCD will also require MEDA to submit a Marketing Plan to MOHCD BMR Team which documents how MEDA will qualify homebuyers under the MOHCD BMR homeownership program, CalHome program, and NMTC program.

7.8. Proposed Unit Mix and Affordability.

The 63 total units include 27 two-bedroom (43%), and 18 three-bedroom (23%) condominiums. The unit mix and affordability levels were established based on MOHCD’s Area Median Income Table established for this development to ensure the units will be affordable, as shown below:

Unit Size	No. of Units	Net Sq. Ft.	% Median Income for Pricing	% Median Income for Qualifying
2BR	25	~ 715 sq ft	70% of Median Income	80% of Median Income
2BR	11	~ 715 sq ft	110% of Median Income	120% of Median Income
2BR	10	~ 715 sq ft	130% of Median Income	130% of Median Income
3BR	6	~ 920 sq ft	70% of Median Income	80% of Median Income
3BR	3	~ 920 sq ft	95% of Median Income	105% of Median Income
3BR	7	~ 920 sq ft	130% of Median Income	130% of Median Income
3BR-FCC Unit	1	~ 990 sq ft	No Income Restriction	No Income Restrictions
<b>TOTAL</b>	63			

For this Project, units will be affordable to households at four income tiers: 80%, 90%, 100%, and 110% of AMI, and average 95% AMI overall. In order to create bands of affordability for these income tiers, the units will be priced at 75%, 85%, 95%, and 105% of AMI respectively which shall be set at 10% less than the target AMI. Units for this Project will have average sales prices affordable to households earning 90% AMI.

**8. RESOURCES**

8.1. Housing Opportunities Program. MEDA’s Housing Opportunity Program (HOP) offers the following services to aid the community purchase a home: Pre-

Purchase Counseling, Post Purchase Counseling as well workshops revolving around both of these topics. The workshops and counseling sessions cover financial capability, how to apply for the BMR program, and much more. These services are provided by HUD-Certified Counselors with certifications for Foreclosure Prevention. MEDA currently has 4 counselors on the team with additional personnel responsible for answering questions and making sure they meet the prerequisites for FTHB programs. Every member can help clients in English and Spanish helping in working with the Hispanic/immigrant communities. Due to DALP programs there has been an emphasis on working with Educators and First Responders. The aim of these services is to enable homeownership by providing financial literacy and goal setting. Since the client is one ultimately making the decisions, it is the role of the counselor to provide guidance and resources to help them. The counselor works with the client side by side through this and ensures they have the documents necessary to purchase in the end. Due to being bilingual, we can help clients overcome language barriers as well.

Once a client has purchased their home, the services provided by the counselor change in order to support them through the post-purchase phase. Counselors work with clients during this phase because the focus is now on adjusting to their new budget and maintaining their home and mortgage. This is done through individual counseling sessions or by attending post purchase workshops.

MEDA’s HOP aims to remove access barriers to all by offering these services in English and Spanish in addition to offering services and counseling through every step of the way in the lifecycle of a homebuyer. Since 2004, MEDA’s HOP has counseled 1000s of potential homebuyers and have helped 100s of clients to become homeowners.

**8.2. Homebuying Services Staff.**

<b>Title</b>	<b>Funding Source</b>	<b>FTE</b>
HUD Certified Housing Counselor	MOHCD/CalHFA	2.0 FTE
Promotoras or Outreach Contractor	MOHCD/CalHFA	As needed
Technology, Printing, Office	MOHCD/CalHFA	
Client Meal Expenses	MOHCD/CalHFA	During workshops
Training	MOHCD/CalHFA	
Admin, Finance, Director	MOHCD/CalHFA	
<b>Total FTEs</b>	<b>2.0 FTEs</b>	

## 9. STAFF RECOMMENDATIONS

### 9.1 Proposed Loan Terms.

<b>Financial Description of Proposed Loans (Acquisition and Predevelopment)</b>	
Loan Amount:	\$6,746,438
Loan Term:	The term will begin on the date of execution of the loan and end at either (1) the close of construction financing for the Project or, (2) the date that the Sponsor and MOHCD execute a construction/permanent loan agreement that incorporates the predevelopment and permanent loan amounts. The predevelopment loan will be folded into the permanent loan which will be forgivable upon completion of the sale of all units in compliance with MOHCD terms.
Loan Maturity Date:	3 years from date of execution of the agreement.
Loan Repayment Type:	Forgivable upon sale of all units.
Loan Interest Rate:	0%

<b>Financial Description of Proposed Gap Funding</b>	
Loan Amount:	\$12,000,000, inclusive of the predevelopment loan
Loan Term:	3 years from date of execution of the gap agreement.
Loan Maturity Date:	Upon issuance of the Project Certificate of Completion.
Loan Repayment Type:	Forgivable upon sale of all units.
Loan Interest Rate:	0%

### 9.2 Recommended Loan Conditions

#### 9.2.1 Prior to Final Gap

1. Sponsor must provide MOHCD with detailed monthly updates via the MOH Monthly Project Update, including on:
  - A. Community outreach completed, and;
  - B. Market Analysis Scope completed.
  - C. Educator Housing Policy Guidelines completed.
2. Sponsor must work with MOHCD staff and Project's General Contractor to Value Engineer construction budget with the goal of reducing construction costs to \$600 PSF inclusive of contractor contingency, bid contingency and escalation to start of construction.

3. Sponsor must provide Commercial Space Plan and Commercial Development Budget to MOHCD no less than 90 days prior to Loan Committee date for gap loan.
4. Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the Project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.
5. Sponsor must provide quarterly updated response to any letters requesting corrective action.
6. Sponsor will work with MOHCD BMR staff to determine the appropriate staffing and budget for marketing and sales contract services, as well as MOHCD staffing/services.
7. Sponsor will provide drafts of the RFQ/P for a construction lender for MOHCD review and approval prior to soliciting bids for the same. MOHCD will review the RFQ/P for indemnification language.
8. Sponsor must provide development budgets (including contractor budgets) that meet MOHCD underwriting guidelines.
9. Sponsor will obtain cost estimates from the selected contractor and will work with their architectural team to ensure that the site's development costs are managed to MOHCD's approval. Furthermore, Sponsor shall cooperate with the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs.
10. Sponsor will commission, with MOHCD review and approval of the scope of work, a market study for this Project and will adjust the assumed absorption rate and sales period as appropriate. The market study firm will be directed to provide drafts of the marketing study simultaneously to the Sponsor and MOHCD for review and finalization.
11. Sponsor will solicit, with MOHCD review and approval of the scope of work, a marketing & sales team, that may include non-commercial brokers, for MOHCD review and approval prior to soliciting bids.
12. Sponsor will provide all responses to the RFQ/P for a marketing & sales team for MOHCD review and approval prior to selection.
13. Sponsor will work with MOHCD staff to review the marketing & sales budget, including the sales fee assumptions, and will adjust, as appropriate, based on data from the market study and marketing & sales team bids.



14. Sponsor will provide drafts of the RFQ/P for a HOA budgeting and reserve consultant(s) for MOHCD review and approval prior to soliciting bids for the same.
15. Sponsor will work with MOHCD staff to review HOA fees and reserve assumptions and will adjust, as appropriate, based on data from existing affordable homeownership housing sites.
16. The Sponsor will collaborate with community partners and stakeholders to develop a comprehensive pre-marketing plan and strategy to inform SFUSD and SFCCD employees of the educator homeownership opportunity. The framework for this plan will be due to MOHCD for approval before Gap approval is submitted to Loan Committee.
17. The Sponsor must implement an interim use plan for the site that outlines contingencies for any anticipated construction start delays of more than one year that includes:
  - Retention, where possible, of existing active uses.
  - Active site management to prevent unsafe conditions.
  - Any proposed interim uses that will activate the site. Note that costs to sustain any interim uses are not eligible uses for funding, as referenced in the NOFA award letter.

#### 9.2.2 Post Closing

18. Sponsor must provide signed LOI/s from commercial tenant prior to TCO Sponsor will submit to MOHCD for review and approval all the organizational documents (including, Covenants, Conditions and Restrictions, a Tentative Map, and a Reciprocal Easement Agreement, etc) required for issuance of a Final Public Report by the California Bureau of Real Estate (BRE).
19. Sponsor will work with MOHCD to proactively identify and assess possible additional support for BMR homeowners, given it is a 100% affordable development, including targeting excess revenues to a fund to assist with escalating HOA costs and special assessments and post-purchase education about HOA management, expected repairs and maintenance and legitimate construction defaults.

## 9. LOAN COMMITTEE MODIFICATIONS

### LOAN COMMITTEE RECOMMENDATION

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

Date: \_\_\_\_\_

\_\_\_\_\_  
Daniel Adams, Director  
Mayor's Office of Housing

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

Date: \_\_\_\_\_

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

Date: \_\_\_\_\_

\_\_\_\_\_  
Sally Oerth, Acting Executive Director  
Office of Community Investment and Infrastructure

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

Date: \_\_\_\_\_

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

APPROVE.       DISAPPROVE.       TAKE NO ACTION.

- Attachments:
- A. Project Milestones/Schedule
  - B. Borrower Org Chart
  - C. Developer Resumes
  - D. Asset Management Analysis of Sponsor
  - E. Threshold Eligibility Requirements and Ranking Criteria
  - F. Site Map with amenities
  - G. Elevations and Floor Plans, if available
  - H. Comparison of City Investment in Other Housing Developments
  - I. Predevelopment Sources and Uses
  - J. Permanent Sources and Uses
  - K. 1<sup>st</sup> Year Operating Budget
  - L. 20-Year Operating Cashflow Budget
  - M. Unit Sales Analysis

## REQUEST FOR ACQUISITION AND PREDEVELOPMENT FINANCING FOR CASA ADELANTE 2205 MISSION

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

Fri 3/8/2024 4:47 PM

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

Dear Vanessa,

I approve the above captioned funding request that was reviewed at MOHCD Loan Committee on February 16, 2024.

Thank you,  
Lydia

-

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

## CASA Adelante

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

Mon 2/26/2024 1:30 PM

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

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

I support the Mission Economic Development Agency (MEDA) request of \$5.72M acquisition and \$1.02M predevelopment loans in the total amount of \$6,746,438 for the development of 63 new affordable homeownership units located at 2205 Mission Street.

Best,

salvador



Salvador Menjivar  
Director of Housing  
*Pronouns: He/Him*

San Francisco Department of Homelessness and Supportive Housing  
[salvador.menjivar1@sfgov.org](mailto:salvador.menjivar1@sfgov.org) | 415-308-2843

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

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## Request for Acquisition and Predevelopment Financing for Casa

Slutzkin, Marc (CII) <marc.slutzkin@sfgov.org>

Fri 2/16/2024 12:14 PM

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

Cc: Adams, Dan (MYR) <Dan.Adams@sfgov.org>; Ely, Lydia (MYR) <lydia.ely@sfgov.org>; Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>; Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>

Hi Vanessa,

I approve the above request on behalf of OCII.

Thanks

Marc



**Marc Slutzkin**  
**Deputy Director**

---

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

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

## REQUEST FOR ACQUISITION AND PREDEVELOPMENT FINANCING FOR CASA ADELANTE 2205 MISSION

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

Fri 2/16/2024 12:41 PM

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

Cc: Adams, Dan (MYR) <Dan.Adams@sfgov.org>

Approve

### **Bridget Katz**

*Deputy Director*, Office of Public Finance

Controller's Office | City & County of San Francisco

Office Phone: (415) 554-6240

Cell Phone: (858) 442-7059

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

**Attachment A: Project Milestones and Schedule**

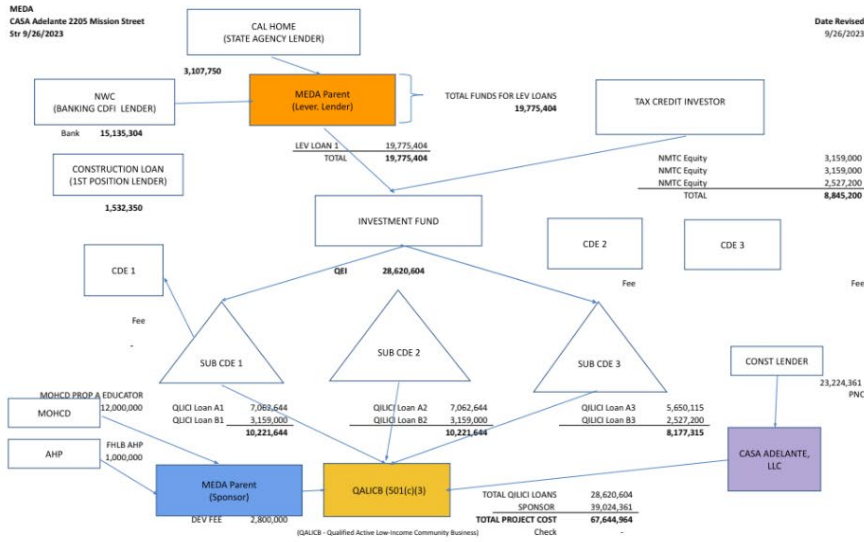
No.	Performance Milestone	Estimated or Actual Date	Notes
1.	Prop I Noticing (if applicable)	N/A	
2.	Acquisition/Predev Financing Commitment	2/16/2024	
a.	Acquisition/Predev Loans	10/05/2022	<u>\$5,562,000 Acquisition Loan from LIIF, matures 03/01/2024; \$750,000 Predev Loan from LIIF; matures 03/01/2024; and \$1,500,000 Loan from NWC, matures 10/01/2024.</u>
b.	Acquisition/Predev Takeout Loan	3/10/2024	MOHCD takeout LIIF loan
3.	Site Acquisition	08/01/2017	
4.	Development Team Selection	<u>N/A</u>	
a.	Architect	12/17/2017	
b.	General Contractor	<u>06/2018</u>	
c.	Owner's Representative	05/11/2023	
d.	Homeowner's Association/Property Manager	TBD	
e.	Service Provider	Q1 2024 & Ongoing post-purchase	MEDA to begin homebuyer certification services in Q1 2024 through Q2 2025. Then will provide post-purchase support through the life of the Project
5.	Design		
a.	Submittal of Schematic Design & Cost Estimate	5/14/2023	Expedited schedule for concrete design
b.	Submittal of Design Development & Cost Estimate	6/30/2023	
c.	Submittal of 50% CD Set & Cost Estimate	7/30/2023	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	9/30/2023	
6.	Commercial Space		
a.	Commercial Space Plan Submission	TBD	
b.	LOI/s Executed	TBD	<u>90 days prior to gap funding.</u>
7.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	08/09/2020	
b.	CEQA Environ Review Submission	12/01/2020	

c.	NEPA Environ Review Submission	N/A	
d.	CUP/PUD/Variances Submission	N/A	
8.	PUC/PG&E		
a.	Temp Power Application Submission	05/20/2023	Contract Date
b.	Perm Power Application Submission	05/05/2023	Contract Date
9.	Permits		
a.	Building / Site Permit Application Submitted	05/15/2023	
b.	Addendum #1 Submission	10/05/2023	
c.	Addendum #2 Submission	10/05/2023	
	Addendum #3 Submission	11/1/2023	
	Addendum 4-6 Submission	11/15/23 - 02/20/23	After Addendum 4- Permit Fees are due (Subject to Construction closing
d.	Demo (Tied to MOHCD Closing)	6/2024	
10.	Request for Bids Issued	07/10/2023	
11.	Service Plan Submission	TBD	
a.	Preliminary		
b.	Final		
12.	Additional City Financing		
a.	Preliminary Gap Financing Application	<u>N/A</u>	
b.	Gap Financing Application	<u>TBD</u>	
13.	Other Financing		
a.	HCD Application	12/14/2021	For CalHome Award – Disbursement upon construction loan closing ~Q1-2024
b.	Construction Financing RFP		
c.	AHP Application	03/04/2024	<u>Applied 2023. Reapplying 3/5/2024.</u>
d.	CDLAC Application	<u>N/A</u>	
e.	TCAC Application	<u>N/A</u>	
f.	NMTC Applications	<u>11/30/2019-</u> <u>Present</u>	<u>PNC and SFCIF</u>



g.	Additional NMTC Applications	<u>12/2023- Ongoing</u>	<u>Additional NMTC commitments pending contingent upon gap closing</u>
14.	Closing	<u>Q2/2024</u>	<u>contingent upon closing gap</u>
a.	Construction Loan Closing	05/2024	<u>contingent upon gap closing</u>
b.	Conversion of Construction Loan to Permanent Financing	N/A	
15.	Construction	<u>Q2 2024</u>	<u>*Assumes an 18 month construction timeline + 1 month for demo</u>
a.	Notice to Proceed	Q2/2024	<u>Demo permit signature pending All other permits under review and on track for approval based on Q2/2024 construction start</u>
b.	Temporary Certificate of Occupancy (TCO)/Cert of Substantial Completion	10/01/2025	
16.	Marketing/Rent-up	Q22025	
a.	Marketing Plan Submission	Q4/2024	<u>12 mos. Before TCO</u>
b.	Commence Marketing	Q2 2025	
c.	95% Occupancy	Q2 2026	
17.	Close Out MOH/OCII Loan(s)	TBD	

### Attachment B: Borrower Org Chart



ENTITY DESCRIPTIONS

- CASA ADELANTE HOUSING, LLC**
  - Purpose: To act as holder of property
  - Current Use: Title Holder of Property
  - New Use: To be dissolved once 2205 is transferred to new 501cs
  - Action: -
- New 501(c)(3) (to be formed)**
  - Purpose: QALICB - Qualified Active Low-Income Community Bu
  - Future Use: 1. Will own title to the property 2205
  - 2. Borrower
    - a. All CDE loans
    - b. All loans from MEDA Sponsor
    - c. Loan from the construction Lender
  - 3. Seller Entity
  - Action: -
- MEDA Parent Leverage Lender**
  - Purpose: To act as leveraged lender
  - 1. Borrower
    - a. Loan from CAL Home
    - b. Loan from CDFI Lender
    - c. Loan for Commercial Property
  - 2. Lender
    - a. Lend funds to IF in NMTC structure
  - Action: -
- MEDA Parent Sponsor**
  - Purpose: To act as sponsor lender
  - 1. Borrower
    - a. Loan from MOHCD
    - b. Loan from AHP
  - 2. Lender
    - a. make loan to QALICB
  - Action: -

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

### **Laura Daza-Garcia, Project Manager**

Laura E. Daza-Garcia is transitioning into leading affordable new construction rental and homeownership developments, having supported both rehabilitation and construction Projects while at the Community Corporation of Santa Monica. She comes with over 6 years in tenant counseling and advocacy for several housing non-profit organizations in San Francisco, including the Mission District. Laura has a Master's in Urban and Regional Planning program from UCLA with a concentration in housing.

### **Victoria Vera, Project Assistant**

Victoria is in her early career of affordable housing, having completed the Bay Area Affordable Housing Intern Program (BAHIP) focusing on affordable homeownership while at Mission Economic Development Agency. She has also been a Fellow in the Coro Fellowship in Public Affairs where she was able to work within various sectors that include labor, governmental offices, and nonprofit. Victoria graduated from UC Berkeley with a degree in Political Science.

### **Jason Vargas (Consultant in Senior Project Manager capacity)**

Jason is a real estate professional with over 20 years of experience and over this time has developed over \$1.5B of affordable housing, community serving retail, office, homeownership and master planned mixed use developments. Currently serving as a consultant to MEDA, Jason brings a wealth of experience in sourcing, financing, constructing and selling for sale homeownership Projects from Washington, DC to California. Jason also brings expertise in NMTCs as he started EBALDC's NMTC consulting practice and formerly worked in Reznick's Real Estate Consulting Group. Jason holds a Master of Real Estate Development from the University of Maryland, Bachelor's of Science from the University of Maryland and is a LEED Accredited Professional.

### **Karoleen Feng, Director of Community Real Estate**

Karoleen provides strategic direction and community real estate development expertise in areas of Project formation, finance, Project lifecycle (acquisition-construction through operations) and asset management. This includes both guiding the Project through construction start to completion as well as Project impact for the Mission neighborhood and target educator residents. She established MEDA's Community Real Estate program in 2014 to re-build community assets in the Mission district after a decade-long absence of affordable housing production in the neighborhood. As a woman of color, she jumpstarted MEDA's joint venture partnerships for the Mission-Castro RAD cluster of the SF Housing Authority public housing, new construction of 500+ apartments and preservation of dozens of small apartments off the private market. Prior to MEDA, she built affordable housing for over a decade – rental and for-sale, family and senior, mixed use developments and affordable commercial real estate at EBALDC, TNDC and LTSC. Karoleen has a Master's in City and Regional Planning from UC Berkeley.

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

As of April 2023, MEDA's asset management is currently a six-person team. The seasoned team brings close to 70 years of experience, with over 50 years in affordable housing.

The Asset Management team is under the Director (Karoleen Feng) and Deputy Director (Elaine Yee) of Community Real Estate and led by an Associate Director of Asset Management (Leslie Molina).

The Asset Management team consists of a Senior Asset Manager (Emmanuel Zuniga), Asset Manager of Small Sites Operations (Karina Parraga), Financial Asset Manager (Joe Yu), Asset Manager Leasing and Compliance (Brittany Burrows) and Affordable Housing Leasing Administrator (Luis Cruz).

### **Leslie Molina, Associate Director of Asset Management, MEDA (as of 10/25/21)**

Leslie is a California-licensed real estate professional with over twenty-seven years of experience in affordable housing, conventional market acquisition of residential, commercial, and investment properties. She has a demonstrated ability to achieve fiscal performance targets while managing and executing real estate strategies to meet organizational objectives. She brings her most recent experience at Tenderloin Neighborhood Development Corporation ("TNDC") overseeing over \$20 million in annual budgets along with the management of over 1000 residential units, commercial, and supervision of eighty (80+) indirect reports, and ten (10+) direct reports. Leslie holds multiple industry certifications and designations in affordable housing: Tax Credit Specialist, Certified Occupancy Specialist, Certified Manager of Housing, Certified Manager of Maintenance, Certified Financial Specialist, and California Certified Residential Manager (CCRM).

### **Emmanuel Zuniga, Sr. Asset Manager, MEDA**

Emmanuel brings over seventeen years of experience in Affordable Housing Property Management with different non-profit organizations including Mercy Housing, Chinatown Community Development Center ("CCDC") and TNDC. He has managed multi-family properties that include SRO, Family, Transition Age Youth (TAY) units, Seniors Housing etc. He holds the following industry certifications from the National Center for Housing Managers: Tax Credit Specialist, Certified Occupancy Specialist, Certified Manager of Housing, Certified Manager of Maintenance, and Certified Financial Specialist. He holds an industry designation as an Accredited Residential Manager from the Institute of Real Estate Management and an industry designation of a Registered Housing Manager from the National Center for Housing Managers.

### **Joe Yu, Financial Asset Manager, MEDA**

Joe offers over seven years of real estate experience in property management, asset management, Project management, and financial operations with Bascom, Atlas Property Group, SST Investments. Joe graduated with a B.A. in Economics from the University of California, Davis.

### **Karina Parraga, Asset Manager Small Sites Operations, MEDA**

Karina has over ten years of experience in property management serving San Francisco's most vulnerable population. She has a solid understanding of San Francisco's low-income housing programs; Tax Credit, RAD, and HUD. She is a certified Tax Credit Specialist.

### **Brittany Burrows, Leasing and Compliance Monitoring, MEDA**

Brittany has over 5 years of affordable housing property management from front desk through

general manager. With her leasing experience, she also is certified in Fair Housing and bring systems approach to her work.

**Luis Cruz, Affordable Housing Leasing Administrator, MEDA**

Luis has been working in office administration for two years. He has been in his current role supporting the Community Real Estate team since 2022.

**Number of Projects and avg. # of units/Project currently in sponsor’s asset management portfolio**

MEDA has three distinct property types in the portfolio:

1. Production: Tax credit
2. Preservation: Small sites (residential and commercial)
3. Commercial only

These Projects total 45 buildings/1,222 residential and commercial units.

	<b>Number of Projects</b>	<b>Number of Units</b>	<b>Average # of units/Project</b>
<b>Total</b>	45	1,222	26
<b>Production - tax-credit</b>	9	933 (residential only)	100
<b>Preservation- Small Sites</b>	<b>34</b>	*275 (residential +commercial only)	8.5
<b>Commercial Only</b>	2	14	7

\*The 275 preservation units include 30 commercial spaces.  
 Commercial spaces are counted as units, per “MOHCD Small Sites Program Guidelines”.

As of 2021, MEDA as owner is part asset manager of nine tax credit properties:

- RAD (5 buildings - Bridge Housing MGP)
- Casa Adelante – 462 Duboce (42 units)
- Casa Adelante – 25 Sanchez (90 units)
- Casa Adelante – 1855 15th/Mission Dolores (91 units)
- Casa Adelante – 3850 18th (107 units)
- Casa Adelante – 255 Woodside (109 units)
- Casa Adelante - 1296 Shotwell, 94 units (Chinatown CDC MGP)
- Casa Adelante - 2060 Folsom, 127 units (Chinatown CDC MGP)
- Casa Adelante - 2828 Folsom, 143 units (TNDC-lead)
- Casa Adelante - 681 Florida, 130 units (TNDC MGP)

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

Asset Management (AM) monitors the financial and physical health of MEDA's portfolio of properties.

AM staff currently oversees 45 Projects consisting of 1,222 affordable housing units while providing technical assistance ("TA") to partner agency San Francisco Housing Development Corporation ("SFHDC") on the asset management of two (2) additional sites.

MEDA closed on its first residential property with City financing in November 2015 and has submitted Annual Monitoring Reports (AMRs) to MOHCD's Asset Management team since 2017. Since 2019, MEDA has continuously expanded Asset Management staffing to increase capacity of the growing portfolio.

As of 2023, Asset Management has grown its staffing capacity to six and is focused on the core areas of 1) Asset management of tax credit properties and small sites operations 2) Leasing and compliance monitoring 3) CRE Finance/Accounting (as outlined below).

These staff are significantly funded by developer fee revenues from the acquisition and rehabilitation of the Small Sites Program (SSP). They are also funded by developer fees from new construction production Projects. The current staff will dedicate approximately 5% of their time to the Project while the Sr. Asset Manager will focus 10% of their time on the Project during the predevelopment and construction phase.

The AM Department is comprised of six full time employees (FTE's). Five FTE's are filled with the hiring of one FTE in process:

1. Associate Director of Asset Management (Filled)
2. Sr. Asset Manager (Filled)
3. Asset Manager Small Sites Operations (Filled)
4. Financial Asset Manager (Filled)
5. Asset Management Leasing and Compliance Monitoring (Filled)
6. Affordable Housing Leasing Admin (Filled)
7. Construction Project Manager (to be hired)

### **Accounting and Finance Capacity**

MEDA's asset management capacity also draws from its in-house accounting and finance team. The Community Real Estate ("CRE") Finance and Accounting team consists of three-person team dedicated exclusively to CRE that also leverages MEDA's full accounting department for centralized accounting functions (i.e., Grants Management, Payroll, Accounts Receivable, Accounts Payable). MEDA plans on adding two additional CRE accounting positions in third quarter of 2023 to support the Production work.

Every member of the CRE Finance and Accounting staff has a role in the Asset Management operations of the Project. Property accounting, audit response, and financial analysis will be performed monthly, quarterly and annual property accounting to audit response on each building and financial analysis. Every CRE Financing and Accounting staff dedicates 5-10% time to this Project. Key MEDA finance and accounting personnel anticipate dedicating 3-5% of their time to the Project, depending on the role and phase of development.

Currently, MEDA's Community Real Estate Accounting and Finance team consists of a Finance Director and three FTE's, with two positions dedicated to CRE anticipated to be hired:

1. Carlos Ramirez, Finance Director

2. Wilson Song, CRE Controller
3. Mico Reyes, CRE Sr. Real Estate Accountant
4. Raul Rossell, CRE Staff Accountant
5. CRE Sr. Accountant (to be hired)
6. CRE Staff Accountant (to be hired)

**Following is a synopsis of the scope and range of duties of MEDA's asset management team.**

Associate Director of Asset Management: Represents ownership with stakeholders and lender relationships. Oversees and safeguards the physical and financial health of MEDA's property portfolio. Together with Preservation and Production staff ensures the long-term sustainability of new acquisition/rehab and new construction Projects. Works closely with Asset Managers on financial analysis, risk management, insurance, budgets, leasing, compliance monitoring - MOHCD Annual Monitoring Report (AMR) and third-party property management oversight.

Sr. Asset Manager: Oversees the asset management of MEDA's nine tax credit properties consisting of 933 residential units and eight commercial units. Responsible for third-party commercial property management oversight, physical needs analysis, financial forecast, budget review, risk management, and compliance oversight.

Asset Manager Small Sites Operation: Oversight of SSP operations comprising 245 residential and 30 commercial units. Responsible for risk management, third-party property management and facilities oversight, physical needs assessment, and welfare tax exemption filings.

Financial Asset Manager: Reviews proforma, focuses on financial analysis, annual budgets, operational revenue and expenses, debt servicing, fee structure, internal audits, risk management, insurance, refinance, and AMR activities.

Asset Manager Leasing and Compliance Monitoring ("hiring in process"): Will focus on compliance and regulatory monitoring, internal controls, liaison to external partners, income certification oversight, marketing, and leasing.

Leasing and Admin: Responsible for tenant engagement, marketing and leasing of units as well as income certification throughout the small sites portfolio.

Construction Project Manager (to be hired): Responsible for capital needs assessment and managing capital improvements according to capital needs schedule.

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

Currently, every member of the CRE Finance and Accounting staff has a dedicated role in the operations of each Project from monthly, quarterly and annual property accounting (when transferred from third-party property management) to audit response on each building and financial analysis. Finance and accounting are also directly responsible for preconstruction through construction accounting for the Project as well as MEDA's new construction affordable homeownership Project, Casa Adelante 2205 Mission, due to start construction in 1st quarter of 2024.

The Development and Asset Management teams for this Project have been working with Sheppard Mullin in the drafting of the Covenants, Conditions and Restrictions (CC&Rs) for Casa

Adelante 2205 Mission. The CC&Rs are designed to protect, preserve the integrity, and enhance the property value in the community.

Lastly, once the building is in the operating phase the Asset Management Team will be directly involved in the monitoring and compliance of the CC&Rs, as well as the management of the commercial space lease-up and operations. MEDA's Asset Manager Director's role is to ensure the CC&Rs are a legally binding document, enforceable by the Homeowners Association (HOA).

### **Sponsor's budget for asset management team – shown as cost center for Projects in San Francisco**

MEDA currently budgets for asset management as a cost center. The annual 2023 budget for the asset management and dedicated financing/accounting staff are \$1.5 million including MEDA overhead. Of the \$1.5 million in annual expenses for Asset Management and CRE Finance/Accounting, approximately \$750,000 is supported by approved fees from the operations budgets of the buildings. Currently, the fees received from the portfolio for asset management and accounting are support five FTE of the ten FTE. Asset Management is a function that MEDA has incrementally grown with the growth of MEDA's portfolio, with the team staffing at a scale necessary to own the portfolio despite the fees. The negative net income has historically been supported by developer fees from small sites for acquiring up to eight buildings and completing the rehabilitation of six buildings and developer fees from new construction/production Projects. MEDA Projects the budget for asset management will continue to be supported by fees from Preservation and Production through 2025 or until such time as the Small Sites portfolio reaches scale (financially modelled at 500 units and 40 buildings) for fees to be commiserate with staffing.

### **Number of Projects expected to be in sponsor's AM portfolio in five years and, if applicable, plans to augment staffing to manage growing portfolio**

With respect to the number of Projects the sponsor expects to have in its asset management portfolio in five years,

- In the next 5 years, the expected tax credit Projects include:
  - Casa Adelante 1515 South Van Ness (70 units)
  - Casa Adelante 2205 Mission (63 affordable homeownership units)
  - Potrero Yard Bryant Street, Family Housing 1, Family Housing 2 (270+ units)
- MEDA forecasts an exponential growth from the Small Sites pipeline:
  - Approximately 60 units with up to 200 additional units (from a large Preservation portfolio acquisition) may be acquired in 2023.
  - Up to 60 units annually starting in 2024
- The current staffing is sufficient for the current portfolio. Increases in staffing will depend on the forecasted growth of the Small Sites pipeline.

In 2024, the team will add 1 FTE Asset manager dedicated to SSP commercial leasing and affordable for-sale monitoring, 1 FTE Finance Director for Community Real Estate. Subsequently, 1 FTE Asset manager and 1 FTE Finance accountant will be added for production/preservation for every 400 units that MEDA is managing GP/sole owner.



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

### IV. SELECTION PROCESS, MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS, SELECTION CRITERIA AND SCORING, AND SUBMITTAL REQUIREMENTS OVERVIEW

#### A. SELECTION PROCESS

MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements (see Section B below). If a submittal does not meet minimum experience and capacity requirements, the respondent may submit an appeal to MOHCD staff on technical grounds only.

A Selection Panel will be appointed by the Director of MOHCD composed of persons with expertise in the areas of development, affordable housing finance, affordable housing construction management, homeownership, community development, commercial space development, housing access/marketing, and public design/arts commission, as well as community representatives.

The Selection Panel will review all qualified responses (see Section C below) and may interview top-scoring applicants, at which time applicants will be asked to present and explain the major characteristics of their submittal, particularly as they relate to the Scoring Criteria, and respond to questions from the Selection Panel.

After interviews have been completed, the Selection Panel will determine the final ranking of all responses and present this ranking to the Director. The Selection Panel's scoring of each proposal will be done by consensus and will be final.

The Director will then select Project(s) for this funding pool and advise the Mayor of these selections. MOHCD and the selected applicants will enter into acquisition and predevelopment loan agreements with milestone requirements established in accordance with the terms of this NOFA. If MOHCD staff cannot enter into a loan agreement with a selected applicant that is in the best interest of the City, the MOHCD Director may terminate negotiations in his sole discretion. If the MOHCD Director terminates negotiations with a selected applicant, the MOHCD Director reserves the right, in his sole discretion, to (1) negotiate with the next highest ranked Respondent, or (2) reject any and all other proposals, in whole or in part, prior to award, and (3) may re-advertise the NOFA for the full or partial funding amount under such terms the MOHCD Director deems to be in the City's best interest. MOHCD reserves the right to appoint additional parties to the selected applicant team should it be determined that the team lacks representation necessary to the achievement of the goals of the NOFA.

#### B. MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS - RENTAL

Only applicants who meet all of the following criteria will be considered eligible for selection and funding for rental housing under this NOFA.

##### 1. Minimum Development Team Characteristics

The proposed applicant team must include the following.

- A nonprofit developer (or developers) with experience developing permanent affordable housing for low-income households or a for-profit developer working in partnership with

a nonprofit developer, of which one of the joint venture partners must have experience developing affordable housing (the “Developer”); the development team must have demonstrated experience conducting effective community outreach and engagement.

- A property owner entity with experience owning housing for low-income communities.
- A property management entity with experience managing housing for low-income families with Housing First principles.
- A community-based, service-providing entity with experience providing culturally competent, and trauma-informed, services appropriate for Educators and their families.

## 2. Minimum Development Team Experience

Minimum experience must be demonstrated by identifying specific Qualifying Projects in which team members have participated, as further described below. The proposed Development Team must submit Form E - Qualifying Project Form (Rental), to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.)

To demonstrate the minimum required development team experience, each team should submit one Project for each experience category. When appropriate, teams may submit the same Project as evidence of experience across multiple experience categories, or may use different Projects to demonstrate experience across categories. In all cases, no more than four (4) total Qualifying Projects should be submitted. Qualifying Projects will not be scored; they are used to determine if the proposed Development Team meets the minimum development team experience required to develop the Site.

For Developer and Owner, a Qualifying Project must have all of the following characteristics.

- The Project must be new construction (not a requirement for Minimum Service Provision Experience) in a construction type appropriate for the proposed site development (not a requirement for Minimum Property Manager and Service Provision Experience).
- The Project must be financed in part with Low-Income Housing Tax Credits.

## 3. Minimum Developer And Owner Capacity Requirements

**Minimum Developer Experience:** The proposed Developer must have completed within the past ten years at least one Qualifying Project. The definition of “completed” is having received Temporary Certificate of Occupancy by the date of the issuance of the NOFA. For joint-venture Development partners, the experience of either entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture Development partners must be submitted with the application.

Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive Project management services. Project management services should include financial packaging, selection of other consultants, selection of construction contractor and property management agent, oversight of architectural design, construction management, and consultation on major aspects of the

development process. The contract for development services must be submitted with the NOFA response and must be acceptable to MOHCD.

**Minimum Ownership Experience:** The proposed site owner must have owned at least one Qualifying Project for at least five (5) years prior to the submittal deadline of this NOFA. For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed “Owner”.

In addition, each proposed Owner must provide evidence of experience with owning housing financed with Low Income Housing Tax credits. This experience does not have to be on the same Project that satisfies the 5-year ownership requirement. If the Selected Developer entity is not the same entity as the proposed Owner, MOHCD reserves the right to require that certain members of the Selected Developer remain active in the ownership for whatever length of time MOHCD deems necessary to ensure operating and financial stability.

**Minimum Property Manager Experience:** The proposed property manager for the Project must have managed at least two Qualifying Projects, each for at least 36 months. In addition, the Property Manager must provide evidence of experience managing housing financed with Low Income Housing Tax credits and operating Projects with a Housing First approach. The Property Manager must demonstrate effective strategies for working with service providers to collaborate on housing stability of residents.

**Minimum Service Provision Requirements:** The proposed service provider(s) must have at least 36 months’ experience providing supportive services within a Qualifying Project, including case management and comprehensive services for low-income households in a residential setting. The proposed service provider(s) must demonstrate effective strategies for collaborating with property management on housing stability for residents. The proposed service provider(s) must have the infrastructure to supervise and train onsite staff and their supervisors.

**Other Consultants:** For any applicant team, the experience of key staff members or “other consultants” may be substituted for the experience of the organization as a whole as long as the staff member’s or consultant’s experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the Respondent’s team.

**Note Regarding Experience:** For any applicant team member, the experience of key staff members may be substituted for the experience of the organization as a whole as long as the staff members’ experience in other firms was substantive and involved responsibilities similar to those that they are anticipated to perform during the proposed development of the Site. Any substitution should be clearly identified in Attachment E, Qualifying Project Form.

The proposed Developer and Owner must demonstrate the financial and staffing capacity to successfully complete the Project and manage the asset in the long-term, as further described below.

- **Financial Capacity:** The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive

financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit Form F – Financing Terms for Developer’s Qualifying Project documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.

- **Staffing Capacity:** The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. To document this, the proposed Developer must submit a written narrative no more than one page (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. The proposed Developer must also submit Form G – Projected Staffing Workload Form to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

**Asset Management Capacity:** The proposed Owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions. To document this, the proposed Owner must submit a recent Real Estate Owned (REO) schedule, stating the number of Projects and average number of units/Project currently in Owner’s asset management portfolio, proposed Owner’s current asset management staffing (noting job titles), FTEs, and status of each position (filled/vacant), and proposed Owner’s organizational chart.

### C. MINIMUM DEVELOPER TEAM REQUIRMENTS – HOMEOWNERSHIP

Only applicants who meet all of the following criteria will be considered eligible for selection and funding for homeownership Projects under this NOFA.

#### 1. Minimum Development Team Characteristics

The proposed applicant team must include the following:

- A San Francisco-based non-profit development entity whose mission includes the development of affordable homeownership housing in low- to moderate-income communities, acting either as sole developer or as a partner in a joint venture, or joint-venture partner, defined as a nonprofit organization;
- A property owner entity with capacity and experience in residential condominium construction, subdivisions, and sales, and the HOA formation and operation according to federal, state, and local regulations.
- A community-based, service-providing entity with experience providing culturally competent and trauma-informed services appropriate for Education Employees and their families. This includes experience delivering the early homeownership readiness services through outreach, homeownership education and counseling, financial coaching to prepare the target population for homeownership.

#### 2. Minimum Development Team Experience

Minimum experience must be demonstrated by identifying specific Qualifying Projects in which team members have participated, as further described below. The proposed

Development Team must submit Form J: Qualifying Project Form (Ownership), to document how the Qualifying Project characteristics meet each of the experience categories: Minimum Development Experience, Minimum Ownership Experience, and Minimum Team Experience.

To demonstrate the minimum required development team experience, each team should submit one Project for each experience category. When appropriate, teams may submit the same Project as evidence of experience across multiple experience categories or may use different Projects to demonstrate experience across categories. In all cases, no more than two (2) total Qualifying Projects should be submitted. Qualifying Projects will not be scored; they are used to determine if the proposed Development Team meets the minimum development team experience required to develop the site.

For Developer, a Qualifying Project must have all of the following characteristics:

- new construction in a construction type appropriate for the proposed site development
- at least six units in size
- majority multiple-bedrooms

Minimum Developer Experience: The proposed Developer must have completed within the past ten years at least one Qualifying Project. The definition of “completed” is having received Temporary Certificate of Occupancy by the date of the issuance of the NOFA. For joint-venture Development partners, the experience of either entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture Development partners must be submitted with the application.

Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive Project management services. Project management services should include financial packaging, selection of other consultants, selection of construction contractor and property management agent, oversight of architectural design, construction management, and consultation on major aspects of the development process. The contract for development services must be submitted with the NOFA response and must be acceptable to MOHCD.

Minimum Team Experience: The proposed Developer team must have the following experience: a) early homeownership readiness services through outreach, homeownership education and counseling, financial coaching to prepare low- to moderate-income Education Employees for homeownership; b) government assisted affordable housing programs and homeownership financing sources, including experience delivering affordable housing on budget (defined as maintaining or reducing a Project’s per unit cost.)

Other Consultants: For any Respondent team, the experience of key staff members or “other consultants” may be substituted for the experience of the organization as a whole as long as the staff member’s or consultant’s experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the Respondent’s team.

Note Regarding Experience: For any Respondent team member, the experience of key staff members may be substituted for the experience of the organization as a whole as

long as the staff members' experience in other firms was substantive and involved responsibilities similar to those that they are anticipated to perform during the proposed development of the site. Any substitution should be clearly identified in Form J: Qualified Project Form (Homeownership).

### 3. Minimum Developer Capacity Requirements

The proposed Developer must demonstrate the financial and staffing capacity to successfully complete the Project, as further described below.

**Financial Capacity:** The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit Form F – Financing Terms for Developer's Qualifying Project documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.

**Staffing Capacity:** The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. To document this, the proposed Developer must submit a written narrative no more than one page (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. The proposed Developer must also submit Form G – Projected Staffing Workload Form to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

**Asset Management Capacity:** The proposed Developer must document its capacity and experience in residential condominium construction, subdivisions, sales, and the HOA formation and operation in compliance with federal, state, and local regulations. The proposed Developer and Owner must submit Form K: Ownership Asset Management Capacity Form to document:

- **HOA Experience:** Provide a written narrative describing the experience with HOA documentation and budget creation, including obtaining approvals from the California Department of Real Estate (DRE), and submit a recent HOA condo plan with recorded Covenants, Conditions and Restrictions (CC&Rs), Budget Report, and Final Public Report approved by the DRE.
- **Residential Condominium Projects Experience:** State the total number of residential condominium Projects and units completed within the past ten years. State the average number of residential condominium Projects and units currently in Owner's portfolio.
- **Proposed Real Estate Transaction Management Staffing Capacity:** Describe the work assignments (existing or contemplated) associated with each staff person expected to handle real estate transactions to support potential homebuyers through application, approval, closing process and post-closing asset management. Complete the chart in the Attachment K: Ownership Asset Management Capacity Form to note Position titles,

FTEs, status of each position (filled/vacant), and primary duties, and proposed Owner's organizational chart.

#### D. MINIMUM PROPOSAL REQUIREMENTS

Eligible Proposals:

1. Must demonstrate site control by applicant as evidenced by appropriate documentation (Deed of Trust, Purchase Agreement, Option to Purchase Agreement.) The proposed purchase price must be reasonable in comparison to other sites in the neighborhood, and in comparison to, other affordable housing sites in the City, and must be supported by an appraisal as part of the application package.

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2. Must include a description of proposed interim uses for the Site during the extended predevelopment period if the Project's expected construction start date is later than 2024. This should include a description of current structures and uses; what if any structures or amenities will be preserved; and the timeline, budget, and scope of planned interim uses. The budget should include a description of how security and other holding costs have been calculated.

3. Must include a description of site context: parcel history; current zoning; parcel configuration, including the need for potential parcel mergers; potential historic resources on the site or adjacent to it; and prior uses at the site that may have left environmental impacts. Applicant must include a map of neighboring amenities.

4. Must demonstrate ability for the Project to make use of streamlined entitlements through SB 35 or another streamlining initiative.

5. Must demonstrate – through provision of specific examples of inputs used for estimating – that the Project's total development budget, as well as its specific line items, are comparable to recent and similar Projects, to industry standards and are compliant with funding source regulations, MOHCD policy and, in the case of rental Projects, MOHCD's most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per bed or bedroom will be examined relative to total development cost, City subsidy, and construction cost.

6. Must propose the maximum use of available, non-local funds to achieve the highest reasonable financial leveraging of capital resources for the predevelopment, construction and permanent phase. The amount of City funds requested per unit and the actual or proposed level of funds to be leveraged from other sources will be examined.

7. Must include a community engagement plan that demonstrates the capacity to generate necessary neighborhood support for the proposed development. Include any evidence of support expressed to date for the Project, as well as plans for community engagement going forward. This also needs to cover the entire development period, including interim use and construction work.

8. Proposals that include any displacement/relocation of residential and/or commercial tenants must include a full relocation plan and budget. Displacement or relocation that is required as a condition of site control is highly discouraged, though in some cases may be justified.

9. Must provide a construction cost estimate that reflects current construction costs and show escalation assumptions as a separate line item.
10. Must include a Services Plan and Budget that complies with MOHCD underwriting requirements.
11. Must provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use, which can be printed on 8.5" x 11" paper, no more than two (2) pages. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses. Note: This information does not constitute a formal design submission. There is no reimbursement for costs related to this requirement.
12. Financial feasibility for rental Projects: The Project must demonstrate overall financial feasibility through inclusion of a Financing Plan. The financing plan must include a detailed Sources and Uses Budget that includes the following and uses the most current version of the MOHCD Underwriting Guidelines, available on the MOHCD website (<https://sfmohcd.org/housing-development-forms-documents>.) The Project must be financially feasible, including realistic development and operating budget Projections that conform to industry standards, including TCAC minimum standards. Each proposed financing source must be realistic, compatible with MOHCD and all other committed or proposed funding sources, and appropriate for the proposed housing. Applicant must demonstrate that there is a reasonable likelihood that all identified development sources will be secured in a timely manner.
  - a. Primary capital funding sources can include 4% low income housing tax credit equity with tax exempt bonds, City subsidy, and Federal Home Loan Bank Affordable Housing Program funds, and that may include any other funding sources developers deem applicable, such as State of California Department of Housing and Community Development (HCD) (for example, MHP and IIG) or CalHFA funds. Do not assume use of No Place Like Home funds. Do not assume access to Section 8 (Housing Choice Vouchers, Project Based Section 8, or Continuum of Care, for example.)
  - b. Rents set at affordability levels appropriate for the target population.
13. For rental Projects, where possible must include the opportunity for the City to eventually own the land as ground lessor under a long-term ground lease structure or some other land dedication/ subdivision mechanism that will insure long-term affordable housing as the primary use of the land.
14. For rental Projects, must budget for a supportive services and housing stabilization component that is appropriate for the needs of the anticipated tenant population, and within MOHCD's funding guidelines for the services contract.
15. For rental Projects, must demonstrate competitiveness for State bond and tax credit funds administered by the California Debt Limit Allocation Committee.
16. For rental Projects, must include an operating budget that includes all expenses necessary to properly operate and maintain the building. This budget should include a service coordinator/connector staff position(s), at 1:100, to assist the Educator households.



17. Financial feasibility for homeownership Projects: The Project must be financially feasible, including realistic development budget Projections that conform to industry standards. Each proposed financing source must be realistic, compatible with MOHCD and all other committed or proposed funding sources, and appropriate for the proposed housing. Applicant must demonstrate that there is a reasonable likelihood that all identified development sources will be secured in a timely manner. Must demonstrate through provision of specific examples of inputs used for estimating - that the Project's total development budget, as well as its specific line items, are comparable to recent and similar Projects, to industry standards and are compliant with funding source regulations, MOHCD policy and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per bed or bedroom may be examined relative to total development cost, City subsidy and construction cost. Note: The most current version of the MOHCD Underwriting Guidelines is available on the MOHCD website:

<https://sfmohcd.org/housing-development-forms-documents>.

The Project must propose the maximum use of available, non-local funds (such as State of California Department of Housing and Community Development (HCD) (for example, CalHome) or Federal Home Loan Bank Loan funds) to achieve the highest reasonable financial leveraging of capital resources for the predevelopment, construction, and permanent phase. The amount of City funds requested per unit and the actual or proposed level of funds to be leveraged from other sources will be examined.

18. For homeownership Projects, must include opportunity for MOHCD to maintain the affordability of each unit into perpetuity through the CC&Rs that will ensure owner occupied affordable housing as the primary use of the land, as well as a unit restriction to be recorded on title of an ownership unit upon transfer of the unit.

#### E. SELECTION CRITERIA AND SCORING

Responsive submittals include all the required information listed above, and a background and a vision statement articulating the application of best practices for the successful development of affordable housing and the achievement of desired outcomes and goals.

All applications that meet the Minimum Experience and Capacity Requirements listed in Section IV.B and IV.C will be scored and ranked according to the extent to which their Experience and Vision meets the following selection criteria:

Category

Points

A.

EXPERIENCE:

Developer (12 pts)

► Experience with the following:

- o Completing Projects on time and on budget
- o Obtaining competitive financing terms

- o Developing proposed type of construction
- o Developing housing for low-income households, including Educators, as applicable
  - ▶ Building community support through outreach
  - ▶ Current staff capacity and experience to take on this Project type

ii. Owner (4 pts) - Rental

- ▶ For rental Projects, track record successfully owning housing financed with Low-Income Housing Tax Credits
- ▶ Effectiveness of current asset management structure and staffing, given portfolio size
- ▶ Capacity for assuming asset management of an expanded portfolio once the development is complete

Developer (4 pts) – Homeownership

- ▶ Track record successfully managing condominium construction, subdivisions, sales, and the HOA formation and operation in compliance with state and local regulations
- ▶ HOA Experience with HOA documentation and budget creation, including obtaining approvals from the DRE;
- ▶ Residential Condominium Projects Experience;
- ▶ Proposed real estate transaction management staffing capacity.

iii. Property Manager (8 pts)

- ▶ Experience managing property for low-income households, including Educators, if applicable
- ▶ Experience achieving high rates of housing retention
- ▶ Implements low barrier tenant selection policies consistent with Housing First principles
- ▶ Contributes to long-term sustainability of the development
- ▶ Achieves cost efficiencies in operations

Note: This is N/A for Homeownerships, 8 points moved to Developer.

iv. Service Providers (8 pts)

- ▶ Experience providing access and delivering services to low-income households, including Educators, if applicable
- ▶ For rental Projects, experience linking residents to the City's safety net of services
- ▶ Works with property management to achieve high rates of housing retention
- ▶ Supports positive outcomes for residents around health and economic mobility
- ▶ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years
- ▶ Capacity to attract and retain adequate staffing to take on this Project

Note: This is N/A for Homeownership, 8 points moved to Developer.

v. Racial Equity (8 pts)

- ▶ Experience providing housing to COP holders and neighborhood preference holders
- ▶ Uses innovative approaches to engagement with COP and neighborhood preference holders
- ▶ Demonstrates commitment to racially diverse Project development teams
- ▶ Demonstrates experience with serving historically excluded communities of color
- ▶ Describes experience providing access and implementing effective service delivery strategies to historically excluded communities of color

B.

VISION:

i. Site and Project Concept (15 pts)

- ▶ Proposes site whose location, size, configuration, and zoning support the development of affordable housing, including ability to maximize unit yield in a cost-effective construction type and make use of expedited entitlement processes.
- ▶ Describes vision for a development program at this site, while best achieving the Project goals, and includes:
  - o A residential program and other envisioned uses;
  - o Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood.
  - ▶ Indicates populations served by the programs and 24 spaces.
  - ▶ Describes the interim use strategy, including contingencies for any construction start delays of over one (1) year

ii. Community Engagement Strategy (10 pts)

- ▶ Describes community engagement strategy and includes:
  - o The team's philosophy on community engagement;
  - o Process for establishing and/or building positive relationships with surrounding neighbors and the larger community;
  - o Efforts designed to engage all interested community members—particularly BIPOC members of the target populations—and including monolingual non-English speaking community members;
  - o How the Development Team intends to comply with the City's Language Access Ordinance.

- ▶ Describes the Team’s approach to achieving entitlements for the Project expeditiously and the approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations.

- ▶ Indicates how particular community engagement strategy will address the historical exclusion of communities of color from quality housing, including but not limited to marketing to attract target populations.

iii. Services Delivery Strategy (10 pts)

- ▶ Describes the Development Team’s services delivery strategy and includes:

- o The overall service philosophy;

- o Model for providing services to Educators and their families (including case management ratio and provision of amenities such as front desk clerks, if applicable);

- o The services goals of the proposed vision.

- ▶ Provides a brief description of the desired outcome of the services to be provided and innovative approaches to services provision, including the strategy of engaging residents and encouraging access to services.

- ▶ Describes how services for residents will be coordinated with the existing network of services in the neighborhood and community.

- ▶ Describes strategies used to help BIPOC tenants overcome barriers to accessing supportive services and income that mitigate the effects of poverty and lead to improved self-sufficiency.

Note: This is N/A for Homeownership, 10 points moved to Site and Project Concept.

iv.

Finance & Cost Containment Approach (15 pts)

- ▶ Describes the Development Team’s financing approach to the Project.

- ▶ Describes how Project is strategically positioned to successfully compete for State funding resources, including funding from the CA Debt Limit Allocation Committee and Department of Housing and Community Development

- ▶ Includes the Team’s process for structuring the Project and controlling development costs.

- ▶ Includes innovative strategies intended to minimize MOHCD’s Projected capital gap financing.

- ▶ Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses.

- ▶ Includes proforma financials.

- ▶ Includes Project design concept to fact check the financials.

Additional - for Homeownership:

► Describes how will successfully manage condominium real estate assets in compliance with federal, state and local regulations.

v. Racial Equity Strategy (10 pts)

► Explains how vision aligns with the primary goals of this NOFA set forth in the Introduction and Project Expectations.

► Proposes a substantive partnership that increases opportunity/capacity for growth of Emerging Developers (smaller organizations).

TOTAL POSSIBLE POINTS 100

Projects must receive at least 70 points to proceed through the selection process.

## F. SUBMITTAL REQUIREMENTS OVERVIEW

Using Form B – Submittal Checklist, check boxes of all items that will be submitted. Complete and submit Form C - NOFA Registration Form. All addenda, responses and additional information will be distributed to all parties who have submitted a registration form in accordance with Section IIB above.

### 1. Minimum Development Team Characteristics

Submit Form D - Respondent Description to document the name of each organization, names of the organization's Director (or equivalent position) and primary contact persons, and phone numbers and email addresses for each of the following:

- Lead Developer and Co-Developers (if applicable)
- Development Consultant (if applicable)
- Owner(s)
- Property Manager(s)
- Service Provider(s)

For each Lead Developer and/or Co-Developer, submit a current copy of the following documents:

- a. Certificate of Good Standing from the California Secretary of State
- b. Certification of 501(c)(3) status (for nonprofit corporations) from the Internal Revenue Service.
- c. Compliance with California Attorney General's Charitable Trust Registry.

### 2. Minimum Development Team Experience

Submit Form E - Qualifying Project Form, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.) The Development Team may submit more than one

(1) Qualifying Project for each of the experience categories:

- a. Minimum Development Experience
- b. Minimum Ownership Experience

c. Minimum Property Management Experience

d. Minimum Service Provision Experience

e. Minimum experience in incorporating principles of racial equity into development, management and service experience

To demonstrate the minimum required development team experience, each team should submit one Project for each experience category. When appropriate, teams may submit the same Project as evidence of experience across multiple experience categories or may use different Projects to demonstrate experience across categories. In all cases, no more than five (5) total Qualifying Projects should be submitted. Qualifying Projects will not be scored but are used to identify if the proposed Development Team meets the minimum development team experience required to develop the Site.

3. Minimum Developer and Owner Capacity Requirements

Financial Capacity

- Latest two (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any).
- Form F – Financing Terms for Developer’s Qualifying Project to document the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.

Staffing Capacity

- Description of Key Staff Experience – Provide written narrative of no more than one page (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff.
- Form G – Projected Staffing Workload Form, documenting the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

Asset Management Capacity

- Proposed Owner’s recent Real Estate Owned (REO) schedule, documenting the number of Projects and average number of units/Project currently in Owner’s asset management portfolio.
- Proposed Owner’s current asset management staffing, noting job titles, FTEs, and status of each position (filled/vacant).
- Proposed Owner’s organizational chart.

Racial Equity Capacity

- Demonstrate how developer has met the City’s minimum compliance standards for Equal Employment Opportunities on the Qualifying Project.

#### 4. Selection Criteria and Scoring

- i. Experience: Provide written narrative of no more than five pages (in Times New Roman font, 12 font size, and 1-inch margins).
- ii. Vision: Provide written narrative of no more than seven pages (in Times New Roman font, 12 font size, and 1-inch margins).

Additional documents submitted in this section will not be allowed, except as identified on the Form B: Submittal Checklist.

#### G. SCORING FOR EXPERIENCE

In no more than five pages of written narrative (in Times New Roman font, 12 font size, 1-inch margins), describe how each member of the Proposed Development Team has the most relevant experience for the successful development of the Project.

Describe how the Development Team has implemented lessons learned from past affordable housing experience. Please note that Respondents are not limited to discussing the Qualifying Project(s).

**Developer:** Describe the Developer's track record successfully developing high-quality affordable housing. In particular, discuss the Developer's experience completing housing development Projects on time and on budget, obtaining competitive financing terms, developing type V/I or III/I construction, developing for low-income families and Educators and building community support for mixed use Projects (affordable residential with ground floor commercial) through outreach for similar Projects. Describe the experience and capacity of current staff to take on a Project of this type.

**Owner:** For rental Projects, describe the Owner's track record successfully owning housing financed with Low-Income Housing Tax Credits. In particular, discuss the Owner's experience owning affordable housing for low-income families and Educators and describe the Owner's current asset management structure, staffing and portfolio, and its capacity for assuming asset management of an expanded portfolio once the development is complete. For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed "Owner".

**Property Manager:** Describe the Property Manager's track record successfully managing high-quality affordable housing communities. In particular, discuss the Property Manager's experience providing management services for low-income families and Educators, including communities of color; experience achieving high rates of housing retention, implementing low barrier tenant selection policies, contributing to the long-term sustainability of the development; and achieving cost efficiencies in operations.

**Services Provider(s):** Describe the Services Provider(s)' track record delivering highly impactful services to residents in affordable and/or supportive housing developments. In particular, discuss the Services Provider(s)' experience delivering services to low-income families and Educators, including communities of color; linking residents to the City's safety net of services; working with property management to achieve high rates of housing retention; and supporting positive outcomes for residents around health, economic mobility, and housing stability. If the Service Provider(s) have had any services

contracts prematurely terminated in the last five years, include an explanation for each termination. Discuss strategies for eliminating barriers that prevent communities of color from accessing quality health care services, employment and educational opportunities.

Racial Equity Strategy: MOHCD recognizes the oppressive history of racial injustice, especially in housing and community services, the structural inequities that remain today, and the trauma those inequities perpetuate. Please describe the Developer team's level of racial equity awareness using the guidelines below:

- Understands and communicates that reducing racial inequities is mission critical
- Routinely collects, disaggregates, and analyzes data by race/ethnicity in programmatic and operational work
- Views diversity as a value-added feature of organizations, and enquires about the cultural competence of staff and grantees to work with diverse groups
- Has mechanisms for management accountability for equity, diversity, and inclusion
- Has mechanisms for staff accountability for equity, diversity, and inclusion
- Describes Development Team's present and future practices to meet MOHCD's racial equity goals as articulated in the racial equity goals of this NOFA
- Describes the Developer's experience with serving historically excluded communities of color
- Has experience providing access and implementing service delivery strategies to historically excluded communities of color
- Describes the demonstrated commitment to racially diverse Project development and service teams.

For rental Projects, provide the following:

- Owner's Real Estate Owned schedule
- Proposed owner's asset management staffing noting job titles, FTEs and status (filled/open) of each position
- Owner's organizational chart.

For homeownership Projects, provide the following:

- Provide a written narrative describing the experience with HOA documentation and budget creation, including obtaining approvals from the California Department of Real Estate (DRE), and submit a recent HOA condo plan with recorded Covenants, Conditions and Restrictions (CC&Rs), Budget Report and Final Public Report approved by the DRE.
- State the total number of residential condominium Projects and units completed within the past ten years. State the average number of residential condominium

Projects and units currently in Owner's portfolio.

- Describe the work assignments (existing or contemplated) associated with each staff person expected to handle real estate transactions to support potential homebuyers through application, approval, closing process and post-closing asset management.



Complete the chart in the Form K – Ownership Asset Management Capacity Form to note Position titles, FTEs, status of each position (filled/vacant), and primary duties, and proposed Owner’s organizational chart.

#### H. SCORING FOR VISION

In no more than seven pages of written narrative (in Times New Roman font, 12 font size, 1-inch margins), describe the Proposed Development Team’s vision for the successful development of the Project:

**Site and Program concept:** Describe how the Development Team’s proposed Project will maximize unit yield in a cost-effective construction type. Describe how the Project will make use of the City’s expedited permitting for affordable housing. Describe the Development Team’s vision for a development program while best achieving MOHCD’s Project expectations and goals. Indicate how the proposed uses and amenities will enhance the lives of the future residents and the surrounding neighborhood. Indicate particular groups served by the programs and spaces (tots, children, teens, young adults, adults, Educators, etc.). Describe how the program will contribute to lowering barriers to persons of color seeking and retaining housing. Applicants should provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use to print on 8.5” x 11” paper, no more than two pages. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses. This information does not constitute a formal design submission.

**Community engagement strategy:** Describe the Development Team’s community engagement strategy, including the team’s philosophy on community engagement and process for establishing and/or building positive relationships with surrounding neighbors and the larger community. Describe the Team’s approach to achieving entitlements for the Project expeditiously and the Team’s approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. The strategy should include efforts designed to engage all interested community members, particularly BIPOC members of the target population, and including monolingual non-English speaking members of the community. The strategy should also make clear how the Development Team intends to comply with the City’s Language Access Ordinance. Finally, address how the community engagement strategy will address the historical exclusion of communities of color from quality housing.

**Services delivery strategy:** Describe the Development Team’s services delivery strategy, including the overall philosophy and model for providing services to targeted low-income and Educators (including case management ratio and provision of amenities such as front desk clerks), the services goals of the proposed vision, a brief description of the desired outcomes of the services to be provided and innovative approaches to services provision, including the strategy for engaging residents and encouraging access to services, and how services for residents will be coordinated with the existing network of services in the neighborhood and community.

**Financing and cost containment approach:** Describe the Development Team’s financing approach to the Project, including the Team’s process for structuring the Project and controlling development costs. Describe any innovative strategies intended to minimize

MOHCD's Projected capital gap financing. Also, describe any innovative (i.e., non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. Submit a development budget/pro forma.

**Racial Equity Strategy:** Please submit an overall statement regarding how the Development Team will incorporate the principles of racial equity in the development of the program concept, the community engagement strategy, services delivery strategy and marketing approach. Explain how the strategy aligns with the goals of this NOFA set forth in the Introduction and Project Expectations. Describe any substantive partnership that is part of the NOFA response that increases opportunity/capacity for growth of Emerging Developers (smaller organizations) in development roles. Explain how the Development Team's model removes barriers to intergenerational wealth, self-sufficiency and resiliency for persons of color, particularly COP holders, African American households and/or households in historically African American neighborhoods.

In this section, include the following attachments:

- Evidence of Site Control
- Appraisal
- Map of Neighborhood Amenities
- MOHCD Application Proforma
- Form I – CDLAC Self Score Worksheet

#### 5. Evidence of Authority

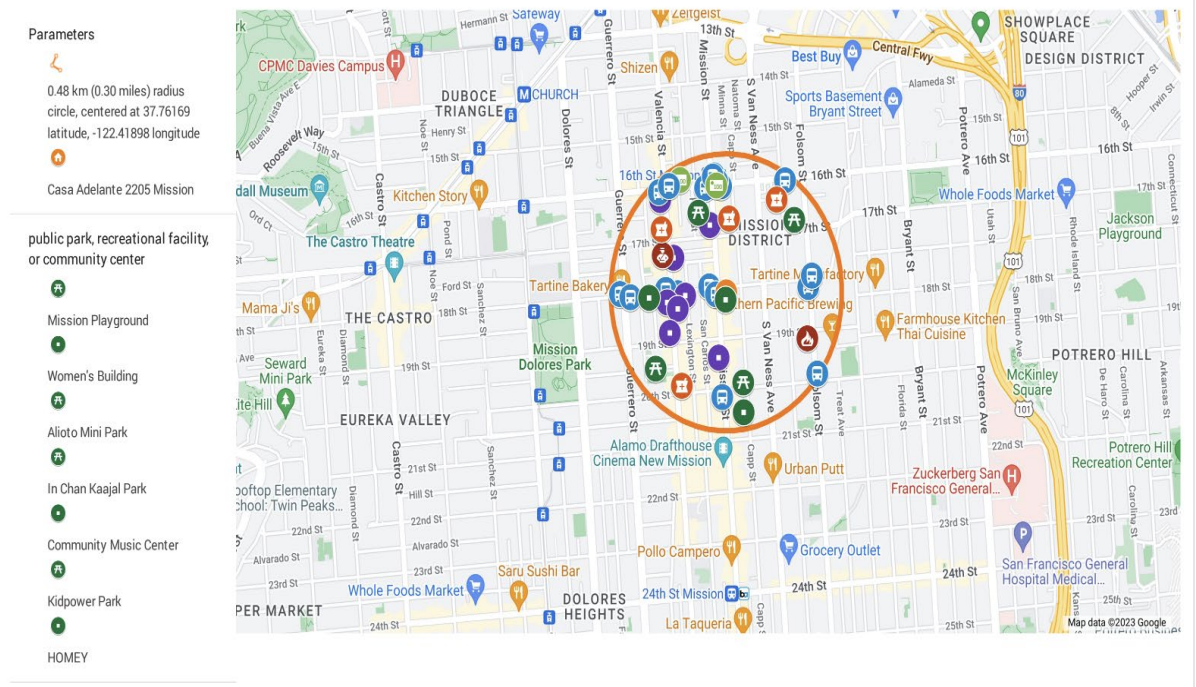
Provide a certified corporate resolution of the applicant or, in the case of a partnership, the applicant's general partner, expressly authorizing the applicant to provide a response to this NOFA and, if selected by the City, to enter into negotiations with the City for the acquisition of the site.


































#### 6. Disclosure Form

Submit a completed and signed copy of Form H – Disclosures, which requires any respondent to this NOFA to disclose defaults, lawsuits, legal proceedings, bankruptcy filings or financial interests affiliated with MOHCD staff or Citywide Affordable Housing Loan Committee members. The individual who signs the form must be authorized to enter into legal agreements on behalf of the Respondent.

**Note Regarding Submittals:** Applicants may amend their response prior to the submission deadline. However, after the submission deadline, corrections are only allowed if immaterial and at the sole discretion of MOHCD.

### Attachment G: Site Map with amenities



	Lexington Standard	
<p>health care facility or medical clinic</p> <ul style="list-style-type: none"> <li> Mission Neighborhood Health Center</li> <li> Valencia Street Care Center</li> <li> One Medical</li> <li> San Francisco Community Clinic Consortium</li> </ul>	<ul style="list-style-type: none"> <li> Pikitos</li> <li> Valencia Street Vintage</li> <li> New Colors Fashion</li> <li> Community Thrift</li> <li> Five and Diamond</li> </ul>	<ul style="list-style-type: none"> <li> Mission St &amp; 18th St</li> <li> 18th St &amp; Guerrero St</li> <li> Mission St &amp; 20th St</li> <li> Folsom St &amp; 18th St</li> <li> Folsom St &amp; 18th St</li> </ul>
<p>full banking services (check cashing and ATM only, does not apply)</p> <ul style="list-style-type: none"> <li> Mission National Bank</li> <li> U.S. Bank Branch</li> </ul>	<p>SYSTEM</p> <ul style="list-style-type: none"> <li> Cherin's Appliance</li> </ul>	<ul style="list-style-type: none"> <li> 16th St &amp; Shotwell St</li> <li> 16th St &amp; Mission St</li> <li> 16th St &amp; Mission St</li> <li> 16th St &amp; Mission St</li> </ul>
<p>police or fire station, or post office</p> <ul style="list-style-type: none"> <li> San Francisco Fire Station 7</li> <li> Mission Police Station</li> </ul>	<p>Transit</p> <ul style="list-style-type: none"> <li> 18th St &amp; Mission St</li> <li> Folsom St &amp; 20th St</li> <li> 18th St &amp; Valencia St</li> <li> 16th St Mission</li> </ul>	<ul style="list-style-type: none"> <li> Mission St &amp; 16th St</li> <li> 16th St &amp; Valencia St</li> <li> 16th St &amp; Valencia St</li> </ul>
<p>retail (clothing store, or department store, or hardware store, or pharmacy)</p> <ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li> 18th St &amp; Guerrero St</li> <li> 18th St &amp; Valencia St</li> </ul>	

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

Affordable Multifamily Housing New Construction Cost Comparison - San Francisco																																																																																																																																																								
USPS#	2022#	Applicable Costs by Component				Construction by Component				Soft Costs by Component				Total Development Cost (Not Including Land)		Subsidy																																																																																																																																								
		Acquist	AcqUR	Acq/UR LR	UR	Const	ConstUR	ConstUR LR	UR	Soft	SoftUR	SoftUR LR	UR	TDCUR	TDCUR LR	Subsidy Unit	Leveraging %																																																																																																																																							
Data of Subject and Comparable Projects		\$ 191,483	\$ 44,244	\$ 147,239	\$ 138,272	\$ 158,292	\$ 120,000	\$ 38,292	\$ 121,708	\$ 12,000	\$ 109,708	\$ 10,000	\$ 99,708	\$ 236,119	\$ 107,312	\$ 128,807	228%																																																																																																																																							
Data Percentages		100%	23%	77%	73%	83%	66%	20%	61%	6%	57%	5%	57%	100%	100%	100%	100%																																																																																																																																							
SUBJECT PROJECT: 2205 Mission St. SF		\$ 128,708	\$ 46,723	\$ 81,985	\$ 113,309	\$ 130,112	\$ 82,000	\$ 48,112	\$ 34,112	\$ 20,000	\$ 14,112	\$ 20,000	\$ 14,112	\$ 1,000,000	\$ 478,308	\$ 1,000,000	100%																																																																																																																																							
Comparable Projects		\$ 2,208	\$ 2,440	\$ 22,232	\$ 228,227	\$ 469,000	\$ 724	\$ 194,204	\$ 142,491	\$ 218	\$ 218,204	\$ 142,491	\$ 75,713	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	100%																																																																																																																																							
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Data of Subject and Comp. Project Averages		-1.5%	-1%	3%	1.1%	-2.54%	-17.3%	32.3%	10.1%	18.1%	18.1%	18.1%	18.1%	18.1%																																																																																																																																										
Subsidy Percentage		17%	22%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%																																																																																																																																										
<table border="1"> <thead> <tr> <th rowspan="2">PROJECTS COMPLETED</th> <th rowspan="2">Project Name</th> <th rowspan="2">Address</th> <th rowspan="2">UR/UR LR</th> <th rowspan="2">Comp. Date</th> <th rowspan="2"># of Units</th> <th rowspan="2">UR/UR LR</th> <th colspan="3">Building Square Footage</th> <th colspan="3">Total Project Costs</th> <th rowspan="2">Total Dev. Cost minus subsidy</th> <th rowspan="2">Local Subsidy</th> <th rowspan="2">Notes on Financing (e.g., Type II cost)</th> <th rowspan="2">Building Type</th> <th rowspan="2">Status</th> <th rowspan="2">Comments</th> </tr> <tr> <th>Res.</th> <th>Non-Res.</th> <th>Total</th> <th>Acq. Cost</th> <th>Const. Cost</th> <th>Soft Cost</th> </tr> </thead> <tbody> <tr> <td>PROJECTS COMPLETED</td> <td>Project Name</td> <td>Address</td> <td>UR/UR LR</td> <td>Comp. Date</td> <td># of Units</td> <td>UR/UR LR</td> <td>Res.</td> <td>Non-Res.</td> <td>Total</td> <td>Acq. Cost</td> <td>Const. Cost</td> <td>Soft Cost</td> <td>Total Dev. Cost minus subsidy</td> <td>Local Subsidy</td> <td>Notes on Financing (e.g., Type II cost)</td> <td>Building Type</td> <td>Status</td> <td>Comments</td> </tr> <tr> <td>PROJECTS UNDER CONSTRUCTION</td> <td>Project Name</td> <td>Address</td> <td>UR/UR LR</td> <td>Comp. Date</td> <td># of Units</td> <td>UR/UR LR</td> <td>Res.</td> <td>Non-Res.</td> <td>Total</td> <td>Acq. Cost</td> <td>Const. Cost</td> <td>Soft Cost</td> <td>Total Dev. Cost minus subsidy</td> <td>Local Subsidy</td> <td>Notes on Financing (e.g., Type II cost)</td> <td>Building Type</td> <td>Status</td> <td>Comments</td> </tr> <tr> <td>PROJECTS IN PREDEVELOPMENT</td> <td>Project Name</td> <td>Address</td> <td>UR/UR LR</td> <td>Comp. Date</td> <td># of Units</td> <td>UR/UR LR</td> <td>Res.</td> <td>Non-Res.</td> <td>Total</td> <td>Acq. Cost</td> <td>Const. Cost</td> <td>Soft Cost</td> <td>Total Dev. Cost minus subsidy</td> <td>Local Subsidy</td> <td>Notes on Financing (e.g., Type II cost)</td> <td>Building Type</td> <td>Status</td> <td>Comments</td> </tr> </tbody> </table>														PROJECTS COMPLETED	Project Name	Address	UR/UR LR	Comp. Date	# of Units	UR/UR LR	Building Square Footage			Total Project Costs			Total Dev. Cost minus subsidy	Local Subsidy	Notes on Financing (e.g., Type II cost)	Building Type	Status	Comments	Res.	Non-Res.	Total	Acq. Cost	Const. Cost	Soft Cost	PROJECTS COMPLETED	Project Name	Address	UR/UR LR	Comp. Date	# of Units	UR/UR LR	Res.	Non-Res.	Total	Acq. Cost	Const. Cost	Soft Cost	Total Dev. Cost minus subsidy	Local Subsidy	Notes on Financing (e.g., Type II cost)	Building Type	Status	Comments	PROJECTS UNDER CONSTRUCTION	Project Name	Address	UR/UR LR	Comp. Date	# of Units	UR/UR LR	Res.	Non-Res.	Total	Acq. Cost	Const. Cost	Soft Cost	Total Dev. Cost minus subsidy	Local Subsidy	Notes on Financing (e.g., Type II cost)	Building Type	Status	Comments	PROJECTS IN PREDEVELOPMENT	Project Name	Address	UR/UR LR	Comp. Date	# of Units	UR/UR LR	Res.	Non-Res.	Total	Acq. Cost	Const. Cost	Soft Cost	Total Dev. Cost minus subsidy	Local Subsidy	Notes on Financing (e.g., Type II cost)	Building Type	Status	Comments																																																									
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**Attachment I: Predevelopment Sources and Uses**

See Attached

Application Date: 2/16/2024 # Units: 63  
 Project Name: Casa Adelante 2205 Mission Street # Bedrooms: 141  
 Project Address: 2205 Mission Street # Beds:  
 Project Sponsor:

SOURCES	1,021,444	4,810,161	5,724,994	1,500,000	-	-	Total Sources	13,056,599	Comments
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USE:	Name of Sources:	MOHCD/OCII	MEDA	MOHCD	Neighborworks				
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ACQUISITION									
Acquisition cost or value		223,000	5,724,994				5,947,994	Updated based on LIIF's Demand Letter from	
Legal / Closing costs / Broker's Fee		371,920					371,920	\$5,648,724 to \$ 5,724,993.87	
Holding Costs		126,696		56,413			183,109	Predev Loan Fees	
Transfer Tax									
<b>TOTAL ACQUISITION</b>	<b>0</b>	<b>721,616</b>	<b>5,724,994</b>	<b>56,413</b>	<b>0</b>	<b>0</b>	<b>6,503,023</b>		

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

Construction line item costs as a % of hard costs

SOFT COSTS									
<b>Architecture &amp; Design</b>									
Architect design fees	428,600	804,681		367,169			1,600,450	See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>	
Design Subconsultants to the Architect (incl. Fees)		171,923					171,923	This line item contributes to the LIIF \$750K loan	
Architect Construction Admin							0		
Reimbursables							0		
Additional Services							0		
Sub-total Architect Contract	428,600	976,604	0	367,169	0	0	1,772,373		
Other Third Party design consultants (not included under Architect contract)		276,389					276,389	Consultants not covered under architect contract; name consultant type and contract amount	
<b>Total Architecture &amp; Design</b>	<b>428,600</b>	<b>1,252,993</b>	<b>0</b>	<b>367,169</b>	<b>0</b>	<b>0</b>	<b>2,048,762</b>		
<b>Engineering &amp; Environmental Studies</b>									
Survey		52,341					52,341	Surveys+ Condo Mapping	
Geotechnical studies	85,000						85,000	This line item contributes to the LIIF \$750K loan	
Phase I & II Reports		35,980					35,980	Additional SMP Drafting from Langan	
CEQA / Environmental Review consultants							0		
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants		559,500		25,199			584,699	Civil Engineering + MEP Bldg Addendum Prep Contracts	
<b>Total Engineering &amp; Environmental Studies</b>	<b>85,000</b>	<b>647,821</b>	<b>0</b>	<b>25,199</b>	<b>0</b>	<b>0</b>	<b>758,020</b>		
<b>Financing Costs</b>									
<b>Construction Financing Costs</b>									
Construction Loan Origination Fee				186,120			186,120	This line item contributes to the LIIF \$750K loan	
Construction Loan Interest							0		
Title & Recording							0		
CDLAC & CDIAC fees							0		
Bond Issuer Fees							0		
Other Bond Cost of Issuance							0		
Other Lender Costs (specify) Predev Loan Interest LIIF +	319,047	750,194		418,523			1,487,764	Additional \$150,000 Request to pay Extension +169,017 Interest fees through Loan Maturity March 1st - This line item contributes to the LIIF \$750K loan +\$10,300 interest & fee	
Sub-total Const. Financing Costs	319,047	750,194	0	604,643	0	0	1,673,884		
<b>Permanent Financing Costs</b>									
Permanent Loan Origination Fee							0		
Credit Enhance. & Appl. Fee							6,703		
Title & Recording		6,703					6,703		
Sub-total Perm. Financing Costs	0	6,703	0	0	0	0	6,703		
<b>Total Financing Costs</b>	<b>319,047</b>	<b>756,897</b>	<b>0</b>	<b>604,643</b>	<b>0</b>	<b>0</b>	<b>1,680,587</b>		
<b>Legal Costs</b>									
Borrower Legal fees							0		
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel							0		
Permanent Lender Counsel							0		
Other Legal (specify) NMTCC Consultants				190,000			190,000		
<b>Total Legal Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>190,000</b>	<b>0</b>	<b>0</b>	<b>190,000</b>		
<b>Other Development Costs</b>									
Appraisal		18,000					18,000		
Market Study							0		
Insurance		46,421		579			47,000		
Property Taxes		230,346		79,049			309,395		
Accounting / Audit							0		
Organizational Costs							0		
Entitlement / Permit Fees	96,673	259,562					356,235	This line item contributes to the LIIF \$750K loan	
Marketing / Rent-up		8,951					8,951		
Furnishings							0		
PGE / Utility Fees		238,056					238,056	\$2,000/unit; See MOHCD U/W Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>	
TCAC App / Alloc / Monitor Fees							0		
Financial Consultant fees		258,469		17,511			275,980		
Construction Management fees / Owner's Rep							0		
Security during Construction							0		
Relocation							0		
BART Coordination Permitting				10,000			10,000		
Other (specify) HOA Consultant/Legal		17,525		18,038			35,563		
Other (specify)							0		
<b>Total Other Development Costs</b>	<b>96,673</b>	<b>1,077,330</b>	<b>0</b>	<b>125,177</b>	<b>0</b>	<b>0</b>	<b>1,299,180</b>		
<b>Soft Cost Contingency</b>									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	92,124	353,504		131,399	0	0	577,027	Should be either 10% or 5% of total soft costs.	9.7%
<b>TOTAL SOFT COSTS</b>	<b>1,021,444</b>	<b>4,088,545</b>	<b>0</b>	<b>1,443,587</b>	<b>0</b>	<b>0</b>	<b>6,553,576</b>		

Total Soft Cost Contingency as % of Total Soft Costs

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

DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones							0		
Developer Fee - Cash-out At Risk							0		
Commercial Developer Fee							0		
Developer Fee - GP Equity (also show as source)							0		
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
<b>TOTAL DEVELOPER COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		

TOTAL DEVELOPMENT COST	1,021,444	4,810,161	5,724,994	1,500,000	0	0	13,056,599	149645
Development Cost/Unit by Source	16,213	76,352	90,873	23,810	0	0	207,248	
Development Cost/Unit as % of TDC by Source	7.8%	36.8%	43.8%	11.5%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source	0	3,540	90,873	0	0	0	94,413	
Construction Cost (inc Const Contingency)/Unit By Source	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

\*Possible non-eligible GO Bond/COP Amount: 0  
 City Subsidy/Unit: 16,213

Tax Credit Equity Pricing: 0.87  
 Construction Bond Amount: N/A  
 Construction Loan Term (in months): 36 months  
 Construction Loan Interest Rate (as %): 7.25%

**Attachment J: Permanent Sources and Uses**

See Attached



Application Date: 2/16/2024 # Units: 63  
 Project Name: Casa Adelante 2205 Mission Street # Bedrooms: 141  
 Project Address: 2205 Mission Street # Beds:  
 Project Sponsor:

SOURCES	Total Sources								Comments
	12,000,000	3,107,750	2,000,000	6,600,000	1,813,411	7,275,000	118,448	34,257,125	
									Sales Proceeds Source Amt reflects a delta, \$35,375,973-\$3,207,026(118,448)
USE:	Name of Sources: MOHCD/OCII CallHome AHP FHLB NMTC Commercial Loan MEDA Gap Amount Sales Proceeds								

ACQUISITION	5,724,994	150,000	0	0	0	721,616	0	0	6,596,610
Acquisition cost or value	5,724,994						223,000		5,947,994
Legal / Closing costs / Broker's Fee		150,000					371,920		371,920
Holding Costs							126,696		126,696
Transfer Tax							0		0
<b>TOTAL ACQUISITION</b>	<b>5,724,994</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>721,616</b>	<b>0</b>	<b>0</b>	<b>6,596,610</b>

CONSTRUCTION (HARD COSTS)	1,000,000	4,246,753	1,813,411	4,078,384	25,728,563	35,053,700	1,813,411	43,551,740
* Unit Construction/Rehab	1,000,000	4,246,753	1,813,411	4,078,384	25,728,563	35,053,700	1,813,411	43,551,740
* Commercial Shell Construction								
* Demolition		322,000			300,000	622,000		
Environmental Remediation					51,291	51,291		
* Onsite Improvements/Landscaping					2,571,771	2,571,771		
* Offsite Improvements						0		
* Infrastructure Improvements					435,579	435,579		
Parking						0		
GC Bond Premium/GC Insurance/GC Taxes		1,039,547			132,755	1,172,302		
GC Overhead & Profit					1,831,726	1,831,726		
GC General Conditions						0		
Sub-total Construction Costs	0	0	1,000,000	5,608,300	1,813,411	4,078,384	0	31,057,645
Design Contingency (remove at DD)						0		0
Bid Contingency (remove at bid)						186,720		186,720
Plan Check Contingency (remove/reduce during Plan Review)						0		0
Hard Cost Construction Contingency						1,200,000		1,200,000
Sub-total Construction Contingencies	0	0	0	0	0	1,386,720	0	1,386,720
<b>TOTAL CONSTRUCTION COSTS</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>	<b>5,608,300</b>	<b>1,813,411</b>	<b>4,078,384</b>	<b>0</b>	<b>32,438,365</b>

SOFT COSTS	1,600,450	370,000	150,000	548,800	17,000	85,000	40,000	95,000	237,000
Architecture & Design	1,600,450	370,000	150,000	548,800	17,000	85,000	40,000	95,000	237,000
Architect design fees	1,600,450								
Design Subconsultants to the Architect (incl. Fees)		370,000							
Architect Construction Admin									
Reimbursables			150,000						
Additional Services			520,000						
Sub-total Architect Contract	1,600,450	370,000	150,000	548,800	17,000	85,000	40,000	95,000	237,000
Other Third Party design consultants (not included under Architect contract)									
Survey					17,000	85,000	40,000	95,000	237,000
Geotechnical studies									
Phase I & II Reports									
CEQA / Environmental Review consultants									
NEPA / 106 Review									
CNA/PNA (rehab only)									
Other environmental consultants									
Sub-total Engineering & Environmental Studies	0	237,000	0	0	0	0	0	0	237,000

FINANCING COSTS	220,000	2,172,112	536	205,000	2,597,648	0	15,589	0	2,597,648
Construction Financing Costs	220,000	2,172,112	536	205,000	2,597,648	0	15,589	0	2,597,648
Construction Loan Origination Fee	220,000								
Construction Loan Interest		2,172,112							
Title & Recording			536						
CDLAC & CDJAC fees									
Bond Issuer Fees									
Other Bond Cost of Issuance									
Other Lender Costs (specify)				205,000					
Sub-total Const. Financing Costs	2,597,648	0	0	0	0	0	0	0	2,597,648
Permanent Financing Costs									
Permanent Loan Origination Fee									
Credit Enhance. & Appl. Fee									
Title & Recording			15,589						
Sub-total Perm. Financing Costs	0	0	15,589	0	0	0	0	0	15,589
<b>Total Financing Costs</b>	<b>2,597,648</b>	<b>0</b>	<b>15,589</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,613,237</b>

LEGAL COSTS	1,103,750	271,983	0	0	0	0	0	0	1,375,733
Borrower Legal fees									
Land Use / CEQA Attorney fees									
Tax Credit Counsel									
Bond Counsel									
Construction Lender Counsel									
Permanent Lender Counsel									
Other Legal (specify) QLICI /NMTCs	1,103,750	271,983	0	0	0	0	0	0	1,375,733
<b>Total Legal Costs</b>	<b>1,103,750</b>	<b>271,983</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,375,733</b>

OTHER DEVELOPMENT COSTS	24,000	697,000	40,798	400,000	429,562	200,000	80,000	376,980	83,520	71,647	613,038	221,000
Appraisal	24,000											
Market Study												
Insurance		697,000	40,798	400,000								
Property Taxes												
Accounting / Audit												
Organizational Costs												
Entitlement / Permit Fees					429,562							
Marketing / Rent-up					200,000							
Furnishings	80,000											
PG&E / Utility Fees	400,000											
TAC App / Alloc / Monitor Fees												
Financial Consultant fees	376,980											
Construction Management fees / Owner's Rep			83,520									
Security during Construction	2,298		69,349									
Relocation												
Other (specify) Construction Inspections	324,409											
Other (specify)			221,000									
Other (specify) -> Additional Sales Proceeds												
<b>Total Other Development Costs</b>	<b>1,207,687</b>	<b>1,097,000</b>	<b>414,667</b>	<b>629,562</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,408,841</b>	<b>4,757,757</b>		

SOFT COST CONTINGENCY	320,421	0	539,744	90,155	0	118,448	48,169	1,116,937	13,023,611
Contingency (Arch, Eng, Fin, Legal & Other Dev)	320,421	0	539,744	90,155	0	118,448	48,169	1,116,937	13,023,611
<b>TOTAL SOFT COSTS</b>	<b>6,275,006</b>	<b>2,957,750</b>	<b>970,000</b>	<b>991,700</b>	<b>0</b>	<b>118,448</b>	<b>1,710,708</b>	<b>1,116,937</b>	<b>13,023,611</b>

RESERVES	100,000	30,000	8,052	0	0	0	0	108,052	138,052
Operating Reserves	100,000								100,000
Replacement Reserves									0
Tenant Improvements Reserves		30,000							30,000
Other (specify)							8,052		8,052
Other (specify)									0
Other (specify)									0
<b>TOTAL RESERVES</b>	<b>100,000</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,052</b>	<b>0</b>	<b>138,052</b>

DEVELOPER COSTS	0	0	0	0	0	2,475,000	0	0	2,475,000
Developer Fee - Cash-out Paid at Milestones									0
Developer Fee - Cash-out At Risk									0
Commercial Developer Fee									0
Developer Fee - GP Equity (also show as source)									0
Developer Fee - Deferred (also show as source)						2,475,000			2,475,000
Development Consultant Fees									0
Other (specify)									0
<b>TOTAL DEVELOPER COSTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,475,000</b>	<b>0</b>	<b>0</b>	<b>2,475,000</b>

TOTAL DEVELOPMENT COST	12,000,000	3,107,750	2,000,000	6,600,000	1,813,411	7,275,000	118,448	34,257,125	67,171,733
Development Cost/Unit by Source	190,476	49,329	31,746	104,762	28,784	115,476	1,880	543,764	1,066,218
Development Cost/Unit as % of TDC by Source	17.9%	4.6%	3.0%	9.8%	2.7%	10.8%	0.2%	51.0%	100.0%

ACQUISITION COST/UNIT BY SOURCE	90,873	0	0	0	0	3,540	0	0	94,413
Construction Cost (inc Const Contingency)/Unit by Source	0	0	15,873	89,021	28,784	64,736	0	514,895	713,309
Construction Cost (inc Const Contingency)/SF	0.00	0.00	14.43	80.95	26.17	58.87	0.00	488.20	648.62

*Possible non-eligible GO Bond/COP Amount:	456,980
City Subsidy/Unit	190,476
Tax Credit Equity Pricing:	N/A
Construction Bond Amount:	N/A
Construction Loan Term (in months):	36 months
Construction Loan Interest Rate (as %):	7.25%

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

See Attached

Application Date: 2/16/2024 Project Name: Casa Adelante 2205 Mission Street  
 Total # Units: 63 Project Address: 2205 Mission Street  
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2026 Project Sponsor:

Correct errors noted in Col N!

INCOME	Total	Comments
Residential - Tenant Rents	0	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Space	159,271	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
Laundry and Vending	0	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	269,136	HOA
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	
<b>Gross Potential Income</b>	<b>428,407</b>	
Vacancy Loss - Residential - Tenant Rents	0	
Vacancy Loss - Residential - Tenant Assistance Payments	0	
Vacancy Loss - Commercial	(79,636)	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
<b>EFFECTIVE GROSS INCOME</b>	<b>348,772</b>	<b>PUPA: 5,536</b>

**OPERATING EXPENSES**

Management		
Management Fee		1st Year to be set according to HUD schedule.
Asset Management Fee		
<b>Sub-total Management Expenses</b>	<b>0</b>	<b>PUPA: 0</b>
<b>Salaries/Benefits</b>		
Office Salaries		
Manager's Salary		
Health Insurance and Other Benefits		
Other Salaries/Benefits		
Administrative Rent-Free Unit		
<b>Sub-total Salaries/Benefits</b>	<b>0</b>	<b>PUPA: 0</b>
<b>Administration</b>		
Advertising and Marketing		
Office Expenses		
Office Rent		
Legal Expense - Property		
Audit Expense		
Bookkeeping/Accounting Services		
Bad Debts		
Miscellaneous		
<b>Sub-total Administration Expenses</b>	<b>0</b>	<b>PUPA: 0</b>
<b>Utilities</b>		
Electricity		
Water		
Gas		
Sewer		
<b>Sub-total Utilities</b>	<b>0</b>	<b>PUPA: 0</b>
<b>Taxes and Licenses</b>		
Real Estate Taxes		
Payroll Taxes		
Miscellaneous Taxes, Licenses and Permits		
<b>Sub-total Taxes and Licenses</b>	<b>0</b>	<b>PUPA: 0</b>
<b>Insurance</b>		
Property and Liability Insurance		
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
<b>Sub-total Insurance</b>	<b>0</b>	<b>PUPA: 0</b>
<b>Maintenance &amp; Repair</b>		
Payroll		
Supplies		
Contracts		
Garbage and Trash Removal		
Security Payroll/Contract		
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses		
<b>Sub-total Maintenance &amp; Repair Expenses</b>	<b>0</b>	<b>PUPA: 0</b>
<b>Supportive Services</b>		
<b>Commercial Expenses</b>	8,411	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
<b>TOTAL OPERATING EXPENSES</b>	<b>8,411</b>	<b>PUPA: 134</b>

Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	0	Provide additional comments here, if needed.
Bond Monitoring Fee		
Replacement Reserve Deposit		
Operating Reserve Deposit		
Other Required Reserve 1 Deposit		
Other Required Reserve 2 Deposit		
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>	<b>0</b>	<b>PUPA:</b>
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>	<b>8,411</b>	<b>PUPA: 134</b>
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>	<b>340,361</b>	<b>PUPA: 5,403</b>
		Min DSCR: 1.09
		Mortgage Rate: 5.00%
		Term (Years): 30
		Supportable 1st Mortgage Pmt: 312,258
		Supportable 1st Mortgage Amt: \$4,847,320
		Proposed 1st Mortgage Amt: \$6,600,000

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)		
Hard Debt - First Lender	0	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lnd)	0	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	68,772	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
<b>TOTAL HARD DEBT SERVICE</b>	<b>68,772</b>	<b>PUPA: 1,092</b>

CASH FLOW (NOI minus DEBT SERVICE)	
	271,589
<b>USES OF CASH FLOW BELOW</b> (This row also shows DSCR.)	<b>4.95</b>
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>	
"Behind-the-line" Asset Mgt Fee (uncommon in new projects, see policy)	
Partnership Management Fee (see policy for limits)	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	
Other Payments	
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)	
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	Def. Develop. Fee split: 0%
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>	<b>0</b>

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			
	271,589		
<b>Residual Receipts Calculation</b>			
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?	No
Will Project Defer Developer Fee?	Yes		
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	100%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):	271,589
% of Residual Receipts available for distribution to soft debt lenders in	0%		

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OClI - Soft Debt Loans	All MOHCD/OClI Loans payable from res. recs		100.00%
MOHCD/OClI - Ground Lease Value or Land Acq Cost	Ground Lease Value		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	271,589
Proposed MOHCD Residual Receipts Amount to Loan Repayment	271,589
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0

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

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

**Attachment L: 20-year Operating Cashflow Budget**

See Attached





**Attachment M: Unit Sales Analysis**

See Attached

Pricing Level	2 Bed	Min Sales Price	Max Sales Price	3 Bed	Min Sales Price	Max Sales Price	Total	Total Min Sales	Total Max Revenue	Delta
70% AMI	25	\$325,741	\$465,000	6	\$368,673	\$516,000	31	\$10,355,563	\$14,721,000	\$4,365,437
95% AMI	0	\$464,147	\$667,000	3	\$522,670	\$735,000	3	\$1,568,010	\$2,205,000	\$636,990
110% AMI	11	\$547,232	\$788,000	0	\$614,940	\$865,000	11	\$6,019,552	\$8,668,000	\$2,648,448
130% AMI	10	\$869,000	\$869,000	7	\$953,000	\$953,000	17	\$15,361,000	\$15,361,000	\$0
FMR	0	\$ -	\$ -	1	\$953,000	953000	1	\$953,000	\$953,000	\$0
	46	\$22,853,077	\$28,983,000	16	\$11,404,048	\$12,925,000	63	\$34,257,125	\$41,908,000	\$7,650,875

Incl. FCC  
unit

**Perm Sources:**

Committed	MOHCD	\$12,000,000
Committed	CAL HOME	\$3,107,750
Not Committed	FHLB-AHP	\$2,000,000
Preliminary Ltr of Interest	NMTC	\$6,600,000
Not Committed	Add'l NMTC	
Not Committed	Commercial Loan	\$1,813,411
	MEDA Defer Dev	
Not Committed	Fee	\$2,475,000
Not Committed	MEDA Equity	\$4,800,000
Not Committed	FHLB-WISH	
Not Committed	Preferred Lender	
Not Committed		

**Funding  
Schedule**

n/a  
n/a  
Q1-2024  
In Process

**Sq Ft**

715 650650  
920 837200

TOTAL ALL  
SOURCES **\$67,053,286**

TDC **\$67,171,733**

DELTA **\$118,447**