

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

3300 Mission St.
\$11,663,553 Funding Amount
Preliminary Gap Commitment

Evaluation of Request for:	Preliminary Gap
Loan Committee Date:	February 2, 2024
Prepared By:	William Wilcox, Bond Manager
MOHCD Asset Manager:	Scott Madden
MOHCD Construction Rep:	Robin Wang
Sources and Amounts of New Funds Recommended:	\$9,314,553
Sources and Amounts of Previous City Funds Committed:	\$6,500,000
	\$1,154,963 Housing Trust Funds
	\$5,345,037 2023 Certificates of Participation (COPS), of which \$4,151,000 was for acquisition
Total MOHCD Gap Loan	\$11,663,553
Total MOHCD Acquisition Loan	\$4,151,000
Total Of All MOHCD Loans	\$15,817,553
NOFA/PROGRAM/RFP:	2023 Site Acquisition and Pre-development Financing for New Affordable Rental Housing
Applicant/Sponsor(s) Name:	3300 Mission Partners L.P.

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	3300 Mission St	Sponsor(s):	Bernal Heights Housing Corporation (BHHC), Tabernacle Community Development Corporation (TCDC), Mitchelville Real Estate Group (MREG)
Project Address (w/ cross St):	3300 Mission Street, San Francisco, CA 94110 (Cross Street: 29 th St)	Ultimate Borrower Entity:	3300 Mission Partners L.P.

Project Summary:

3300 Mission Street is a new construction/preservation project at the site of the former Graywood Hotel and the 3300 Club, a bar, in the Bernal Heights neighborhood, which were destroyed in a fire in 2016 (Site). This development will maintain the original building façade and visual character but otherwise completely rebuild the structure and add three additional stories. The new building will feature 35 studio units (including one manager unit) ranging from 30-80% MOHCD AMI (Project). The ground floor will include approximately 776 square feet of commercial space whose programming is still to be determined.

The current request is for approval of a total of \$11,663,553 in preliminary gap funding which is an additional \$9,314,553 in preliminary gap funding commitment beyond the already committed \$2,349,000 in predevelopment funds and \$4,151,000 acquisition funds that the Project already closed on. These funds will be used to support the February 2024 9% TCAC application, which would set the Project to begin construction in late 2024 with stabilization and full lease up by the end of 2026. Loan Committee approved the acquisition of the Site on August 2023 in the amount of \$4,151,000. That portion of the loan will be considered paid in full once the Site transfers to MOHCD at construction start.

The development team is made up of the Bernal Heights Housing Corporation (BHHC), Tabernacle Community Development Corporation (TCDC) and Mitchelville Real Estate Group (MREG, together the Sponsor). The three organizations are each taking the lead on different parts of the Project, as noted in the joint venture agreement delegating these tasks, which is attached as Attachment M. This is the only all Black-led development team in MOHCD's current pipeline. This Project represents MOHCD's commitment to expanding opportunities for smaller, Black-led emerging developers.

Project Description:

Construction Type:	Type IIIA/Type IA podium	Project Type:	Rehab /New Const.
Number of Stories:	6 + basement	Lot Size (acres and sf):	0.072 acres / 3072 sf
Number of Units:	35	Architect:	BAR Architects & Interiors
Total Residential Area:	19,460 sf	General Contractor:	Guzman Construction Group
Total Commercial Area:	776 sf	Property Manager:	TBD through RFP
Total Building Area:	21,800 sf	Supervisor and District:	Hillary Ronen, District 9
Land Owner:	3300 Mission Partners L.P.		
Total Development Cost (TDC):	\$38,700,228	Total Acquisition Cost:	\$4,186,000

TDC/unit:	\$1,105,721	TDC less land cost/unit:	\$987,121
Loan Amount Requested:	\$15,707,528	Request Amount / unit:	\$448,644 (\$330,044 less acquisition)
HOME Funds?	No	Parking?	No

PRINCIPAL DEVELOPMENT ISSUES

- **Developer Experience:** This development team consists of Emerging Developers and MOHCD supported the initial formation of the joint venture that draws upon MREG’s real estate experience and BHHC and TCDC’s deep ties to the community. This is the first project this development team has done together and BHHC and TCDC have limited experience leading development. This joint venture is meant to build skills and capacity at both organizations and prepare them to pursue future development opportunities. The team’s greatest challenges will likely be around construction management and following City procurement policies. MOHCD staff will work to support the team in selecting an owner’s representative who will navigate these systems. Lack of recent experience leading new construction development may also make it more challenging for the Sponsor to secure competitive construction loan financing and tax credit pricing. MOHCD will provide additional technical support for that process. See Sections 1.3.5, 1.3.6, and 5.1.
- **Commercial Space:** The Project is slated to include ground floor commercial space. It will be a challenge to identify a use and potential tenant given the weak retail environment and the cost to develop such a small space. MOHCD staff will work with Planning and the Sponsor to refine the commercial plan. MOHCD and the Sponsor must consider whether space would be better used to add additional units or more services space. Since this is a 9% project and would only contemplate adding units, it is possible to resolve this after applying for tax credits from TCAC. See Section 4.5.
- **Property Management:** The Sponsor intends to select a third-party property management firm. MOHCD will review and approve the property management team to ensure the selected firm has adequate experience on the development of a new project, including lease-up of a new building under MOHCD’s marketing requirements/DAHLIA. See Section 5.1.
- **Project Costs:** The Project is currently 64% more expensive than comparable projects per square foot. The site configuration, existing façade, and small project size all contribute to this challenge. Project costs have increased by 12% since the August 2023 Loan Committee request and xx% since the [date] initial NOFA response to MOHCD. Due to City budget constraints, the Sponsor must work with MOHCD to ensure costs do not increase further and to reduce costs as much as possible to reduce the gap loan commitment. See Section 4.4.
- **Project Cash Flow:** Project has a narrow and declining cash flow in out years due to 30% AMI units without vouchers or other operating subsidy and marketing challenges for higher AMI studios. The Sponsor must pursue project-based subsidies including SFHA Project Based Vouchers and will set 80% AMI unit rents that will be marketable given the unit size. See Sections 7.1 and 7.4.
- **Securing Tax Credit Investor and Construction Lender:** Given TCDC and BHHC’s lack of recent experience as lead developers it may be harder to secure favorable tax credit and construction loan pricing. MOHCD will work with Sponsor to secure financing partners. See Section 6.5.1.
- **Waiver for Emerging Developers:** The Project is requesting some waivers to MOHCD underwriting guidelines that are available for emerging developers. These include: a decreased ground lease payment of only \$1 instead of \$15,000 (see Section 4.1.1) and increased cash flow percentage of 50% instead of 33% and no payment of residual receipts for the first five year (see Section 7.1).

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SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Per Unit	Terms	Status
MOHCD Predev	\$2,349,000	\$67,114	3 yrs @ 3% Def	Committed
MOHCD Acquisition	\$4,151,000	\$118,600	3 yrs @ 0% Def; forgiven at construction closing	Committed
Total	\$6,500,000	\$185,714		

Permanent Sources	Amount	Per Unit	Terms	Status
MOHCD Predev	\$2,349,000	\$67,114	55 yrs @ 3% / Res Rec	Committed
MOHCD Perm Gap	\$9,314,553	\$266,130	55 yrs @ 3% / Res Rec	Not Com
Tax Credit Equity	\$22,932,700	\$655,220	TC Equity: \$0.97 PPC	Not Com
Total	\$34,596,253	\$988,464		

Permanent Uses	Amount	Per Unit	Per SF	Predev Amount	Change from Predev	Percent Change from Predev
Hard Costs	\$22,098,750	\$631,393	\$1,222	\$19,580,819	\$2,517,931	13%
Soft Costs	\$9,738,527	\$278,244	\$539	\$8,965,341	\$773,186	9%
Reserves	\$98,976	\$2,828	\$5	\$105,045	-\$6,069	-6%
Developer Fee	\$2,625,000	\$75,000	\$145	\$2,200,000	\$425,000	19%
Total	\$34,561,253	\$987,464	\$1,911	\$30,851,205	\$3,710,048	12%

BACKGROUND

1.1. Project History Leading to This Request.

3300 Mission Street in San Francisco currently sits vacant after a June 2016 fire left the structure uninhabitable. Previously the three-story building included commercial space on the first floor and 28 Single Room Occupancy (SRO) units, a combination of residential and tourist hotel units, on the second and third floors. The lot is approximately 3,072 square feet (Site).

Acquisition and rehabilitation of the Site was originally contemplated under MOHCD's Preservation/ Small Sites Program, which allows over-the-counter applications and is based on a community ownership model (e.g., the Sponsor, and not the City, owns the land). However, given the poor condition of the building post-fire and the limitations on unit count if the Project were strictly rebuilt, it has been reconceived as a hybrid preservation/new construction project that retains elements of the old façade but adds additional stories and density to the maximum amount allowable under

AB2011. The façade cannot be demolished due to demolition prohibitions under AB 2011 for properties that had tenants in the past 10 years.

In June 2023 the development team acquired the Site using a loan from the San Francisco Housing Accelerator Fund for \$3,850,000. On June 22, 2023, the Project received a preliminary award of site acquisition funds from MOHCD's 2023 Site Acquisition NOFA for \$6,500,000, which included \$2,349,000 in predevelopment funds and another \$4,151,000 in acquisition funds

The current design plan for the redevelopment of 3300 Mission will transform the property into a six-story, mixed-use building with approximately 21,700 square feet, designed for 35 studio units of affordable housing, a residential community space and up to 776 square feet of commercial/retail space on the first floor. The redevelopment will preserve the existing three-story facade along Mission Street and 29th Street and will connect with the new three-story structure above. The remainder of the building is unsalvageable and will be demolished. The façade is also deteriorating at this time and may require additional structural intervention and coordination with the Department of Building Inspection before construction begins.

Each studio unit will range from 267-406 square feet and feature its own private bathroom and kitchen. The rents will be set to be affordable for households ranging from 30% to 80% of the MOHCD Area Median Income. The Project will maximize the unit count by adding three stories to the existing building envelope while ensuring units are adequately sized for tenant needs. Under the current design all units are well above the TCAC minimum of 200 square feet.

The project is currently at 50% Design Development (DD) with 100% DD submission expected by 2/23/24. Construction Documents (CDs) are planned to be completed by 5/13/24. Construction start is planned for 12/2/24 with completion on 5/28/26 and lease-up commencing thereafter.

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

3300 Mission Project was awarded \$6,500,000 in funds as part of the 2023 Site Acquisition and Predevelopment Financing for New Affordable Rental Housing (NOFA). The submittal included a proposal for the redevelopment of 3300 Mission into a six-story, mixed-use building. The redevelopment will preserve the original facade as part of the eventual six-story structure due to the AB2011 requirement. The NOFA was issued January 27, 2023, and the award was made June 22, 2023. The Project scored 82.4/100 based on scoring that accounted for applicant experience, project concept, community engagement, service delivery, financing plans for cost containment, and racial equity strategy. The

Project scored in the top 5 of 8 total applicants that met the threshold requirements. Based on that competitive scoring process this project was selected to receive a funding award.

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.

3300 Mission Partners L.P. BHHC and TCDC will serve as the Managing General Partner of the Limited Partnership. The General Partner entity will be owned 50/50 by BHHC and TCDC or single purpose entity affiliates of their organizations. MREG will serve as the Administrative General Partner.

1.3.2. Joint Venture Partnership.

MOHCD supported the initial collaboration by the development team of MREG, TCDC and BHHC as part of MOHCD’s Emerging Developer capacity building work. MOHCD supported the initial formation of the joint venture that draws upon MREG’s real estate experience and BHHC and TCDC’s deep ties to the community.

Gina Dacus (BHHC), Todd Clayter (TCDC) and Andre White (MREG) are the primary points of contact for the project with Connie Xie (BHHC) providing additional regular support. Each organization leads on different work categories as outlined in the joint venture agreement, which is attached and serves as a memorandum of understanding outlining roles and responsibilities (Attachment M).

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

	Gender Identity	Race
Bernal Heights Neighborhood Center Board	M: 1 F: 4	Black or African American: 1 Caucasian/White: 4 Pacific Islander: 1
Bernal Heights Housing Corporation Board	M:3 F: 2	Black or African American: 2 Caucasian/White: 3
Bernal Heights Neighborhood Center - All Staff	M: 9 F: 18 excluding consultants	Black or African American: 6 Caucasian/White: 2 Hispanic or Latino: 8 Pacific Islander: N/A Asian: 15 *Note: Some staff identify with additional

		race/ethnicity
Tabernacle Community Development Corporation Board	M: 7 F: 2	African American: 9
Tabernacle Community Development Corporation - All Staff	M: 3 F: 1	African American: 4
Mitchelville Real Estate Group	M:1 F:1	Black or African American: 1 White: 1

1.3.4. Racial Equity Vision.

The 3300 Mission team’s goal is to meet the needs of current and former San Franciscans who risk displacement from the City, and to stabilize and sustain the residents now and for generations to come, as much as possible through this Project. The development team will focus on providing opportunity to those historically adversely impacted by economic, social conditions resulting from discrimination, exclusion and institutional racism. This will require outreach and advocacy to displaced Certificate of Preference (COP) holders as well as BIPOC residents across the City. See marketing strategy in Section 4.11.

The 3300 Mission team comprises three Black-led organizations and will engage BIPOC-led professional services, contracting, property management and related enterprises to the fullest extent possible.

1.3.5. Relevant Experience.

BHHC has completed 18 developments with a total of 586 units including four commercial units. BHHC was part of the partnership that received an award for developing the 1100 Ocean Ave Apartments, a project that combines permanent supportive housing for extremely low-income and formerly homeless young adults with family housing.

TCDC has served as a partner with other developers in numerous affordable housing developments including Alice Griffith HOPE SF. TCDC did not lead the development process on this project and is thus looking to increase their capacity through a larger leadership role in this Project., as compared to other TCDC-involved projects.

MREG is specialized n strategic land advisory, project management, affordable housing development and acquisitions across California. MREG is led by Andre White who brings many years of project management, development consulting and financial analysis to the team. MREG’s representative transactions include 4840 Mission and Potrero Block B & X,

100% affordable housing in San Francisco. MREG has worked as an advisor or consultant on 426 units in San Francisco and a total of 1,986 units across California in both new construction and resyndications since 2019.

While BHHC and TCDC have experience in developing affordable housing properties for low-income households in San Francisco, neither has recently been the leading actor for the development of new construction properties. This Project represents a new opportunity for BHHC and TCDC to expand their development experience and ready themselves for future solo ventures. Working with MREG and outside consultants will support them through the development process for this Project.

1.3.6. Project Management Capacity. See attachment C, staff resumes.

Gina Dacus (BHHC), Todd Clayter (TCDC) and Andre White (MREG) are the primary points of contact for the Project with Connie Xie (BHHC) providing additional regular support. Each organization leads on different work categories as outlined in the joint venture agreement, which is attached (Attachment M).

BHHC and MREG will split Project planning and all three members will take part in consultant and contractor selection as well as communications. All three organizations will take part in the entitlements and financing process. Community outreach will be led by TCDC and BHHC. BHHC will oversee any right of return issues and MREG will take the lead on construction management with support from TCDC and BHHC. Resident engagement and services will all be coordinated by BHHC and TCDC with BHHC serving as service provider. TCDC will oversee the third-party property management firm and BHHC will provide asset management (experience and staffing in Attachment D).

The team members on 3300 Mission Project are:

BHHC

1. Gina Dacus, Executive Director - 40 hours per month (0.25 FTE)
2. Miriam Noboa, Project Manager - 24 hours per month (0.15 FTE)
3. Adeline Siew, Controller - 16 hours per month (0.1 FTE)
4. Connie Xie, Housing Development Coordinator - 80 hours per month (0.5 FTE)

TCDC

5. Dr. James McCray, Executive Director - 16 hours per month (0.1 FTE)
6. Todd Clayter, Project Manager - 56 hours per month (0.35 FTE)
7. Gerald Green, Project Manager - 24 hours per month (0.15 FTE)

MREG

- 8. Andre White, Project Manager - 32 hours per month (0.2 FTE)
- 9. Robin Shack, Project Administrator - 16 hours per month (0.1 FTE)

1.3.7. Past Performance.

No outstanding performance issues with any of the Sponsors.

1.3.7.1. City audits/performance plans.

No audit issues with any Sponsors. Both BHHC and TCDC are in good standing with the community development team and received accolades for their community engagement and the quality of their work.

1.3.7.2. Marketing/lease-up/operations.

BHHC, TCDC and MREG have not led marketing for any new multifamily projects in the MOHCD portfolio in recent years under DAHLIA. MOHCD will thus require that a 3rd party leasing company or 3rd party property management firm experienced in leasing up affordable housing be utilized to ensure timely lease up and compliance.

BHHC had 1 eviction in October 2022 from Hazel Betsey, a small 9-unit property, out of its 13 project 352 unit portfolio.

BHHC

Tenants by Ethnicity	Number of Tenants	Percent
Latino/Hispanic Origin	266	39%
Not Hispanic or Latino Origin	261	38%
Declined to State	151	22%

Tenants by Race	Number of Tenants	Percent
White	107	15%
Black or African American	60	9%
American Indian or Alaska Native	13	2%
Asian	149	22%
Other	173	25%
Declined to Report	190	27%

TCDC

Tenants by Ethnicity	Number of Tenants	Percent
Latino/Hispanic Origin	157	13%
Not Hispanic or Latino Origin	711	61%
Declined to State	306	26%

Tenants by Race	Number of Tenants	Percent
White	126	9%
Black or African American	284	21%
American Indian or Alaska Native	4	0.01%
Asian or Pacific Islander	296	22%
Other	193	14%
Declined to Report	429	32%

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

Site Description	
Zoning:	Mission Bernal Neighborhood Commercial district
Maximum units allowed by current zoning (N/A if rehab):	The Site could accommodate up to 40 studio units if the units were reduced to 200 square feet per unit. However, this is not adequate living space and would decrease marketability of the Project. The base zoning restricts height to 40 feet and then the additional stories can be added using the 33-foot bonus over existing zoning allowed by the State Density Bonus law. Existing density limit is 1 unit per 600 square feet of lot space, which would be 5 units only. However, the State Density Bonus Law also enables unlimited density. Only 6 stories are feasible with the height limit and keeping the existing façade.
Seismic (if applicable):	Seismic Design Category D
Soil type:	Clayey sands/sedimentary deposit/ Confirmation pending Geotech report
Environmental Review:	There are no environmental issues. Phase I ESA was completed on 3/21/2023. No evidence of Recognized Environmental Conditions (RECs) and no further investigation recommended.

Adjacent uses (North):	Commercial - restaurants, salons, Ariel Architects, cafe liquor store, UPS Store, Stemful (childcare), USPS Residential (condos) - 199 Tiffany Ave
Adjacent uses (South):	Safeway grocery store, restaurants, dispensary Residential – 8-unit condominium (3310 Mission)
Adjacent uses (East):	Commercial - Fumi Curry & Ramen, PizzaHacker/ Bagel (restaurants), Atlas Plumbing and Rooter Residential - Coleridge Park Homes (Senior housing - 47 units)
Adjacent uses (West):	Commercial - The Front Porch (restaurant), bar, dispensary
Neighborhood Amenities within 0.5 miles:	<ul style="list-style-type: none"> - Safeway is 350 feet from the Site - Good Life Grocery is 0.4 miles from the Site - Holly Park is 0.398 miles from the Site - Precita Park is 0.475 miles from the Site - Sutter Pacific Medical Center, St. Luke’s Hospital (CPMC Mission Bernal Campus) is within 0.4 miles from the Site. - Walgreens Pharmacy is 590 ft from the Site - Bernal Library is 0.435 miles from the Site - Junipero Serra Elementary School is a half-mile from Site
Public Transportation within 0.5 miles:	Muni within 0.5 miles are: 12, 14, 49, 24, 36, J 24th St. Mission Bart is 0.6 miles from Site
Article 34:	Approved for Article 34 Authority on 8/7/2023.
Article 38:	The California Energy Code requires the Project to include a fan forced MERV-13 filter, which meets the Article 38 requirements for the Project as well.
Accessibility:	Min. 15% of units will be Mobility units and 10% of units will be Communications units. All other units will be adaptable units.
Green Building:	Green Point Rated and All Electric design.
Recycled Water:	Exempt- The Project is located outside the designated recycled water use area and so is not subject to the SFPUC recycled water ordinance.
Storm Water Management:	The Project is located within the combined sewer area and will be subject to review for the SFPUC stormwater management ordinance. This will be further developed during predevelopment.

2.1. Description.

The redevelopment of 3300 Mission will transform the property into a six-story, mixed-use building with approximately 21,700 square feet, designed for 35 studio dwelling units of 100% affordable housing, a residential community space and 776 square feet of commercial/retail space on the first floor. The redevelopment will preserve the existing three-story façade along Mission Street and 29th Street and will connect with the new three-story structure above; the remainder of the interior of

the building is unsalvageable and will be demolished. The building is not designated as historic nor is it contributing to a historic district – thus maintaining the façade is only to comply with the limits on demolition of buildings that have been occupied by tenants in the past 10 years under AB2011.

Each studio unit will range in size from 267 square feet to 406 square feet and feature its own private bathroom and kitchen. This design is maximizing the unit yield by adding three stories that respects the existing building.

2.2. Zoning.

The Project is eligible for and has utilized AB2011 streamlined entitlements approvals. It will also utilize the State Density Bonus Law, through which it will obtain three additional stories and will utilize four waivers. The additional 3 stories are on top of existing 40' limit, allowing a max of 73'. The project is also receiving waivers for rear yard size, usable open space, and dwelling unit mix. The AB2011 application was submitted to the San Francisco Planning Department in October 2023 and received approval in late December 2023.

2.3. Probable Maximum Loss.

N/A. While the façade will be maintained, it will not be part of the Project's structural system. The new post and beam structure behind the façade will carry the loads.

2.4. Local/Federal Environmental Review.

Project requested AB2011 + state density bonus for entitlement which exempts the Project from CEQA review. No NEPA or federal review is required at this time.

2.5. Environmental Issues.

- Phase I/II Site Assessment Status and Results. Phase I Environmental Site Assessment (ESA) was completed on March 21, 2023. No evidence of RECs and no further investigation recommended. The tax credit investor will confirm whether a Phase 2 is required.
- Potential/Known Hazards. The Hazardous Materials report was completed on March 24, 2023. Asbestos Containing Material (ACM) was not identified. Lead Based Paint was identified and will be properly remediated and disposed of as a part of the Project's demolition phase.

3. COMMUNITY SUPPORT

3.1. Prior Outreach.

The development team hired a third-party communications consultant to create a 90-day plan outlining the community engagement approach and activities recommended to launch the public outreach process for the project. The consultants have continued to advise the development team on responding to constituent information requests. This outside support allowed the development team to best leverage their own deep relationships in the community.

Through this process, the communication consultants have assisted with developing outreach tools. The overall team has developed a project webpage and a briefing kit that includes project details, key milestones/timelines and information to provide feedback to contact the project team. Materials like the project fact sheet and the FAQ and the webpage are updated periodically to ensure that the community receives the latest updates. Then the information is shared with MOHCD communication team for approval to ensure that the messaging is consistent across all partners. During the months of October – November 2023, project team launched the community outreach by sending out flyers and mailers informing the community of the redevelopment. Phase I of the outreach includes face-to-face engagement with key stakeholders and the businesses along the Mission Bernal corridor where the site is located. The team maximized opportunities for resident and community input by educating them about the project through various forms of engagement including small group informational sessions through in-person and zoom meetings, hosting community presentations for neighbors/businesses, door to door flyering, mailing out flyers/ information postcards, responding to inquiries that come in through the project email, speaking with passersby on the streets while flyering and partnering with neighborhood groups. The team has gained valuable insights on what the community hopes to see this project accomplish and how the project team can serve the community and building lasting relationships.

The team held a successful community open house for the Mission Bernal community at an art gallery located across the street from the project site on Saturday, December 9, 2023. This was an informal meeting where the community could drop by to learn from the project team which consisted of the development team, architects and its subconsultants that attended. Most concerns expressed have been about the height, shadows, and parking for the building. The team has worked to educate the community about affordable housing and the application process.

3.2. Future Outreach.

In addition to community outreach for the development of the Project, there will be extensive community engagement to encourage applications from BIPOC San Franciscans who have been displaced from the Bernal

Heights vicinity and historically excluded from quality housing over the past century.

Throughout the predevelopment phase, there will be community outreach to gather input on the space allocation of the first-floor commercial unit in the face of declining retail and commercial activity in the immediate neighborhood of the Project. The team will include the architects and the general contractor in future outreach to provide additional information. The general contractor for this project lives in and is a part of the Bernal community. The project team plans to incorporate their team as part of the outreach, especially during the construction phase. The development team anticipates hosting another community meeting as construction plans are finalized. The team will regularly update the website and subscription list to ensure the community is informed of the project.

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

Prop I Notice was posted as required on the prominent corner entrance to the property on July 26, 2023.

4. DEVELOPMENT PLAN

4.1. Site Control.

The Sponsor purchased the property for \$3,850,000 in June 2023 using a loan from the San Francisco Housing Accelerator Fund.

4.1.1. Proposed Property Ownership Structure

3300 Mission Partners L.P. has fee simple title to the property. Acquisition and rehabilitation of the Site was originally contemplated under MOHCD's Preservation/ Small Sites Program, which is based on a community ownership model (e.g., the Sponsor, and not the City, owns the land). However, given the project's current new construction project type, the land will be transferred to the City prior to construction loan closing and then the City will ground lease the land back to the partnership. MOHCD will as part of that transaction also forgive the acquisition value of the property (\$4,151,000), which includes acquisition legal and holding costs. The Sponsor's Emerging Developer status makes the Project eligible for a waiver of portions of the City's Ground Lease policy, specifically the mandatory \$15,000 annual ground lease payment. The project seeks a waiver for the mandatory annual ground lease payment, which will be \$1 for this project, in line with the policy usage for permanent supportive housing.

4.2. Proposed Design.

The redevelopment of 3300 Mission will transform the property into a six-story, mixed-use building with approximately 21,700 square feet,

designed for 35 studio dwelling units of 100% affordable housing, a residential community space and 776 square feet of commercial/retail space on the first floor. The redevelopment will preserve the existing three-story façade along Mission Street and 29th Street and will connect with the new three-story structure above; the remainder of the interior of the building is unsalvageable and will be demolished. A historic consultant may be used to maintain the aesthetic of the existing façade but is not required since the building has no specific historic designations.

Cost efficiency considerations were as below:

Type of Construction - One story of Type IA construction for the ground floor podium with 5 stories of Type IIIA wood framed Construction

Basement Slab - Retain existing basement and basement slab for the most economical foundation solution. This way the Project does not have to have the added construction cost of removing the basement and shoring and adding new foundation that extend past the basement slab of the adjoining building. The basement would then be used to accommodate building mechanical systems.

It is still unknown whether the design will require lowering the existing slab. Depending on the adjacent building's bottom of foundation level, there is potential that the new building's foundation may cause excess surcharge on their slab. The design team is working to avoid having to lower the slab. The project is within the zone of influence of the BART tunnels. The project received approval from BART to use a mat slab and was informed they would not need to use costly deep piles.

Compact Units- 7 units per floor on floors 2-6 with a compact unit plan makes for a very efficient use of an odd and triangular floor plate. Units range from 267-406 square feet in total and include a bathroom and a cooking area.

Mechanical System - In unit heat pumps with no outdoor components makes for an efficient use of energy for heating and saves space.

The below chart goes over per floor space and the location of retail and amenity spaces on the ground floor and roof. The roof will provide

outdoor amenity space for use by the tenants.

PRELIMINARY BUILDING AREA TABULATIONS

updated 7/5/23

Level	Residential Net Rentable GSF*	Residential Amenity GSF**	Residential Core GSF***	Residential Total GSF	Retail Total GSF	Bldg Core GSF^	Non-Res. Total GSF	Grand Total GSF
R		540	484	1,024		0	0	1,024
6	2,119	0	791	2,910		0	0	2,910
5	2,119	0	791	2,910		0	0	2,910
4	2,119	0	791	2,910		0	0	2,910
3	2,414	0	791	3,205		0	0	3,205
2	2,414	0	791	3,205		0	0	3,205
1	0	1,481	501	1,982	660	248	908	2,890
B		517	800	1,317		1,294	1,294	2,611
Total	11,185	2,538	5,740	19,463	660	1,542	2,202	21,665

NOTES:

* Residential Net Rentable GSF calculation includes exterior, corridor and party walls, and half party walls where adjacent to...

** Residential Amenity GSF includes community room, entry lobby, offices, laundry

*** Residential Core GSF include corridors, stairs, elevators, res. level utility spaces

^ Building Core GSF includes large mechanical/utility spaces, etc

Public Power Costs - The Sponsor will transfer the land to the City prior to construction closing and then the City will ground lease the land back to the partnership. This generally triggers a requirement to use Public Power from the San Francisco Public Utilities Commission. However, in this case that may lead to exorbitant additional costs and delays. The Project is seeking a waiver from this requirement but that remains uncertain.

4.3. Proposed Rehab Scope. N/A

4.4. Construction Supervisor/Construction Representative’s Evaluation

The project sponsor’s total construction cost estimate is \$22,163,750, roughly \$633,250/unit and 1,023/sqft. At this point, the basis of the project sponsor’s cost estimate is based on estimates from the General Contractor, Guzman.

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 \$726,697 and \$625/sqft. The Project Sponsor’s per unit cost is roughly 13% less than the comparable projects and 64% more on cost per square foot. The comparable projects’ average number of units is 78 while this project only has 35 units. Since this project is so much smaller than other MOHCD projects, the MOHCD database does not provide a good cost comparison. Currently the drawings are at 50% DD and the project does not have a

good economy of scale. Staff recommends the project team budget for higher construction contingency and 5% year over year cost escalation to reduce the potential risk of cost overrun.

There are still many unknowns as to the potential design change, construction related delays, construction cost escalation, supply chains issue, and building code change, etc. All these factors may contribute to future construction cost changes.

4.5. Commercial Space.

4.5.1. Space Description.

3300 Mission Partners is proposing to create a 776 square feet commercial space. The exact use, whether community serving or market retail, for the space has not been identified at this time. The Sponsor will conduct community outreach to gather input on the space allocation in the face of declining retail and commercial activity. The commercial space is not required by the Planning Department but the development team is interested in including it due to the previous use and perceived community support for a commercial space. Options will be evaluated and could change based on factors such as a leasing analysis and the available square footage.

4.5.2. Commercial Leasing Plan.

The Sponsor is initiating outreach to the Bernal community to discuss the Project's commercial/retail space opportunities. This outreach will help to inform the needs in the community and help spread the word about the space. The development team will produce a commercial leasing plan that takes into account market conditions, demand and historic uses of the space, which was previously occupied by the 3300 Club, a bar. The team will submit an initial draft of the Commercial Leasing Plan by 90 days prior to the final gap loan evaluation. The Plan will evaluate the feasibility of a commercial space in comparison to including additional resident services space. See Section 3.2 for outreach plan. They will also hire a broker to market and structure a potential lease with a retail and/or commercial tenant once the project has received the necessary building permit signoff in sometime before September 2024.

4.5.3. Operating Pro Forma.

Until a specific use and tenant are identified, the commercial space is assumed to have a net income of \$0. This assumption will be revisited as part of the Final Gap Loan approval.

4.5.4. Tenant Improvement Build Out.

Before the Project returns to Loan Committee for a final gap commitment, the Sponsor will determine cold or warm shell build out

as per MOHCD Commercial Underwriting Guidelines. To date \$761,154 is being held in the current budget for a cold shell based on a pro-rata square foot cost compared to overall hard costs. Guzman estimated that moving from the currently budgeted cold shell up to a warm shell design would cost \$58,500. The team believes that there is ample contingency to cover warm shell build out in the plan check and bid contingencies.

4.6. Service Space.

The Sponsor proposes a separate resident services program and meeting spaces for the residents on the ground floor. There will be a manager's office (78 sq. ft), mail and package room and a social services office (73 sq. ft) for Bernal Heights Neighborhood Center's (BHHC's parent organization) Service Connection team to serve the 35 households. A community room of 337 square feet will promote resident programming like health and wellness, educational and community building activities and other services as listed in Section 8.1. The community room should be able to accommodate about 24-25 people at a time per code.

The Sponsor is continuing to evaluate whether more building systems can be moved into the basement to accommodate a larger community space. The design team expects to have this resolve this question before March 2024.

4.7. Interim Use.

N/A - The building is uninhabitable.

4.8. Infrastructure. N/A

4.9. Communications Wiring and Internet Access.

The Project design team will be working with Department of Technology to provide free Internet to all residents in addition to the standard access to Comcast and AT&T. The Project will also be providing standard wiring and pathways for access to Satellite TV.

4.10. Public Art Component.

The Sponsor will utilize the community to help select the most appropriate art for this space. An RFP for the public art will be conducted before final gap loan evaluation. \$67,544 is currently budgeted for public art based on the MOHCD public art cost calculator.

4.11. Marketing, Occupancy, and Lease-Up

Due to the size of the Project, MOHCD's typical requirement to set aside 20-25% of units for homeless households is being waived.

The team aims to reach a broad range of prospective tenants by conducting targeted marketing to:

- Church/faith-based organizations;
- City and County of San Francisco agencies and SF Unified School District workers who seek housing in San Francisco;
- Civic organizations that promote business, health and human services, community development, job training and placement, etc.
- Non-profit, community-based organizations and their networks of service providers/community partners;
- Social media and radio public service announcements.

The Sponsor will develop a marketing plan that will specifically focus on engaging the local community and the broader African American population across San Francisco, as well as Certificate of Preference Holders displaced to outside of San Francisco. Both TCDC and BHHC have significant experience and relationships in these communities and will leverage those connections to successfully solicit applications.

The following preferences will apply for the 34 lottery units.

MOHCD Preference	Applicant Category
1	Certificate of Preference (COP) Holders
2	Displaced Tenants Housing Preference (DHTP) Certificate Holders (20% of the 34 lottery units; 7 units total)
3	Neighborhood Preference (40% of the 34 lottery units; 14 units total)
4	Live/Work in San Francisco
5	All Others

BHHC and TCDC have previously led enrollment efforts for COP holders and will use those relationships and outreach experiences to connect with COP holders.

The development currently contemplates 13 80% AMI studios, which in the post-COVID area can be challenging to lease up – per the MOHCD marketing and lease up team. Rents will be set at least 10% below market per the TCAC regulations and the pro forma contemplates rents close to 38% below market for units and 7% below market per square foot. Current rents for units over 60% AMI for many projects in active lease up are being set below 60% MOHCD AMI in order to allow the Project team to reduce rents at lease up to attract tenants. However,

income restrictions would remain set at 80% AMI. The project recently received their TCAC market study and may be able to increase rents by \$100 or more for the 80% AMI units depending on exact square footage but this may be tempered by demand issues for high AMI studios. Recent other MOHCD projects in the Mission have had to lower studio rents to as low as 50% AMI to lease-up, which would cause greater challenges for the building's cash flow.

4.11.1. Formerly Displaced Tenants

The issue of right of return for previous tenants prior to the 2016 fire was reviewed by the City Attorney who determined MOHCD is not required to provide the originally displaced tenants with any specific return option to the building. MOHCD may still have the latitude to provide tenants displaced from the fire with access to Displaced Tenant Housing Preference to apply for this and other projects, but this would require a waiver of current processes, which MOHCD will continue to explore. MOHCD was able to find some contact information for the displaced tenants but not for all tenants. The only existing records are a rent roll with some outdated contact information from the previous owner that was provided as part of due diligence for the sale of the property.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LB E	Outstanding Procurement Issues
Architect	BAR Architects & Interiors	Yes	No
Structural Engineer	Holmes	Yes	No
Historical consultant	Page and Turnbull (Existing Facade)	No	No
Dry Utilities	UDCE	Yes	No
Civil Engineer	Telamon	Yes	No
Geotechnical	Partner Engineering and Science, Inc.	No	No
Landscape Architect	TBD	Yes	No
General Contractor	Guzman Construction	Yes	No
Owner's Rep/Construction Manager	Plant Co.	Yes	No
Financial Consultant	Mitchelville Real Estate Group Novogradac/CohnResznick	Yes No	No No
Legal	Sheppard Mullin Lubin Olson & Niewiadomski Goldfarb + Lipman	No Yes Y/N	No
Property Manager	TBD	Y/N	Finishing Selection Process

Services Provider	Bernal Heights Neighborhood Center	Yes	No
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5.1. Procurement Plan.

The Sponsor has worked with MOHCD and the City's Contract Management Division (CMD) to establish the procurement plans to meet their goal of 25% SBE subcontractor participation. Current contracts amount to 22% SBE subcontractor participation with 13% of funds going to LBE's. Prior to receiving MOHCD funds, the team had focused on hiring POC owned organizations. For example, the Sponsor hired BAR Architects for early architectural drawings and now are in contract for the development period. While some initial predevelopment work occurred before award of MOHCD funds, the team is now aligning with CMD and OLSE regulations.

As a loan condition the development team will work with CMD, OLSE and MOHCD to ensure all procurement policies are followed and deadlines for procurement of architect, owner's representative, property management and general contractor are met. The selected property management firm must have experience leasing up under MOHCD regulations using DAHLIA. See Section 10.2. The Sponsor has been in discussions with Avanath and Caritas but have not yet submitted the outcome of the selection process to MOHCD for approval.

5.2. Opportunities for BIPOC-Led Organizations.

While it can be a challenge to find San Francisco based BIPOC organizations that have specialized skills for development, the Project team is increasing the contracting with BIPOC-led organizations.

The development team is composed of 3 BIPOC developers. The development will also use a variety of BIPOC consultants:

- BAR Architects & Interiors has a BIPOC led team
- Holmes Structural Engineering has a BIPOC Principal Lead
- EDesign C- MEP Engineers is an LBE/WBE and has a BIPOC Principal lead
- Telemon - Civil Engineer is a WBE and has a BIPOC Principal Lead
- UDCE - Joining Consultant is an LBE/MBE and a BIPOC Principal Lead
- ATM is a BIPOC Team

The Sponsor will create a BIPOC-led or owned organization list for distributing contracting opportunities to nearby cities and across the state.

The Sponsor included meaningful scoring in the RFQ and RFP procurement process for professional services (i.e., Owner's Rep, General Contractor, etc.) for organizations with racial and gender equity-centered initiatives in regard to advancement within the organization, hiring and subcontracting.

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:

\$6,500,000 awarded for predevelopment and acquisition. The loans were approved at Loan Committee on 8/25/2023 and closed on 1/26/2024.

6.2. Disbursement Status.

The Project has incurred costs dating back to 7/20/2022. Loan Committee approves payment of costs no earlier than 7/20/2022 so long as these costs are deemed acceptable and correspond to the predevelopment budget attached herein. All costs prior to predevelopment closing were paid by the Housing Accelerator Fund (HAF) predevelopment loan which was paid down at construction closing. Predevelopment closing draw was \$5,337,606.74 on 1/26/2024.

6.3. Fulfillment of Loan Conditions. From August 2023 Loan Committee

1. Sponsor and MOHCD to evaluate and adopt a land ownership strategy+ during the predevelopment period.

Status: Completed. MOHCD will take ownership of the land and ground lease it back to the partnership before construction closing.

2. Sponsor to incorporate higher construction contingency based on the assessment of the MOHCD Construction Representative and 5% year over year cost escalation to reduce the potential risk of cost overrun.

Status: Currently holding 8% hard cost contingency, which provides additional buffer beyond the normal 5% required.

3. Sponsor must provide MOHCD with detailed monthly updates via the MOHCD Monthly Project Update, including on:
 1. Community outreach completed,
 2. Outcomes achieved related to racial equity goals, and
 3. Commercial-use programming.

Status: In Process. Sponsor provides monthly reports..

4. Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines and MOHCD Commercial Space

Underwriting Guidelines prior to preliminary and final gap loan evaluations.

Status: In Process. Currently complies, pending decision about programming and attendant underwriting for the commercial space.

5. Sponsor must provide MOHCD with a services plan and proposed staffing levels that meet MOHCD underwriting standards prior to gap loan approval. Any changes to the current proposed staffing will need to be presented to MOHCD at least 90 days prior to gap loan approval.

Status: Completed. Any changes to program will require additional approval.

6. Sponsor must work with MOHCD staff and Project's General Contractor to Value Engineer construction budget.

Status: In Process. Sponsor continues to work with Robin Wang and Brendan Dwyer of MOHCD on this goal.

7. Sponsor will continue to work with MOHCD to review income targeting of units above 60% AMI and will adjust accordingly before the TCAC application based on the market study.

Status: In Process. Sponsor has received market study and will work with MOHCD to make adjustments.

8. Sponsor must provide signed LOI/s from commercial tenant prior to MOHCD's gap loan closing.

Status: Still outstanding.

9. Sponsor must provide MOHCD with information outlining cost containment, efficiencies and innovation strategies to reduce overall Project costs and maximize efficiency of MOHCD gap loans. This analysis will include evaluating whether the Project can support permanent debt once a full market study is completed before the TCAC application.

Status: Still outstanding.

8. Sponsors will provide feasibility and analysis of commercial space within 90 days of Loan Committee approval.

Status: In Process. Sponsor is working on providing within 90 days of Gap.

9. Sponsor must provide Commercial Space Plan to MOHCD no less than 90 days prior to Loan Committee date for preliminary gap loan prior and to the TCAC application, including outcomes achieved related to racial equity goals.

Status: In Process. Sponsor is working on providing. See above.

10. Sponsor must: a) provide for MOHCD review of the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) provide for MOHCD review of all raw financial data from developer or financial consultant prior to selection; c) provide for

MOHCD review and approval of all selected investors and lenders; and, d) provide for MOHCD review and approval of all Letters of Intent from financial partners.

Status: To be completed.

11. 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.

Status: To be completed. Project has not reached this stage yet.

12. Sponsor must provide quarterly updated response to any letters requesting corrective action.

Status: In Process. No corrective action letters at this time.

13. Sponsor will review operating budget further with MOHCD to ensure maintenance and property management staffing is adequate. MOHCD will approve final budget before gap loan evaluation and TCAC application.

Status: Completed. Reviewed and approved as part of this evaluation.

14. Sponsor must work with MOHCD Construction Management team to ensure all CMD/OLSE requirements are met for procurement of contractors. The procurement requirements also apply to any contractors used prior to receiving MOHCD funds who were not part of the NOFA application. MOHCD must receive RFP for owner's representative and architect no later than 10/1/23 and for General Contractor by 12/1/23.

Status: Completed. Development team continues to comply ongoing.

15. The development budget must be updated in consultation with the GC once selected and then must be reviewed and approved by the MOHCD CR before preliminary gap loan evaluation.

Status: Completed. Reviewed as part of this evaluation.

16. Should Project Based Vouchers or other subsidy become available, the Project team will apply for any Section 8 Project Based before the construction closing for the Project. Section 8 vouchers would allow the Project to support debt and additional property management staffing. In addition, the Sponsor will need to complete a NEPA.

Status: Not applicable. Have not been available thus far.

17. RFP for any required public art must be completed before final gap loan evaluation.

Status: To be completed. Project has not reached this stage yet

18. MOHCD requires development team to work with MOHCD Project manager and construction representative on RFP and selection of legal and financial/syndication consultant firms to ensure firms have relevant experience in San Francisco.

Status: Completed for legal, outstanding for financial consulting.

19. Development team must submit asset management plan to MOHCD and have it approved by MOHCD Asset Management Director by final gap loan evaluation.

Status: To be completed. Project has not reached this stage yet.

20. MOHCD must also approve property management firm selection and procurement process. Property management firm must be selected during predevelopment phase to inform the design of the Project.

Status: In Process. MOHCD waiting on receipt of possible property management firms.

21. Development team must use a MOHCD approved third party leasing consultant to ensure timely lease up.

Status: In Process. Project not at this stage yet.

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative

The Sponsor requested and was awarded \$6,500,000 in acquisition and predevelopment funds from the 2023 MOHCD Site Acquisition NOFA. The development team acquired the property in June 2023 using a \$3,850,000 loan from the San Francisco Housing Accelerator Fund (SF HAF). Prior to that an appraisal from September 2022 by Novogradac valued the building as-is at \$5,680,000 and the underlying land at \$5,200,000.

The MOHCD predevelopment and acquisition loan closed in January 2024 and took out that HAF loan, thus reducing carrying costs, and providing additional funds to fund predevelopment activities. Total acquisition costs include purchase price of \$3.85M and interest carry is estimated at \$90,000 with another \$211,000 for acquisition legal and closing costs. MOHCD loan closing was on 1/25/2024 with a closing draw of \$5,337,606.74. This leaves \$1,162,393 for ongoing predevelopment.

The remaining awarded funds from the NOFA will be used for predevelopment activities including design and financing applications. Construction is scheduled to start in December 2024.

6.4.2. Predevelopment Uses Evaluation:

Predevelopment Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Acquisition Cost is based on appraisal	Y	Acquisition Cost is \$119,600/unit based on preliminary unit mix estimate. The acquisition cost is \$2 million less than appraised value
Holding costs are reasonable	Y	Assumes 6 months of loan interest and acquisition legal costs.
Architecture and Engineering Fees are within standards	Y	\$900,000 in total architecture and \$194,000 in total engineering
Consultant and legal fees are reasonable	Y	Includes financial consulting (\$50,000), borrower and land use legal (\$50,000 in total) and community outreach consultants (\$73,470) based on input from MOHCD communications staff
Entitlement fees are accurately estimated	Y	
Construction Management Fees are within standards	Y	\$39,600 conforms with MOHCD policy
Developer Fee is within standards	Y	Conforms with policy, \$550,000 during predevelopment
Soft Cost Contingency is 5-10% per standards	Y	Soft Cost Contingency is 5%, which meets the 5-10% standard in the underwriting guidelines.

MOHCD staff, including the construction representative, will work with the development team to further refine the budget and ensure architecture, engineering, and consultant costs are reasonable for final gap..

6.5. Potential Permanent Financing

Permanent financing is being presented for a preliminary commitment for the TCAC application and will re-evaluated before final gap approval, projected to occur in later September or October. Approval of the final loan amount by the Board of Supervisors will not take place until construction loan closing in November/December 2024.

6.5.1. Permanent Sources Evaluation Narrative.

- 9% Tax Credit Equity (\$22,997,700): Assuming 97 cents per credit, investor to be decided. Project is slated for 2024 Round 1 of the 9% tax credit program and is in the MOHCD 9% queue.
- MOHCD Gap Loan (\$11,663,553):
 - \$2,349,000 (\$6,500,000 predevelopment/acquisition loan previously approved;, less the \$4,151,000 value of the land)

- \$9,314,553 in permanent gap that is being requested at this time. This will be structured as residual receipts with 3% interest and a term of 55 years.
- Construction Loan (\$19,979,702): While not a permanent source, the construction loan terms are assumed to be 7.25% for 30 months.

Permanent debt is not feasible at this time because of declining cash flow in later years.

The Project will self-score for AHP and apply if feasible in 2024 or 2025 round. If awarded, then funds will come through during construction and will be used to reduce the MOHCD gap.

The lack of recent experience of TCDC and BHHC serving as lead developers for new construction projects may make it challenging to secure competitive financing for the construction loan and competitive pricing for the tax credits. TCDC and BHHC have larger organizational balance sheets and will thus provide the loan guarantees. MREG has begun some initial outreach to lenders and investors including promising conversations with U.S. Bank, which has a fund focused on lending to BIPOC led developers.

6.5.2 TCAC Application:

The Project will apply for an allocation of 9% geographic tax credits in February 2024. MOHCD awarded the Project the allocation through a competitive process in early 2023. The Project is expected to score full points. San Francisco receives a geographic allocation of 9% tax credits and the first tiebreaker for an award in this category is a letter of support from MOHCD. Thus, the project’s allocation is certain as long as it scores full points.

TCAC Self-Score	
TCAC Housing Type (new construction only)	SRO Housing Type (applies to studios as well)
Tax Credit Allocation Amount	\$25,000,000
Total Self-Score	109 with readiness, 99 without (pending decision by team and MOHCD)
Tiebreaker Score	45.738%

6.5.3 HOME Funds Narrative: N/A

6.5.4 Commercial Space Sources and Uses Narrative:

The current commercial space assumes a cold shell only because final use of the space is still being evaluated based on market conditions and community input. As noted above, the Sponsor will submit a Commercial

Leasing Plan for approval before Final Gap request and will work to identify a tenant by then.

6.5.5 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	\$633,250/unit
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 8% with a total of 14% contingency for design and escalation. This includes 3% for bid, and 3% plan check.
Architecture and Engineering Fees are within standards	Y	Total of \$2,438,082 for architecture and engineering. Reasonable per MOHCD construction management team.
Construction Management Fees are within standards	Y	\$427,528 in total exceeds MOHCD UWG but this was bid out and no lower cost options were available even after negotiating this price down and outreach by MOHCD staff
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$1,100,000 At risk fee: \$1,100,000 Deferred fee: \$0 GP equity: \$0 Commercial fee: \$425,000 Total fee: \$2,625,000
Consultant and legal fees are reasonable	Y	Includes syndication, financial consultant, construction closing legal and community outreach.
Entitlement fees are accurately estimated	Y	
Construction Loan interest is appropriately sized	Y	Yes, given current rate environment.
Soft Cost Contingency is 5-10% per standards	Y	Soft Cost Contingency is 8.3%
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 3 months per guidelines.

The contingencies are slightly higher than MOHCD underwriting allows for in typical new construction, but staff feel this is reasonable given the challenges with the façade.

6.5.6 Developer Fee Evaluation:

The fee conforms to MOHCD policies. The Project is eligible for \$2.2 million in residential developer fee and for additional \$425,000 in commercial developer fee, which assumes they will condo the commercial space. However, current soft cost estimates may not cover the actual costs of condo'ing the space. Any fee over \$2,500,000 will need to be paid to a separate commercial entity that the project team would need to establish, the structure of which has not been finalized. If the commercial space is not developed, the commercial developer fee will not be payable. Similarly, if it is deemed unnecessary by MOHCD or the project team to condo the space, that \$75,000 portion of the fee will be reduced.

The milestones for the payment of the developer fee to the Sponsor are specified below:

Total Developer Fee:	\$2,625,000	
Project Management Fee Paid to Date:	\$550,000	
Amount of Remaining Project Management Fee:	\$1,100,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,100,000	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	\$275,000	
Amount of Fee Deferred (the "Deferred Fee"):	\$0	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$0	N/A 9%
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Predevelopment Loan Closing	\$165,000	15%
After TCAC Award	\$385,000	35%
Construction close	\$220,000	20%
Construction Completion	\$220,000	20%
Project close-out	\$110,000	10%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		Percentage At Risk Fee
100% lease up and draft cost certification	\$220,000	20%
Permanent conversion	\$550,000	50%
Project close-out	\$330,000	30%

Milestones for Disbursement Payable for Commercial Developer Fee	Amount Paid at Milestone	Fee Percentage
At completion of condominium subdivision mapping	\$106,250	25%
Executed LOI with commercial tenant	\$106,250	25%
Executed lease with commercial tenant	\$106,250	25%
Occupancy by commercial tenant provider	\$106,250	25%

Total Commercial Developer Fee	\$425,000	100%
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7. PROJECT OPERATIONS (See Attachment I and J for Operating Budget and Proforma)

7.1. Annual Operating Budget.

The Project has no operating subsidies and is on par with similar properties for per unit costs. Operating a small building reduces some economies of scale compared to larger properties. Based on current market conditions, rents are set at 60% AMI for the 80% AMI restricted units in order to give more cushion for lease up and provide deeper affordability. This is based on the advice of the MOHCD marketing and lease up team. The market study shows at least \$100 more could be charged per month for the 80% AMI units depending on size so this will be further examined with additional input from MOHCD marketing team and senior staff.

Given that the Project would otherwise be eligible for additional fee as a 4% BIPOC joint venture under CDLAC and for the commercial project, MOHCD staff is asking loan committee for a waiver to allow for 50% of cash flow to go to the Project team, instead of 33%. Similarly, in line with MOHCD’s policy for emerging developers, the project seeks a waiver of payment of residual receipts for the first five years of operation.

Given these challenges Staff will require Sponsors to seek operating subsidy sources such as Project Based Vouchers (PBVs) from the SF Housing Authority in order to maximize operating income and cross subsidize the 30% AMI units.

The property management and maintenance staffing was based on per unit staffing at other BHC properties and the sponsor plans to share staff across multiple nearby properties they manage.

7.2. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	N/A	Project cannot support debt.
Vacancy rate meets TCAC Standards	Y	Vacancy rate is 5%, due to SRO housing type will need to seek TCAC

7.4. Income Restrictions for All Sources.

The MOHCD AMI limits are based on the proposed affordability levels from Site Acquisition NOFA.. The TCAC AMI levels are set at equal levels to match the levels for MOHCD since the project is a 9% application and there is thus no incentive to align the rents exactly, since the 9% tiebreaker is not based on rent savings, like the 4%. The 9% competition does require some affordability below 60% AMI to receive maximum points and thus the 30% AMI MOHCD units are set at 30% AMI TCAC for that application to achieve that. Currently assuming 80% AMI MOHCD units to be leased at 60% AMI TCAC or below to avoid income averaging complexities.

UNIT SIZE		MAXIMUM INCOME LEVEL		
		MOHCD	TCAC	HCD
LOTTERY				
Studio	11	30% MOHCD AMI	30% TCAC AMI	N/A
Studio	10	60% MOHCD AMI	60% TCAC AMI	N/A
Studio	13	80% MOHCD AMI	60% TCAC AMI	N/A
Studio	1	Manager Unit/Market		
TOTAL	35			
PROJECT AVERAGE		57.9%	50.3%	N/A
AVERAGE FOR LOTTERY UNITS ONLY		57.9%	50.3%	N/A

7.5. MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level
0BR	11	30% of Median Income
0BR	10	60% of Median Income
0BR	13	80% of Median Income
0BR	1	Manager's Unit

As stated above in Section 8.2, MOHCD anticipates the 80% AMI units being initially leased at 60% AMI rents given current market conditions. This assumption will be refined during predevelopment. The market study was received in late January and MOHCD is working with the developer to finalize feasible rents for the 80% AMI units.

8. SUPPORT SERVICES

8.1. Services Plan.

Bernal Heights Neighborhood Center (BHNC) – the parent organization of the Bernal Heights Housing Corporation (BHHC) - will provide an array of culturally and linguistically appropriate community services that are designed to connect residents to resources. The onsite services provide a foundation for long-term independence and stability using an asset-building framework. BHNC’s strategies include housing retention, access to life skills training, “warm transfers” to appropriate health, legal or financial services, and development of one’s own agency or leadership – fostered through cultural humility principles, attention to trauma, and in a resident’s own language.

The Project anticipates hiring 0.5 FTE service connector to provide onsite services, which conforms to MOHCD’s underwriting guidelines of one FTE per 100 residents rounded to the nearest 0.5 FTE. This staff member can be shared with one of the other nearby BHNC properties.

The types of services that BHNC envisions providing include the following:

- *Health and Wellness Service Coordination:* wellbeing checks, transportation support to hospitals or other health services, linkages to preventative and behavioral health care providers, health and nutrition education, health fairs, food pantries, physical activity, etc.;
- *Housing Retention Services:* Housing stability support, eviction prevention, lease education, assistance with property management, housing inspections preparation, linkages to financial resources and/or education;
- *Education and Skills for Stability:* Parent support, budget planning and foundational financial literacy programs, workshops, referrals to BHNC employment services, and referrals to outside agencies and providers;
- *Community Participation:* Resident participation through community projects and events, volunteer opportunities, leadership programs, voter education and registration.
- *Mental Health Support:* Referrals and onsite support for tenants experiencing challenges that impact their wellbeing and create a fundamental risk to remaining housed. This looks different for each housing community.

For the design of services, BHNC will develop a detailed Service Delivery Plan and utilize Asana as for project planning and tracking tool for all activity areas. This tool will be used to ensure transparency on all deliverables, action items, and emerging issues. BHNC will identify

desired outcomes and track actual outcomes in Asana. A monthly report of their progress will be produced and used to evaluate quality of services and any issues over time.

BHNC uses various tools to collect data and conduct ongoing monitoring of service goals including Salesforce and a client log to track services provided, incidents, and document interactions with staff. BHNC also conduct annual Client Satisfaction Surveys to assess client needs and satisfaction. This is to ensure client and tenant involvement.

For internal processes, BHNC tracks, monitors and reports on their program delivery effectiveness, reviewing:

- Units of service to assess resident service and staff workloads
- Weekly one-on-one meeting with staff
- Bi-weekly case review and department meetings to discuss emerging concerns or troubleshooting
- Salesforce reports to monitor the quality and quantity of service data
- Dashboard reports comparing performance against contracted service objectives
- Quarterly and annual strategizing to fulfill the vision of the program
- Monthly service provider meetings with all BHNC program staff that includes training, best practice development, discussion of challenges and celebrations of successes.

8.2. Services Budget.

Services budget will be \$31,000. Source will come from the property operating budget and will comply with MOHCD underwriting guidelines. This includes \$22,467 in salary, \$4,613 in fringe benefits, \$2,727 in program expenses and \$1,192 (4%) in indirect expense/overhead.

8.3. HSH Assessment of Service Plan and Budget. N/A

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$15,814,553
Loan Term:	55 years
Loan Maturity Date:	2079
Loan Repayment Type:	Residual Receipts, with 50/50 split of cash flow
Loan Interest Rate:	3%

Date Loan Committee approves prior expenses can be paid:	Any expenses dating back to July 20, 2022
--	---

9.2. Recommended Loan Conditions

1. Sponsor must provide MOHCD with detailed monthly updates via the MOHCD Monthly Project Update, including on:
 - a. Community outreach completed,
 - b. Outcomes achieved related to racial equity goals, and
 - c. Commercial-use programming.
2. Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines and MOHCD Commercial Space Underwriting Guidelines prior to preliminary and final gap loan evaluations.
3. Sponsor must work with MOHCD staff and Project's General Contractor to value engineer construction budget.
4. Sponsor will continue to work with MOHCD to review income targeting of units above 60% AMI and will adjust accordingly before the TCAC application based on the market study.
5. Sponsor must provide signed LOI/s from commercial tenant prior to TCO.
6. Sponsor must provide MOHCD with information outlining cost containment, efficiencies and innovation strategies to reduce overall Project costs and maximize efficiency of MOHCD gap loans. This analysis will include evaluating whether the Project can support permanent debt once a full market study is completed before the TCAC application.
7. Sponsors will provide Commercial Leasing Plan assessing feasibility and providing analysis of commercial space within 90 days of Loan Committee approval.
8. Sponsor must: a) provide for MOHCD review of the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) provide for MOHCD review of all raw financial data from developer or financial consultant prior to selection; c) provide for MOHCD review and approval of all selected investors and lenders; and, d) provide for MOHCD review and approval of all Letters of Intent from financial partners.
9. 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.

10. Sponsor must provide quarterly updated response to any letters requesting corrective action.
11. Sponsor will review operating budget further with MOHCD to ensure maintenance and property management staffing is adequate. MOHCD will approve final budget before final gap loan evaluation.
12. Sponsor must work with MOHCD Construction Management team to ensure all CMD/OLSE requirements are met for procurement of contractors. The procurement requirements also apply to any contractors used prior to receiving MOHCD funds who were not part of the NOFA application. Should Project Based Vouchers or other subsidy become available, the Project team will apply for any Section 8 Project Based before the construction closing for the Project. Section 8 vouchers would allow the Project to support debt and additional property management staffing. In addition, the Sponsor will need to complete a NEPA.
13. RFP for any required public art must be completed before final gap loan evaluation.
14. Sponsor to work with MOHCD Project manager and construction representative on RFP and selection of financial/syndication consultant firms to ensure firms have relevant experience in San Francisco.
15. Development team must submit asset management plan to MOHCD and have it approved by MOHCD Asset Management Director by final gap loan evaluation.
16. MOHCD must also approve property management firm selection and procurement process. Property management firm must be selected during predevelopment phase to inform the design of the Project. The selected property management firm must have experience leasing up under MOHCD regulations using DAHLIA.
17. Development team must use a MOHCD approved third party leasing consultant or use a property management firm experienced with leasing up affordable housing in San Francisco to ensure timely lease up.
18. As a loan condition the development team will work with CMD, OLSE and MOHCD to ensure all procurement policies are followed and deadlines for procurement of architect, owner's representative, property management and general contractor are met.
19. Sponsor must provide MOHCD with an analysis of whether additional ground floor residential units could be added if commercial space is removed and the associated budget impacts. Similar analysis to be performed on value and necessity of condo'ing any commercial space.

20. Sponsor and MOHCD will revisit reduction in ground lease payment if the project receives Project Based Section 8 vouchers or other rental subsidies.
21. MOHCD must approve selection of the construction lender, equity investor and any mezzanine or additional predevelopment debt.
22. Sponsor must apply for FHLB AHP and use source to reduce MOHCD gap loan.

10. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

Daniel Adams, Director
Mayor's Office of Housing

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

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

FW: REQUEST FOR PRELIMINARY GAP LOAN FOR 3300 MISSION

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

Fri 2/2/2024 3:01 PM

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

Yes for me too.

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

From: Trivedi, Vishal (CON) <vishal.trivedi@sfgov.org>
Sent: Friday, February 2, 2024 11:53 AM
To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>
Cc: Adams, Dan (MYR) <Dan.Adams@sfgov.org>
Subject: RE: REQUEST FOR PRELIMINARY GAP LOAN FOR 3300 MISSION

I vote yes.

Thanks, and have a great weekend!

Vishal Trivedi | Financial Analyst
Office of Public Finance | City & County of San Francisco
Email | vishal.trivedi@sfgov.org

3300 Mission

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

Tue 2/6/2024 4:31 PM

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

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

I approve the request for 3300 Mission Street (formerly the Graywood Hotel) in the amount of \$11,663,553 in preliminary gap funding and \$4,151,000 in acquisition funds that the project already closed on. Like all Loan Committee members I would like to urge the developers to do some serious value engineering to explore bring the cost of this project down.

Best,

salvador



Salvador Menjivar
Director of Housing
Pronouns: He/Him

San Francisco Department of Homelessness and Supportive Housing
salvador.menjivar1@sfgov.org | 415-308-2843

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

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Request for Preliminary Gap Loan for 3300 Mission

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

Fri 2/2/2024 11:54 AM

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

RE: REQUEST FOR PRELIMINARY GAP LOAN FOR 3300 MISSION

Trivedi, Vishal (CON) <vishal.trivedi@sfgov.org>

Fri 2/2/2024 11:52 AM

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

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

I vote yes.

Thanks, and have a great weekend!

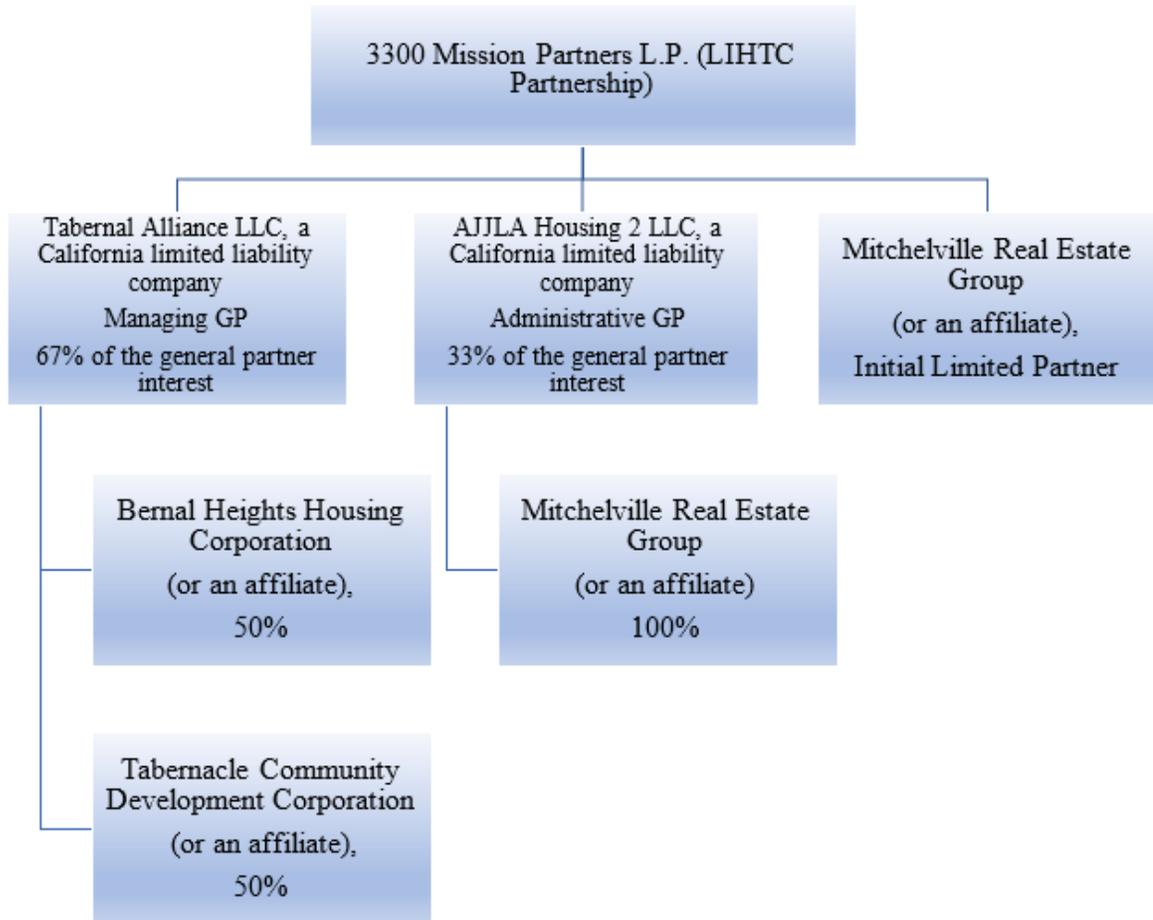
Vishal Trivedi | Financial Analyst
Office of Public Finance | City & County of San Francisco
Email | vishal.trivedi@sfgov.org

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	<u>8/25/2023</u>	<u>Posted on 7/26/2023</u>
1	Acquisition/Predev Financing Commitment	<u>October 2022</u>	
2.	Site Acquisition	<u>6/6/23</u>	
3.	Development Team Selection		
a.	Architect	<u>January 2023</u>	
b.	General Contractor	<u>Q4 2023</u>	
c.	Owner's Representative	<u>Aug./Sept. 2023</u>	
d.	Property Manager	<u>January 31, 2024</u>	
e.	Service Provider	<u>January 31, 2024</u>	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>Q4 2023</u>	
b.	Submittal of Design Development & Cost Estimate	<u>Q1 2024</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>Q2 2024</u>	<u>due to timeline, may combine w/ it 4d.</u>
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>Q3 2024</u>	
5.	Commercial Space		
a.	Commercial Space Plan Submission	<u>February 2024</u>	
b.	LOI/s Executed	<u>TBD</u>	
6.	Environ Review/Land-Use Entitlements		
a.	AB 2011 Application Submission	<u>10/18/23</u>	
b.	CEQA Environ Review Submission	<u>October 2023</u>	
c.	NEPA Environ Review Submission	<u>N/A</u>	
d.	CUP/PUD/Variances Submission	<u>N/A</u>	
7.	PUC/PG&E	<u>February 2024</u>	
a.	Temp Power Application Submission	<u>Subject to GC + Mobilization plan</u>	
b.	Perm Power Application Submission	<u>Subject to GC + Mobilization plan</u>	
8.	Permits		
a.	Building / Site Permit Application Submitted	<u>10/18/2023</u>	
b.	Addendum #1 Submitted	<u>TBD</u>	
c.	Addendum #2 Submitted	<u>TBD</u>	
9.	Request for Bids Issued	<u>2nd/3rd Qtr. 2024</u>	
10.	Service Plan Submission		
a.	Preliminary	<u>April 2024</u>	
b.	Final	<u>Q1 2025</u>	
11.	Additional City Financing		
a.	Preliminary Gap Financing Application	<u>January 2024</u>	
b.	Gap Financing Application	<u>October 2024</u>	
12.	Other Financing		
a.	HCD Application	<u>N/A</u>	
b.	Construction Financing RFP	<u>N/A</u>	

c.	AHP Application	<u>N/a</u>	
d.	CDLAC Application	<u>N/A</u>	
e.	TCAC Application	<u>February 2024</u>	
f.	Other Financing Application	<u>N/A</u>	
g.	LOSP Funding Request	<u>N/A</u>	
13.	Closing		
a.	Construction Loan Closing	<u>December 2024</u>	
b.	Conversion of Construction Loan to Permanent Financing	<u>November 2027</u>	
14.	Construction		
a.	Notice to Proceed	<u>December 2024</u>	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>May or June 2026</u>	
15.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>February 2024</u>	
b.	Commence Marketing	<u>December 2025</u>	
c.	95% Occupancy	<u>August 2026</u>	
16.	Cost Certification/8609	<u>2nd/ 3rdQtr. 2027</u>	
17.	Close Out MOH/OCII Loan(s)	<u>Q4 2027</u>	

Attachment B: Borrower Org Chart



Attachment C: Development Staff Resumes

Development oversight will be shared by all parties, with Andre White of MREG providing day-to-day management in consultation with BHHC and TCDC.

Bernal Heights Housing Corporation (BHHC)

- *Gina Dacus, Executive Director* leads both BHNC and BHHC. She leads all housing development, including strategy, direction and guidance around partnerships, service management, community engagement and relationship-building with decision making bodies. As a BIPOC leader, she is passionate about addressing racial equity.
- *Miriam Noboa, Project Manager* supervises current projects and new developments, and oversees major repairs for properties in BHHC's portfolio. She brings to the team two decades of experience in the areas of construction, finance, real estate and social work.
- *Adeline ("Addy") Siew, Controller*, provides oversight to asset management requirements. As CPA to BHHC in 2022 and with over 12 years of accounting experience, Addy's oversight ensures coordination between asset management and finance operations.
- *Connie Xie, Housing Development Coordinator*, was involved with BHHC initiatives through the Bernal Gateway Apartments resyndication. Connie works closely with the asset management consultant to develop strategies for implementation of BHHC's housing vision.
- *Ayanna Weathersby, Asset and Relocation Manager*, oversees daily operations of BHHC properties, including monitoring the activities of service providers and property management companies. She also oversees the pre- and post-relocation of tenants during construction and rehab and site and funding reporting requirements.

Mitchelville Real Estate Group (MREG)

- *Andre White, Project Manager* formed MREG in 2019 and has worked on over \$1 Billion of public, private, and nonprofit real estate transactions involving the acquisition and development of affordable, workforce, mixed-income and market-rate housing. He has a background in real estate development, investment management, and fixed income trading.
- *Robin Shack, Project Administrator*, will provide executive administrative support to Mr. White on the 3300 Mission project, collecting vendor bids and other development processes.

Tabernacle Community Development Corp (TCDC)

- *Dr. James McCray, Executive Director* has provided decades of executive leadership in the development of apartment buildings, senior centers, and churches. Dr. McCray served as Chairman of the SF Parking and Traffic Commission, President of the Board of the SFMTA, and presently as VP of the Human Services Commission of SFHSA. Dr. McCray has worked on five affordable housing development teams including Ergina Village in SF.

- *Todd Clayter, Project Manager* for real estate development, specializing in pre-development project management, construction management, and LBE participation/contract compliance and reporting. Mr. Clayter has 25 years of development experience, including lead roles in well known projects in San Francisco including the Ferry Building, Oracle Ballpark.
- *Gerald Green, Project Manager* leads TCDC's government and community relations, strategic planning and entitlements. From 1996-2004 he served as Director of the SF Planning Department and managed the adoption of the Mission Bay Redevelopment Plan, and the Hunters Point Shipyard Redevelopment Plan. He has made design recommendations and led many private developments through the Planning/Regulatory/CEQA processes.

Attachment D: Asset Management Evaluation of Project Sponsor

Bernal Neighborhood Center (BHNC)'s - Asset Management Department will provide asset management staff for the asset management duties. BHNC's asset management staff/ consultants and accounting staff will continue to perform compliance and accounting duties for the 3300 Mission Street project during operations.

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

BHHC's portfolio represents a breadth of complex funding arrangements that is significant for its modest size. Properties in the portfolio reflect a variety of HUD and low-income housing tax credit programs including - HOPWA, LOSP, Section 8, PRAC, etc.

BHNC's Asset management department currently oversees 197 units of 584 residential units that BHHC owns. Two of the buildings have tax credit units, two properties are HOPWA sites, two PRAC, a senior building, a building for adults with disabilities, and small sites. The properties range in size from two to 135 units and are located throughout Bernal Heights, the Excelsior, Sunnyside, the Mission, the Portola, SOMA, Western Addition, and the Outer Richmond. The residents who live in these properties are low-income seniors or families, adults with physical and/or developmental disabilities, individuals living with HIV/AIDS, and formerly homeless. Overwhelmingly they are also people of color, limited English-speakers and immigrants.

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

Staff, Role	Vacant/Filled	FTE/PTE
Gina Dacus, Executive Director	Filled	FTE, 27% allocation to AM
Ayanna Weathersby, Asset Manager	Filled	FTE, 90% allocation to AM
Kayne Doumani, AM Consultant	Filled	PTE, on project basis
Juana Mejia, AM consultant	Filled	PTE, on project basis for 2 properties
Adeline Siew, Accounting Manager	Filled	FTE, 33% allocation to AM
John Beem, Finance Consultant	Filled	FTE, 50% allocation to AM
Miriam Noboa, Project Manager	Filled	FTE, 100% allocation to AM
Connie Xie, Housing Coordinator	Filled	FTE, 20% allocation to AM

Description of Scope and Range of Duties of Developer's Asset Mgmt. Team

Asset Management Consultants for BHNC/BHHC assist with complex projects, overseeing portfolio sustainability, and a reconceptualization of the staffing pattern. Finance and Asset Management functions were combined during the pandemic due to hiring challenges, as asset management personnel are difficult to obtain. Key development staff - controller, housing project manager, and housing development coordinator, and an asset/relocation manager are in training to grow their staff capacity.

All of the asset management staffing mentioned above provides a range of duties - reviews financials, reporting and communication to all financial partners, aids the approval of all budgets for the properties and operating reserves, submits grants and loan applications to secure or continue operating funding for the property.

BHNC/BHHC adheres to financial policies and procedures covering all areas of finance - treasury, investment, property/plant/equipment, receivables, revenue management, expenditure management, related party transactions and record retention.

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

Asset management oversees all aspects of operation and in daily communication with property management. There is constant coordination between asset management and other departments as listed above. Asset and Property Management work together to coordinate and resolve emergencies at properties and tenant related issues. Further, they collaborate with the accounting team on financial oversight of the properties and create the annual audits & budgets. Asset Management works closely with the Compliance department on compliance issues that directly affect ownership and the partnership.

Asset Management Staffing Budget

The asset management staffing budget for this property is \$56,000.

of Projects Expected to be in Developer's Asset Management in 5 Years and, if applicable, Plans to Augment Staffing to Manage Growing Portfolio

BHNC/BHHC anticipates that the portfolio will grow from 197 units under asset management to approximately 401 units in the next 5 years.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

NOTICE OF FUNDING AVAILABILITY

**Site Acquisition and Predevelopment Financing for
NEW AFFORDABLE RENTAL HOUSING**

Issue Date: January 27, 2023

Application Due Date: April 7, 2023

A. MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS

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 formerly homeless families with Housing First principles.
- A community-based, service-providing entity with experience providing culturally competent, and trauma-informed, services appropriate for formerly homeless households in a supportive housing context.

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 5 - Qualifying Project Form**, 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 include units for households experiencing homelessness.
- 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 homeless 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 **Attachment 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 **Attachment 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.

B. 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.
2. Must include a description of proposed interim uses for the Site during the extended predevelopment period through 2026. 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 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.
6. 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.

- i. For the LOSP units serving formerly homeless households, applicants should include a projected rent subsidy amount necessary to ensure affordability and to meet the building's operations and maintenance needs, including adequate reserve deposits, asset management and partnership

management fees, mandatory hard debt payments to HCD, if any, and a minimum of 5 years of deferred developer fee, as applicable. For purposes of this projection, developers should assume that the actual tenant-paid portion of rental income is **\$250** per unit per month for formerly homeless households. *Future projections may differ given the proposed tenant population and subsidy program available.*

While a commitment of capital funding does not guarantee an award of local operating subsidies, the City will work with the selected developer to leverage the most appropriate subsidies to serve the target population.

An application submitted under this NOFA is also considered an application for local operating subsidies should those subsidies be made available and are necessary.

ii. For the non LOSP units serving low income households, sponsors may propose rents up to the maximum tax credit eligible rent under the HUD Unadjusted Metro Fair Market Rent Area that contains San Francisco, as published annually by MOHCD (“MOHCD AMI”). For the LOSP units, sponsors should assume an ongoing rental subsidy sufficient to cover difference between \$250/month tenant payment and 60% MOHCD AMI rent levels.

iii. For units serving seniors age 62+ intending to use the SOS Program subsidy, assume that 40% of the senior units will have an SOS contract. Rents to be set at 15% AMI and 25% AMI, with contract growing at 4% annually.

7. 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 will be examined relative to total development cost, City subsidy, and construction cost.

8. 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.

9. Must demonstrate competitiveness for State bond and tax credit funds administered by the California Debt Limit Allocation Committee.

10. 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.

11. Must budget for a supportive services and housing stabilization component that is appropriate for the needs of the anticipated tenant population, including households who have experienced homelessness, and within either HSH's or MOHCD's funding guidelines for the services contract.

12. 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.

13. 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 non-homeless households. A separate budget should be attached for services that will support the households who were formerly homeless, for which the City will provide funding.

14. Must provide a construction cost estimate that reflects current construction costs and show escalation assumptions as a separate line item.

15. Must include a Services Plan and Budget that complies with MOHCD underwriting requirements. The awarded development team will apply for services funding separately at the appropriate time. However, HSH, MOHCD, and OCII, where applicable, collaborate closely on funding decisions in order to maximize the use of City resources. Capital funding decisions under this NOFA will include review and approval by representatives of these agencies. Successful applicants under this NOFA will receive priority for funding from HSH and MOHCD for services and operating subsidies.

- Operating budgets should include up to (and no more than) 1:100 staffing for the non-homeless residents.
- For the units occupied by formerly homeless residents: assume that services for homeless families will be funded separately by HSH through direct contracts with the Projects' social services providers.
- For the purposes of this NOFA only, respondents should budget \$1,000 per unit per month in services funding for the formerly homeless units. This amount may change during underwriting and services negotiations. Assume 1:20 case management staffing ratios for these units.
- Services funding will be conditioned on continuous compliance with the terms of the Respondent's Local Operating Subsidies Program ("LOSP") agreements with MOHCD as well as the support services agreement held by HSH.

16. 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.

C. 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:	40
i.	<p>Developer (12 pts)</p> <ul style="list-style-type: none"> ▶ Experience with the following: <ul style="list-style-type: none"> ○ Completing projects on time and on budget ○ Obtaining competitive financing terms ○ Developing proposed type of construction ○ Developing housing for low-income households, including those experiencing homelessness, as applicable ▶ Building community support through outreach <ul style="list-style-type: none"> ▶ Current staff capacity and experience to take on this project type 	
ii.	<p>Owner (4 pts)</p> <ul style="list-style-type: none"> ▶ Track record successfully owning housing financed with Low-Income Housing Tax Credits ▶ Experience owning affordable housing for low-income households, including those experiencing homelessness, if applicable ▶ 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 	

iii.	<p>Property Manager (8 pts)</p> <ul style="list-style-type: none">▶ Experience managing property for low-income households, including those experiencing homelessness, if applicable▶ Experience achieving high rates of housing retention▶ Implements low barrier tenant selection policies consistent with Housing First principles and the HSH Documentation Policy▶ Contributes to long-term sustainability of the development▶ Achieves cost efficiencies in operations	
iv.	<p>Service Providers (8 pts)</p> <ul style="list-style-type: none">▶ Experience providing access and delivering services to low-income households, including those experiencing homelessness, if applicable▶ 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	

V.	<p>Racial Equity (8 pts)</p> <ul style="list-style-type: none">▶ 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	
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B. VISION:	60
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i.	<p>Site and Project Concept (15 pts)</p> <ul style="list-style-type: none">▶ Proposes site whose location, size, configuration, and zoning support the development of affordable and permanent supportive housing, including ability to maximize unit yield in a cost-effective construction type and make use of entitlement expediting such as SB 35.▶ Describes vision for a development program at this site, while best achieving the project goals, and includes:<ul style="list-style-type: none">○ A residential program and other envisioned uses;○ 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 spaces (families, families experiencing homelessness, young adults, children etc.).▶ Describes the interim use strategy, including contingencies for construction start delays of up to three (3) years	
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ii.	<p>Community Engagement Strategy (10 pts)</p> <ul style="list-style-type: none">▶ Describes community engagement strategy and includes:<ul style="list-style-type: none">○ The team’s philosophy on community engagement○ Process for establishing and/or building positive relationships with surrounding neighbors and the larger community○ Efforts designed to engage all interested community members—particularly BIPOC members of the target populations—and including monolingual non-English speaking community members;○ 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.	
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iii.

Services Delivery Strategy (10 pts)

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

- The overall service philosophy;
- Model for providing services to formerly homeless residents (including case management ratio and provision of amenities such as front desk clerks, if applicable);
- The services goals of the proposed vision.

▶ 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.

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

v.	Racial Equity Strategy (10 pts) <ul style="list-style-type: none">▶ 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		1 0 0

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

Attachment F: Site Map with amenities

[See attached]

3300 Mission Site Amenities

- ✔ **3300 Mission Building**
📍 3300 Mission St

- ✔ **Amenities**
 - 🌳 Holly Park
 - 🌳 Precita Park
 - 📖 Bernal Heights Branch Library
 - 🛒 The Good Life Grocery
 - 🛒 Safeway
 - 🏪 Walgreens Pharmacy
 - 🏥 Bay West Family Health Care
 - 🏥 St. Luke's Hospital
 - 🏥 Sutter Pacific Medical Foundation

- ✔ **Transportation**
 - 🚌 Cortland Ave & Mission St
 - 🚌 30th St & Dolores St
 - 🚌 Mission St & Powers Ave

- ✔ **0.4 miles**
 - 📍 Circle
 - 📍 center point

- ✔ **1 Mile Radius**



Safeway
350 feet from site

- St. Luke's Hospital
- Sutter Pacific Medical Foundation
- Bay West Family Health Care
0.1-0.2 miles from site

Bus Line 24 & 36
1124 feet from site

Bus Line 12, 14, 49
953 feet from site

Walgreens Pharmacy
590 feet from site

Bernal Heights Library
0.43 miles from site

Holly Park
0.398 miles from site

Project Site:
3300 Mission

Attachment G: Elevations and Floor Plans

[See attached]

PROJECT DATA	
PROJECT ADDRESS:	3300 MISSION ST, SAN FRANCISCO CA
ASSESSOR'S MAP PARCEL NUMBER:	BLOCK NO 6635, LOT 001
ZONING:	MISSION BERNAL NEIGHBORHOOD COMMERCIAL DISTRICT
GROSS LOT AREA:	
# OF DWELLING UNITS	35
# PARKING SPACES:	0
EXISTING SITE USE:	VACANT BLDG, NOT HABITABLE
HISTORIC STATUS:	NONE

PROJECT TEAM
OWNER/ BUILDER BERNAL HEIGHTS NEIGHBORHOOD CORPORATION, TABERNACLE CDC, & MITCHELLEVILLE REAL ESTATE GROUP TEL: 843.338.3811 CONTACT: ANDRE WHITE EMAIL: ANDREWWHITE@MITCHELLEVILLE.COM
ARCHITECT BAR ARCHITECTS & INTERIORS 77 GEARY STREET, SUITE 200 SAN FRANCISCO, CA 94108 TEL: 415.293.5700 CONTACT: PRAMOD SANOOR EMAIL: PSANOOR@BARARCH.COM

PROJECT DESCRIPTION

THE PROJECT IS A 6-STORY BUILDING, WITH 35 HOUSING UNITS AT THE UPPER LEVELS, AND GROUND-FLOOR COMMERCIAL SPACE, COMMON SPACES FOR TENANTS, AND SERVICE SPACES AT THE GROUND LEVEL. UNITS WILL BE 100% AFFORDABLE AND WILL USE PUBLIC FUNDING.

THE PROJECT PROPOSES TO KEEP THE EXISTING BUILDING FACADES FACING MISSION & 29TH STREET, AND ADD ADDITIONAL HEIGHT ABOVE IN A RESPECTFUL MANNER.

CORNER COMMERCIAL SPACE IS PLANNED ALONG THE BUSY MISSION STREET CORRIDOR. IN 2016 A NEIGHBORING FIRE OCCURED WHICH CAUSED THIS BUILDING TO BECOME UNINHABITABLE.

SB-35 STATE DENSITY BONUS SUMMARY

STATE DENSITY BONUS LAW ANALYSIS

THIS IS A 100% AFFORDABLE HOUSING DEVELOPMENT PROJECT, AND IS LOCATED WITH ONE-HALF MILE OF A MAJOR TRANSIT STOP. AS SUCH, RATHER THAN UTILIZING A PERCENTAGE-BASED DENSITY BONUS, THE PROJECT WILL UTILIZE THE HEIGHT INCREASE OF THREE ADDITIONAL STORIES OR 33 FEET PURSUANT TO GOVERNMENT CODE SECTION 65915(D)(2)(D). ADDITIONALLY, ALTHOUGH THE PROJECT WILL BE ENTITLED TO FOUR INCENTIVES/CONCESSIONS, THE PROJECT WILL UTILIZE ONE INCENTIVES/CONCESSIONS. FINALLY, THE PROJECT WILL REQUEST 3 WAIVERS ON THE GROUND THAT APPLYING THE IDENTIFIED DEVELOPMENT STANDARDS TO THE PROJECT WOULD PHYSICALLY PROHIBIT CONSTRUCTION OF THE PROJECT AT THE PERMITTED DENSITY AND WITH THE REQUESTED INCENTIVES/CONCESSIONS.

REQUESTED INCENTIVES/CONCESSIONS		
DEVELOPMENT STANDARD	REQUIREMENT	PROPOSED
1 PLANNING CODE § 134: REAR YARD SIZE	REQUIRED AT THE LOWEST STORY CONTAINING A DWELLING UNIT, AND AT EACH SUCCEEDING LEVEL OF THE BUILDING: 25% OF LOT DEPTH, BUT IN NO CASE LESS THAN 15 FEET.	NONE
2 UNUSED AT THIS TIME.		
3 UNUSED AT THIS TIME.		
REQUESTED WAIVERS		
DEVELOPMENT STANDARD	REQUIREMENT	PROPOSED
1 PLANNING CODE § 252: HEIGHT LIMIT	40'	73'
2 PLANNING CODE § 135: USABLE OPEN SPACE	80 SQUARE FEET PER UNIT IF PRIVATE, OR 100 SQUARE FEET PER UNIT IF COMMON.	735 SF COMMON
3 PLANNING CODE § 208: HOUSING DENSITY	1 UNIT PER 600 SF LOT AREA, OR THE DENSITY OF THE NEAREST R DISTRICT, WHICHEVER IS GREATER	35 UNITS

UNIT MIX

LEVEL	ADAPTABLE STUDIO	MOBILITY STUDIO	UNIT TOTAL
6	7		7
5	6	1	7
4	6	1	7
3	5	2	7
2	5	2	7
1	0		0
TOTAL	29	6	35
%	83%	17%	83%
RESIDENTIAL GSF**			11,384
AVERAGE UNIT SIZE (GSF)*			325

* Unit GSF includes exterior, corridor and half of the party walls
 ** As calculated in the Preliminary Building Area Tabulation

PRELIMINARY BUILDING AREA TABULATIONS

updated 4/25/23

Level	Residential Net Rentable GSF*	Residential Amenity GSF**	Residential Core GSF***	Residential Total GSF	Retail Total GSF	Bldg Core GSF^	Non-Res. Total GSF	Grand Total GSF	Outdoor Total GSF^^
R		0	429	429		0	0	429	735
6	2,150	0	738	2,888		0	0	2,888	0
5	2,150	0	738	2,888		0	0	2,888	0
4	2,150	0	738	2,888		0	0	2,888	0
3	2,467	0	742	3,209		0	0	3,209	0
2	2,467	0	742	3,209		0	0	3,209	0
1	0	1,058	488	1,546	995	457	1,452	2,998	0
B			559	559		2,478	2,478	3,037	
Total	11,384	1,058	5,174	17,616	995	2,935	3,930	21,546	735

NOTES:

* Residential Net Rentable GSF calculation includes exterior, corridor and party walls, and half party walls where adjacent to non-residential unit
 ** Residential Amenity GSF includes community room, entry lobby, offices, laundry
 *** Residential Core GSF include corridors, stairs, elevators, res. level utility spaces
 ^ Building Core GSF includes large mechanical/utility spaces, etc

3300 MISSION STREET SAN FRANCISCO, CA



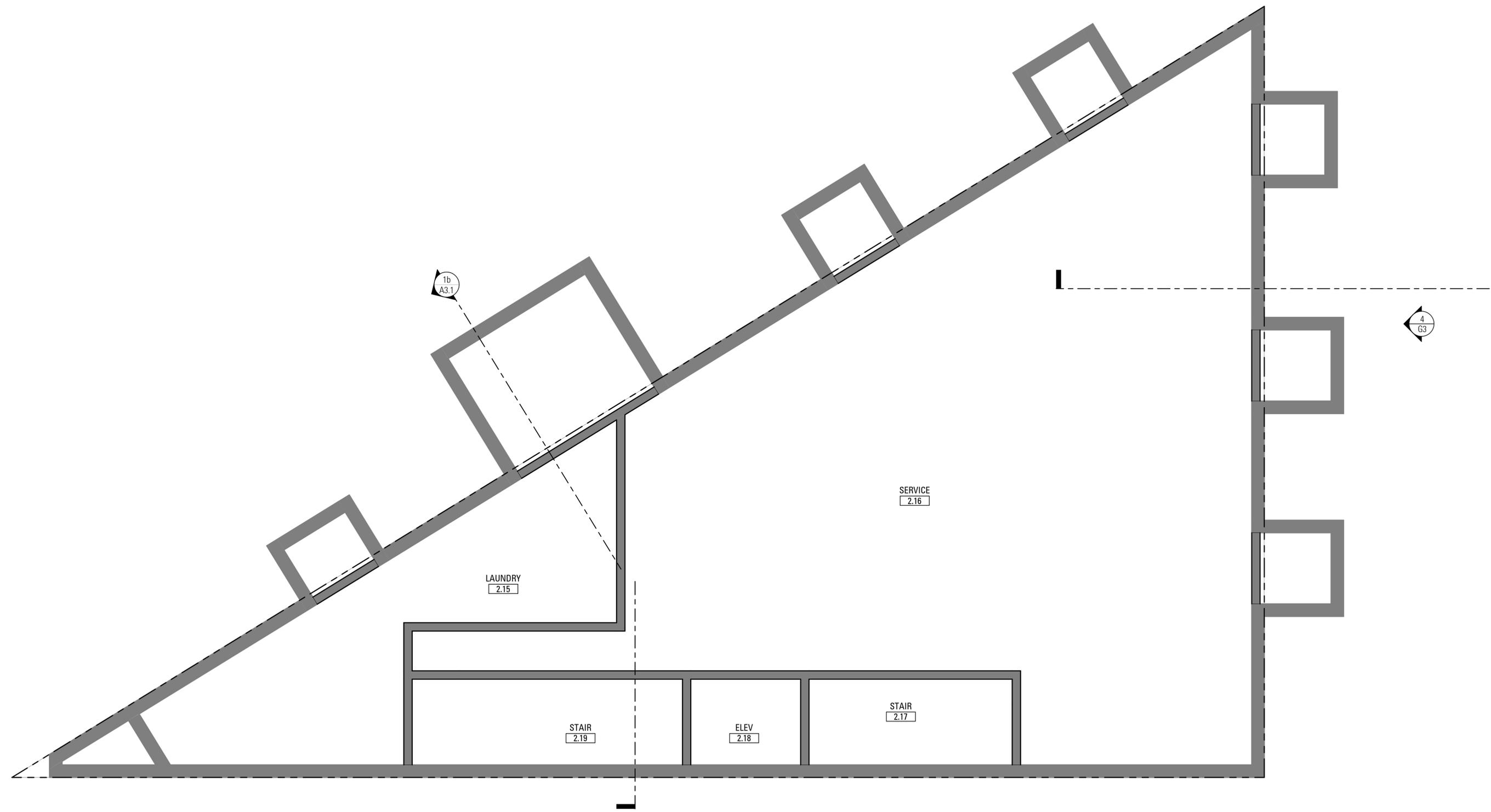
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PLANNING CODE ANALYSIS

ELEMENT	PLANNING CODE SECTION	REQUIREMENT	REQD	PROVIDED	INCENTIVE/ WAIVER, NOTES
DWELLING UNIT DEFINITION	SEC 102	A RESIDENTIAL USE DEFINED AS A ROOM OR SUITE OF TWO OR MORE ROOMS THAT IS DESIGNED FOR, OR IS OCCUPIED BY, ONE FAMILY DOING ITS OWN COOKING THEREIN AND HAVING ONLY ONE KITCHEN. A HOUSEKEEPING ROOM AS DEFINED IN THE HOUSING CODE SHALL BE A DWELLING UNIT FOR PURPOSES OF THIS CODE.	NO	N/A	
HEIGHT AND BULK LIMITS	SEC 102, 105, 106, 250-252, 260, 261.1, 270, 271. SEE ALSO HEIGHT AND BULK DISTRICT MAPS	40'		73'	YES
5 FOOT HEIGHT BONUS FOR ACTIVE GROUND FLOOR USES	SEC 263.20	N/A	N/A	N/A	
REAR YARD	SEC 130, 134, 134(A)(E), 136	REQUIRED AT THE LOWEST STORY CONTAINING A DWELLING UNIT, AND AT EACH SUCCEEDING LEVEL OF THE BUILDING: 25% OF LOT DEPTH, BUT IN NO CASE LESS THAN 15 FEET.	YES	NO	YES
FRONT SETBACK AND SIDE YARD	SEC 131, 132, 133	NOT REQUIRED.	NOT REQD	N/A	
STREETSCAPE AND PEDESTRIAN IMPROVEMENTS	SEC 138.1	REQUIRED	YES	YES, TBD	
STREET FRONTAGE REQUIREMENTS	SEC 145.1	REQUIRED; CONTROLS APPLY TO ... ACTIVE USES, GROUND FLOOR CEILING HEIGHT, STREET-FACING GROUND-LEVEL SPACES, TRANSPARENCY AND FENESTRATION, AND GATES, RAILINGS, AND GRILLWORK. APPLY TO FIRST 25' OF DEPTH OF BUILDING; MAX OF 40' OR 25% OF FRONTAGE FOR LOBBY ACCEPTABLE WITHIN THIS ZONING DISTRICT, NO MIN CLG AT COMMERCIAL AREAS; MIN FOR GROUND LEV RES IS 10'	YES	YES	
GROUND FLOOR COMMERCIAL	SEC 145.4	REQUIRED ON SOME STREETS, SEE SEC 145.4 FOR SPECIFIC DISTRICTS.	NOT REQD	N/A	
USABLE OPEN SPACE	SEC 135, 136	80 SQUARE FEET PER UNIT IF PRIVATE, OR 100 SQUARE FEET PER UNIT IF COMMON	YES	NO	YES
OFF-STREET PARKING REQUIREMENTS	§SEC 145.1	NO CAR PARKING REQUIRED.	NO	N/A	
RESIDENTIAL USES	SEC 102	PERMITTED	P	YES	
SINGLE ROOM OCCUPANCY	SEC 102	PERMITTED	P	YES	
DWELLING UNIT DENSITY	102, 207	1 UNIT PER 600 SF LOT AREA, OR THE DENSITY OF THE NEAREST R DISTRICT, WHICHEVER IS GREATER			YES
DWELLING UNIT MIX	SEC 207.7	NO LESS THAN 25% OF DWELLING UNITS SHALL CONTAIN AT LEAST 2 BEDROOMS, AND NO LESS THAN 10% OF DWELLING UNITS SHALL CONTAIN AT LEAST THREE BEDROOMS	N/A	N/A	NOT APPLICABLE AS BUILDING IS AN SRO BUILDING WHICH IS PERMITTED
NON-RESIDENTIAL STANDARDS AND USES	TABLE 740	APPLIES TO MISSION BERNAL NCD			
FLOOR AREA RATIO	SEC 102, 123, 124	3.6 TO 1			
USE SIZE	SEC 102, 121.2	P UP TO 5,999 SQUARE FEET; C 6,000 SQUARE FEET AND ABOVE			
OFF-STREET PARKING REQUIREMENTS	SEC 145.1	NO CAR PARKING REQUIRED. MAXIMUM PERMITTED PER SEC 151. BIKE PARKING REQUIRED PER SECTION 155.2. CAR SHARE SPACES REQUIRED WHEN A PROJECT HAS 25 OR MORE PARKING SPACES PER SEC 166.	NO	NO	
OFF-STREET FREIGHT LOADING	SEC 150, 152, 153 - 155, 161, 204.5	NONE REQUIRED IF GROSS FLOOR AREA IS LESS THAN 10,000 SQUARE FEET. EXCEPTIONS PERMITTED PER §SEC 155 AND 161.	NO	NO	
BAR	SEC 102, 202.2(A)	P(3)	P(1)	TENTATIVE	
RESTAURANT	SEC 102, 202.2(A)	P(2)	P(2)	TENTATIVE	
RESTAURANT, LIMITED	SEC 102, 202.2(A)	P(2)	P(2)	TENTATIVE	

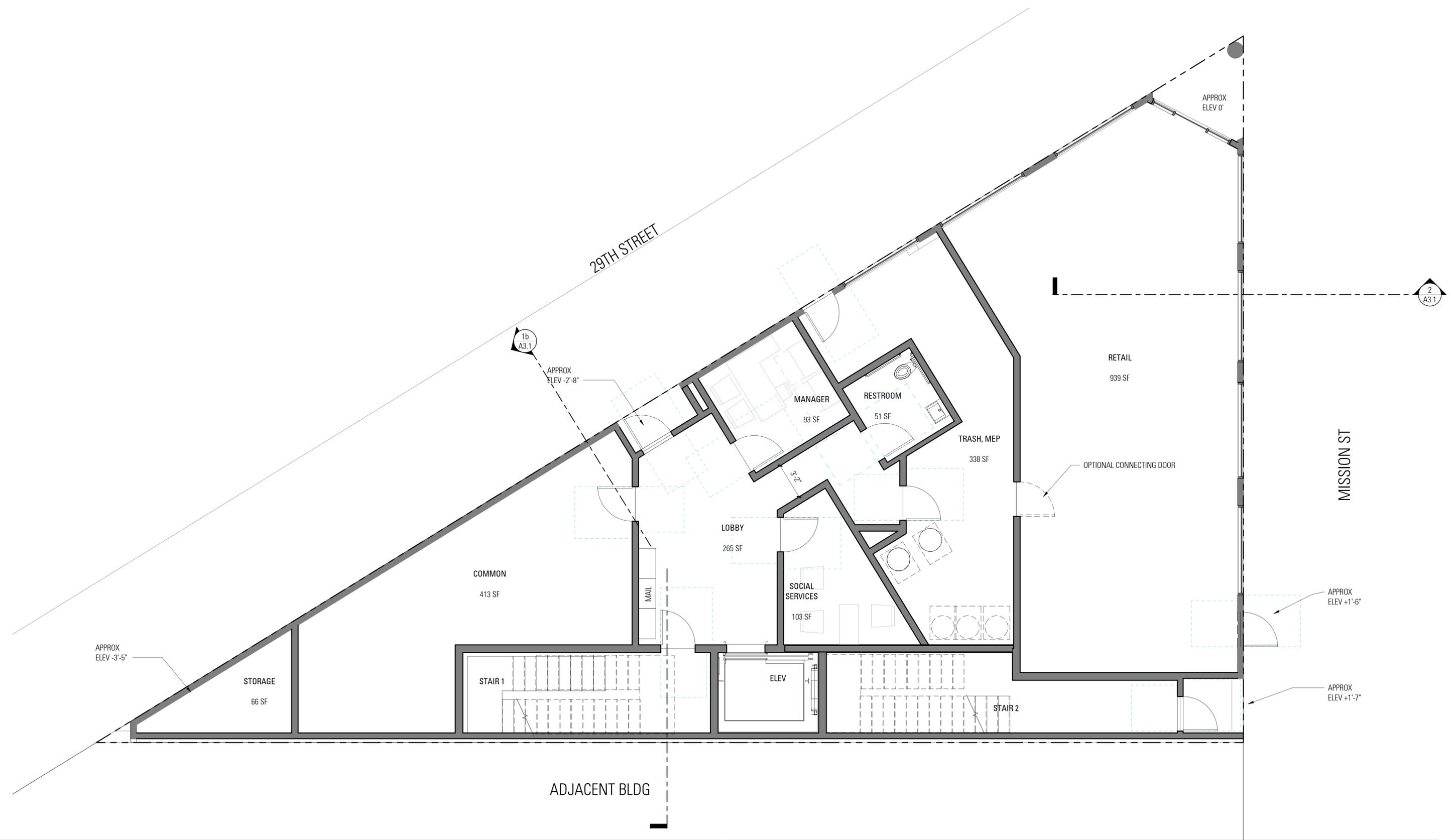
BUILDING CODE ANALYSIS

ELEMENT	CODE SECTION	REQUIREMENT	REQD	PROVIDED	INCENTIVE/ WAIVER, NOTES
DWELLING UNIT DEFINITION	CBC CH 2	A SINGLE UNIT THAT PROVIDES ROOMS OR SPACES FOR ONE OR MORE PERSONS, INCLUDES PERMANENT PROVISIONS FOR SLEEPING AND CAN INCLUDE PROVISIONS FOR LIVING, EATING AND EITHER SANITATION OR KITCHEN FACILITIES BUT NOT BOTH. SUCH ROOMS AND SPACES THAT ARE ALSO PART OF A DWELLING UNIT ARE NOT SLEEPING UNITS.	NO	NO	LISTED FOR REFERENCE
EFFICIENCY DWELLING UNIT DEFINITION	CBC CH 2	ADDWELLING UNITOCONSTRUCTED IN ACCORDANCE WITH HEALTH AND SAFETY CODE SECTION 17958.1 OR THE CALIFORNIA BUILDING CODESECTION 1208.4.			
STUDIO DWELLING UNIT	N/A	NOT A DEFINED TERM			
MINIMUM ROOM WIDTH	CBC 1208.1	HABITABLE SPACES, OTHER THAN A KITCHEN, SHALL BE NOT LESS THAN 7 FEET IN ANY PLAN DIMENSION.	YES	YES	PROJECT IS INCLUDING AREAS LESS THAN 7' WHERE OVERALL PLAN DIMENSION OF SPACE IS 7' MIN
ROOM AREA	CBC 1208.3	EVERY DWELLING UNIT SHALL HAVE NOT LESS THAN ONE ROOM THAT SHALL HAVE NOT LESS THAN 120 SQUARE FEET OF NET FLOOR AREA. OTHER HABITABLE ROOMS SHALL HAVE A NET FLOOR AREA OF NOT LESS THAN 70 SQUARE FEET.	YES	YES	
EFFICIENCY DWELLING UNITS	CBC 1208.4 W/ SAN FRANCISCO AMENDMENTS	TOTALDAREADOF THE UNIT SHALL BE NO LESS THAN 220 SQUARE FEET;DAREADSHALL BE MEASURED FROM THE INSIDE PERIMETER OF THEEXTERIOR WALLSD... AND SHALL INCLUDE CLOSETS,DBATHROOMS, KITCHEN, LIVING, AND SLEEPINGDAREAS.			
MINIMUM UNIT AREA	SF HOUSING CODE SECTION 503(B)	EVERY ROOM WHICH IS USED FOR BOTH COOKING AND LIVING OR BOTH LIVING AND SLEEPING PURPOSES SHALL HAVE NOT LESS THAN 144 SQUARE FEET OF SUPERFICIAL FLOOR AREA.	NO	NO	



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3300 Mission Street
 SAN FRANCISCO, CA

FLOOR PLAN - LEVEL 1

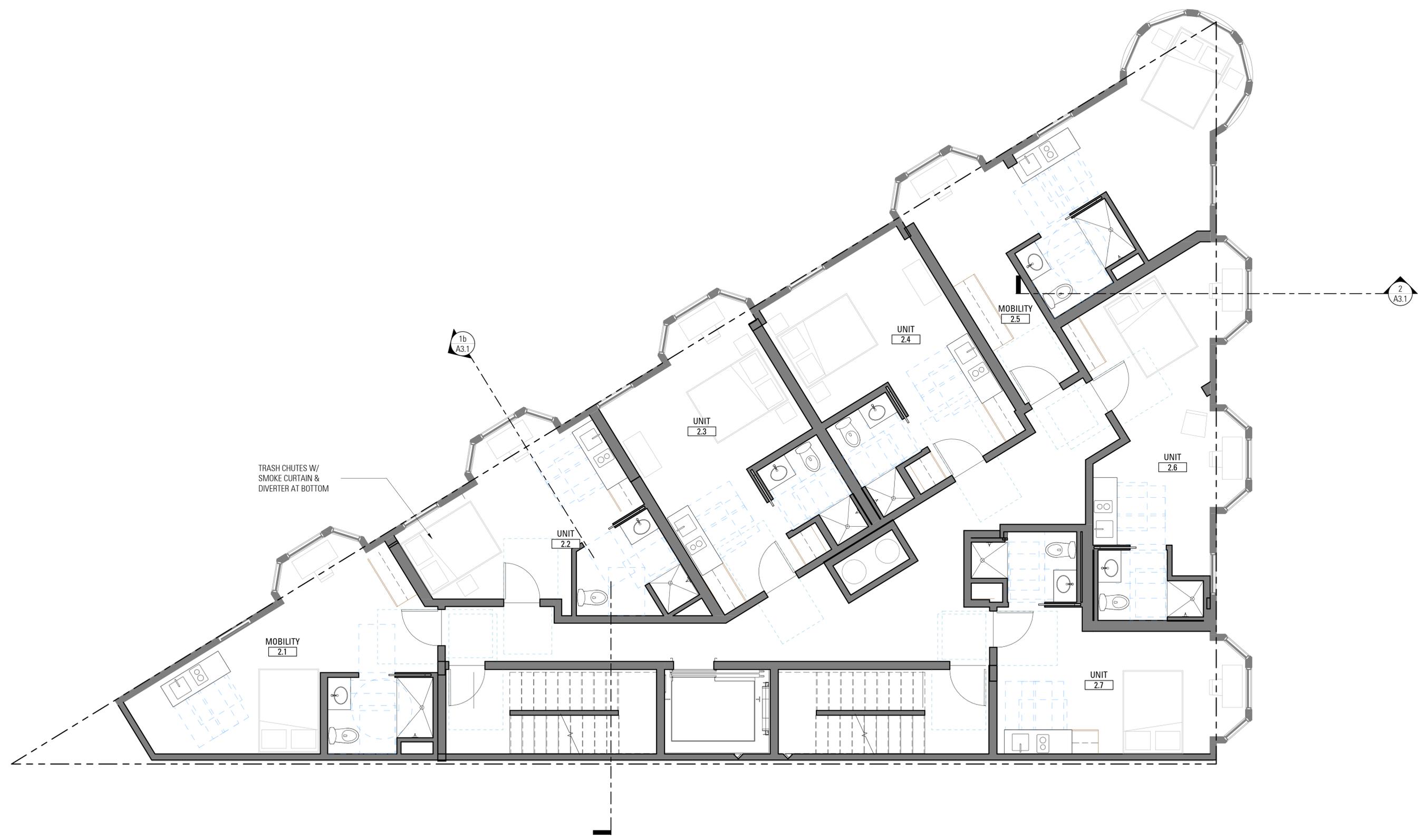
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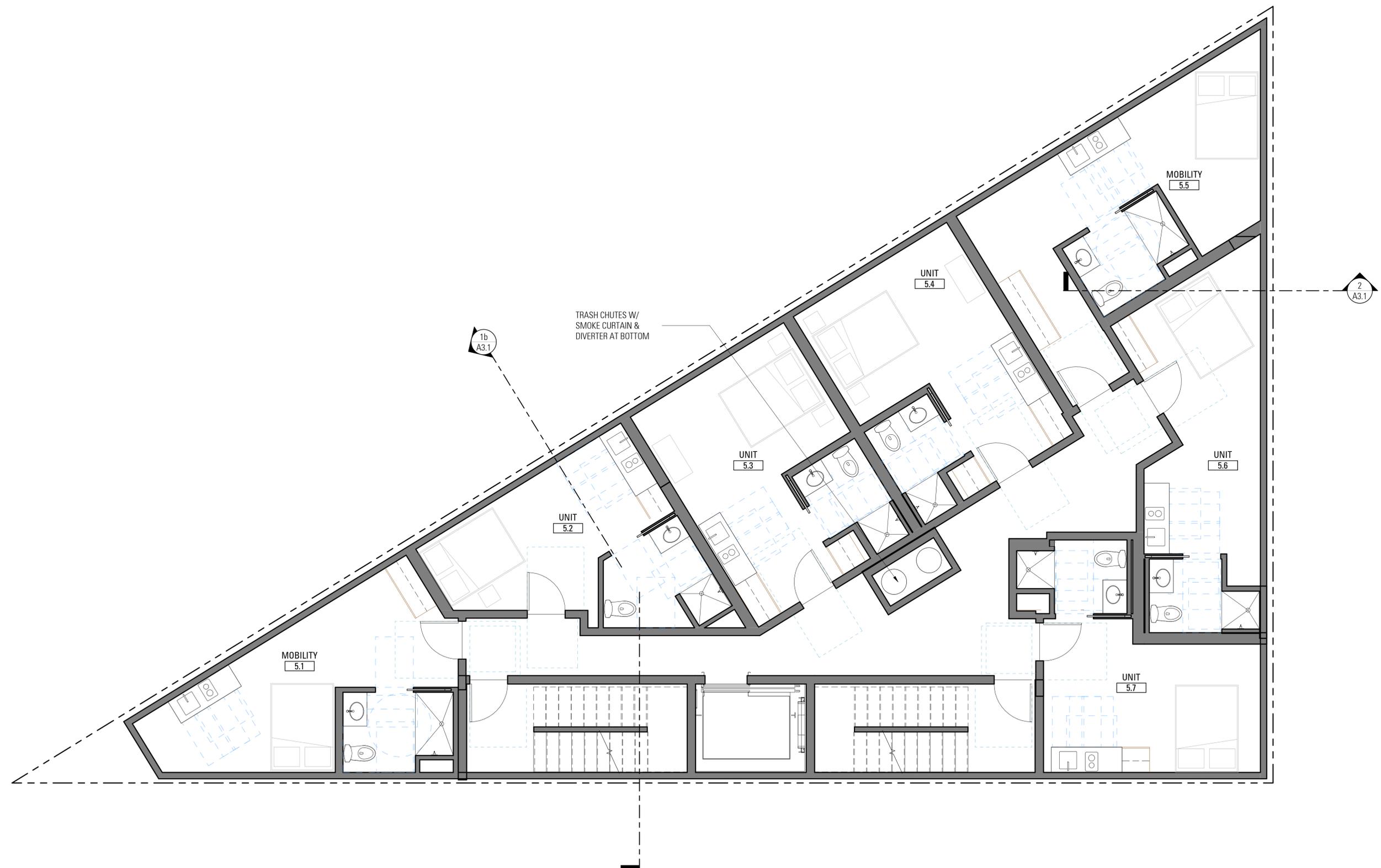
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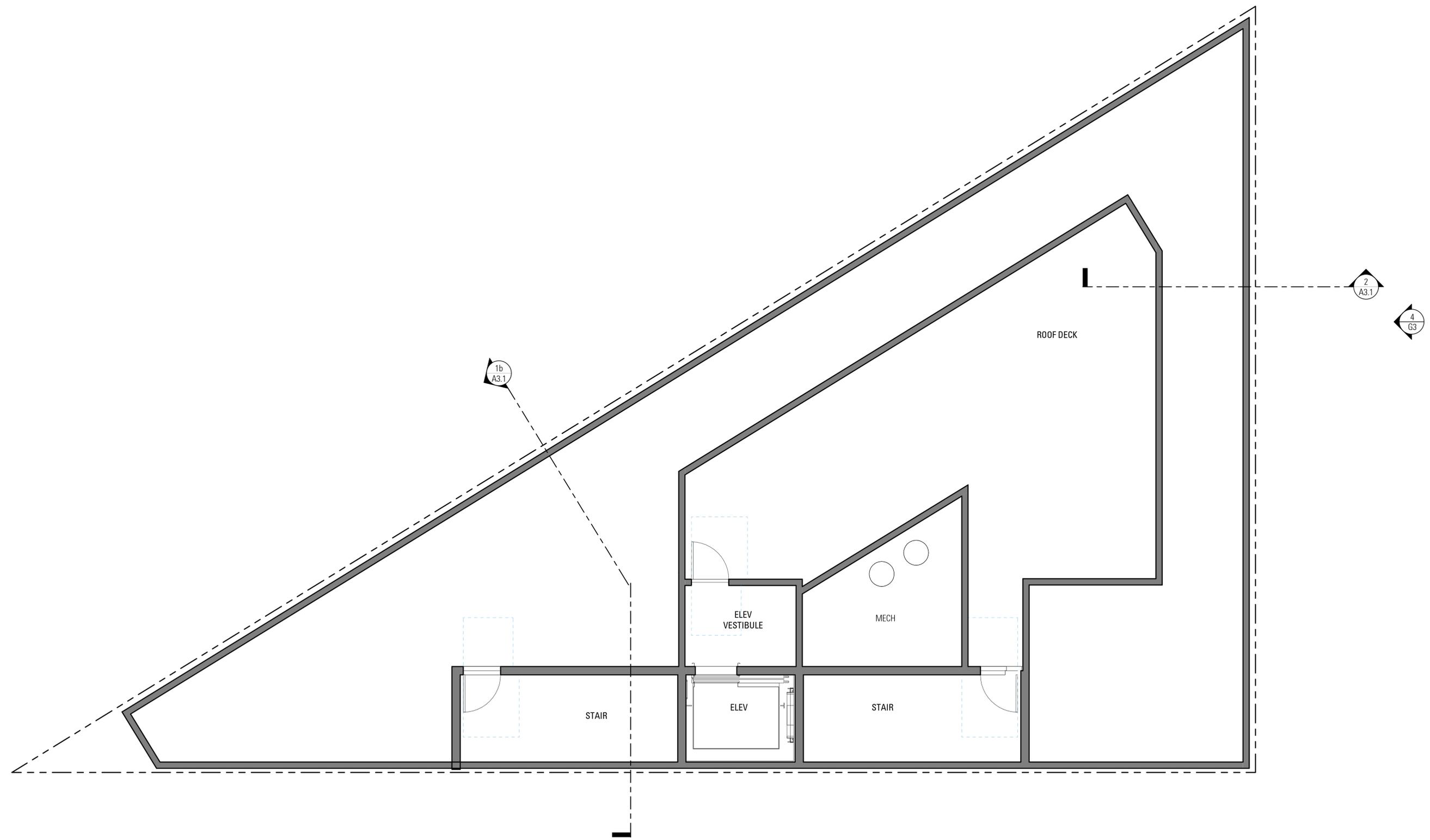


TRASH CHUTES W/
SMOKE CURTAIN &
DIVERTER AT BOTTOM

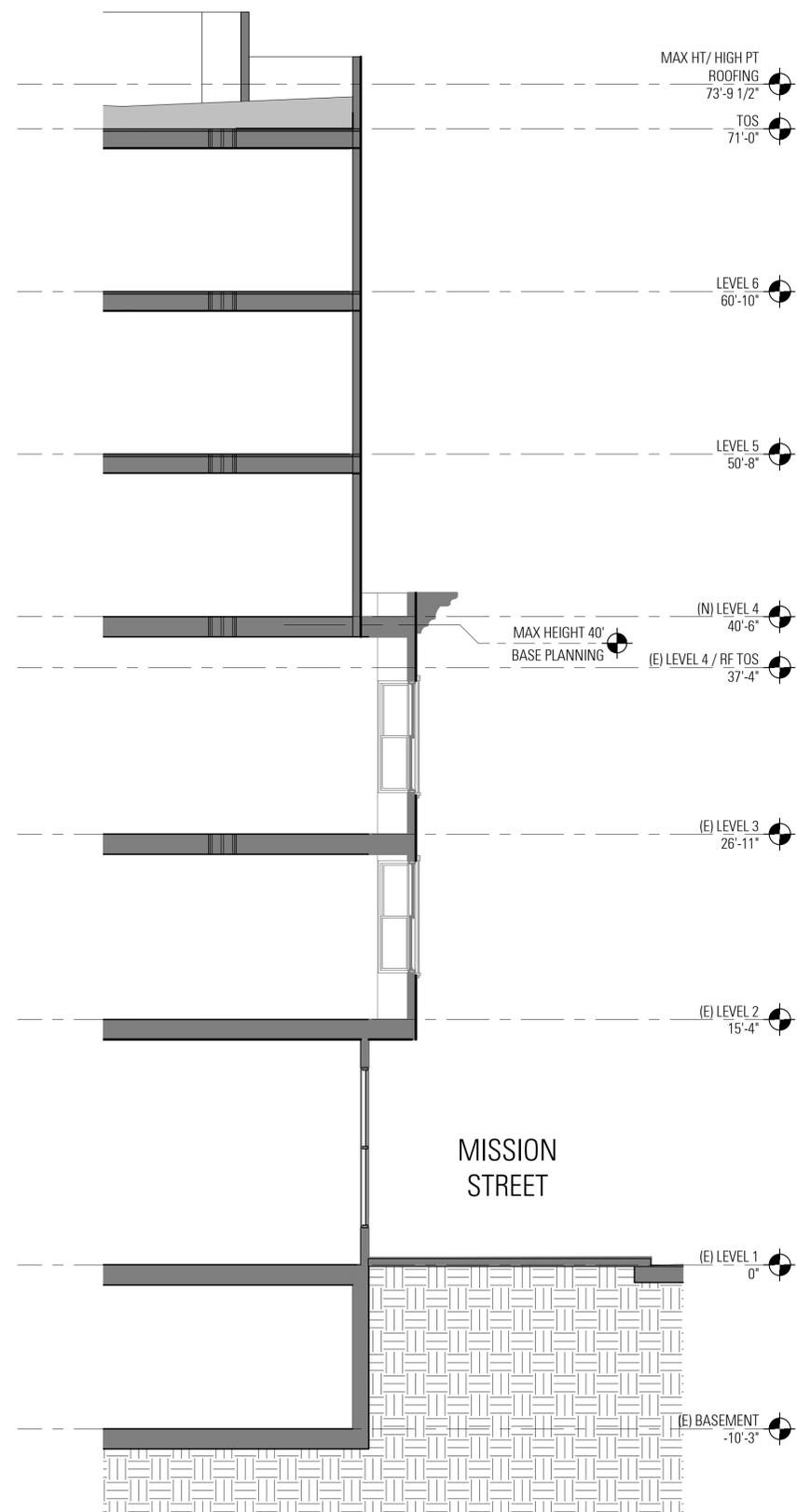
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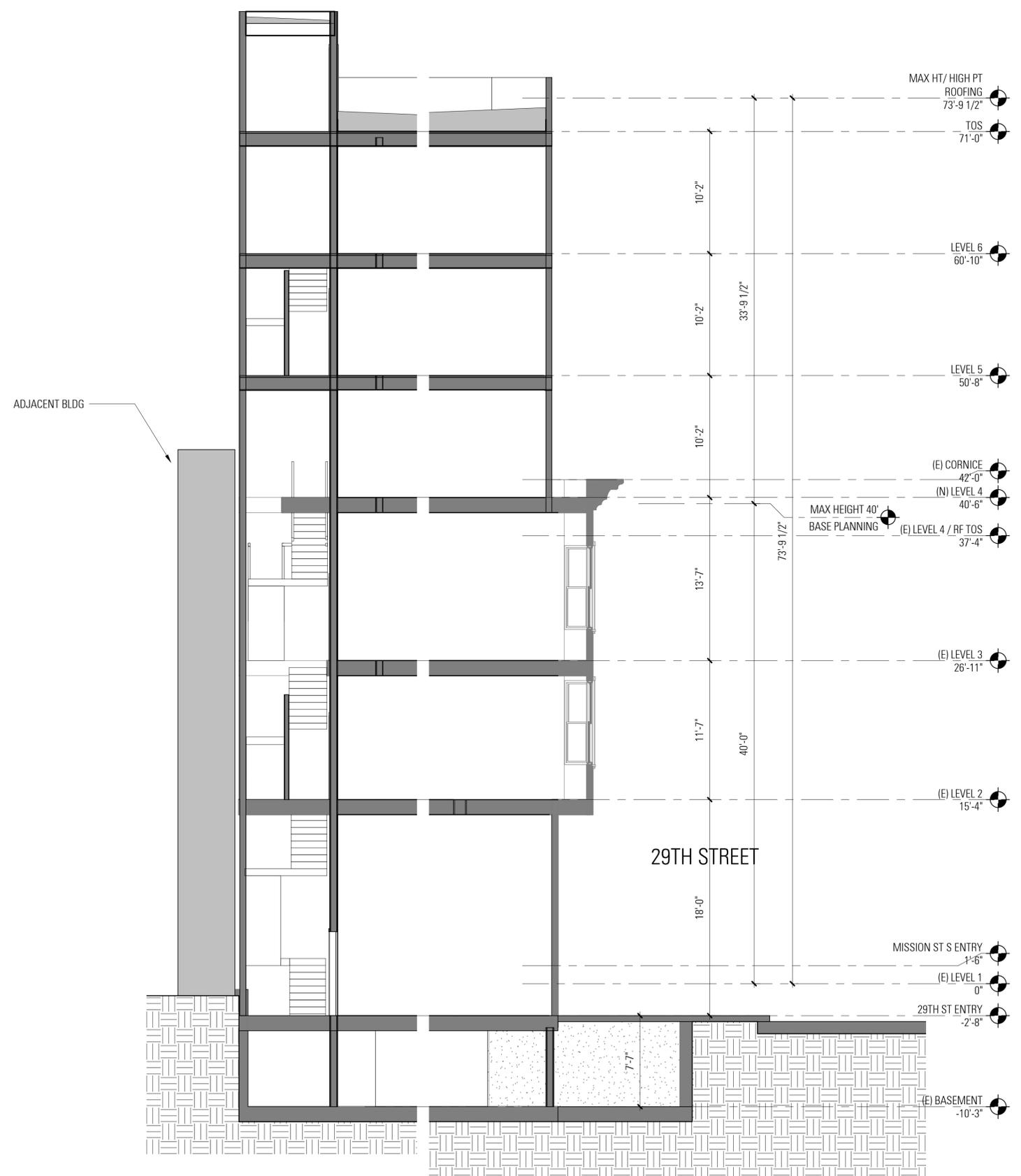
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2 SECTION @ MISSION ST
A3.1 3/16" = 1'-0"



1a (E) SECTION W/ NEW 29TH
A3.1 3/16" = 1'-0"

Z:\2023001_3300 Mission St\REV\1300 Mission-A.rvt
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**Attachment H: Comparison of City Investment in Other Housing
Developments**

See below

Affordable Multifamily Housing New Construction Cost Comparison - San Francisco

Updated 1/18/2024	Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs by Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/ sq.ft	Soft/unit	Soft/BR	Soft/ sq.ft	Gross TDC/unit	Gross TDC/BR	Gross TDC/ sq.ft	Subsidy / unit	Leveraging %
Delta of Subject and Comparable Projects	\$ 107,096	\$ 111,096	\$ 1,337	\$ (93,447)	\$ 139,012	\$ 398	\$ 88,116	\$ 147,008	\$ 281	\$ 182,451	\$ 477,790	\$ 992	\$ 9,514	94.8%
Delta Percentage	856%	1306%	5152%	-13%	28%	64%	48%	117%	178%	20%	76%	125%	5%	117%
SUBJECT PROJECT 3300 Mission st, SF	\$ 119,609	\$ 119,600	\$ 1,363	\$ 633,250	\$ 633,250	\$ 1,023	\$ 272,215	\$ 272,215	\$ 440	\$ 1,105,721	\$ 1,105,721	\$ 1,786	\$ 185,714	83.2%
Comparable Projects	Average: \$ 12,504	\$ 8,504	\$ 25.95	\$ 726,697	\$ 494,238	\$ 625	\$ 184,097	\$ 125,207	\$ 158	\$ 923,270	\$ 627,931	\$ 795	\$ 176,200	80.9%

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

ALL PROJECTS	Average:	Building Square Footage			Total Project Costs							Notes on Financing	Building Type	Stories	Comments			
		Lot sq.ft	Completion/ start date	# of Units	# of BR	Res. ²	Non-Res. Sq. ft.	Total sq. ft.	Acq. Cost ³	Constr. Cost ⁴	Soft Cost					Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land
ALL PROJECTS	Average:	31,513		120	191	120,323	13,545	132,205	\$ 1,671,187	\$ 80,538,852	\$ 18,824,770	\$ 101,141,991	\$ 29,006,149	\$ 99,482,294				
Comparable Projects Completed (filtered)	Average:	9,795		57	58	43,177	7,628	50,805	\$2,890,000	\$33,566,687	\$8,470,004	\$44,926,691	\$12,524,987	\$42,036,691				
Comparable Projects Under Construction (filtered)	Average:	30,099		89	147	97,863	19,803	117,666	\$13,334	\$66,210,921	\$20,433,996	\$86,651,584	\$18,012,604	\$86,644,917				
Comparable Projects In Predevelopment (filtered)	Average:	73,161		89	140	91,929	12,158	104,087	\$30,000	\$70,693,485	\$14,282,015	\$85,005,500	\$10,795,883	\$84,975,500				
Total Comparable Projects	Average:	37,685		78	115	77,656	13,196	90,852	\$977,778	\$56,823,698	\$14,395,338	\$72,194,591	\$13,777,824	\$71,219,036				
SUBJECT PROJECT		3,072	Mar-25	35	35	19,463	2,202	21,665	\$ 4,186,000	\$ 22,163,750	\$ 9,527,527	\$ 38,700,228	\$ 6,499,990	\$ 34,514,228		Type IIIA over a Type IA podium	6	Need to have general contractor's input on cost.
Delta of Subject and Comp Project Averages		-34.613		-43	-60	-58,193	-10,994	-69,187	\$3,208,222	(\$3,659,948)	(\$4,867,811)	(\$33,494,363)	(\$7,277,634)	(\$36,704,808)				
Delta Percentage		-92%		-55%	-70%	-75%	-83%	-76%	328%	-61%	-34%	-46%	-53%	-52%				

PROJECTS COMPLETED																		
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR	Building Square Footage			Total Project Costs			Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
						Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost							
95 Laguna Senior	95 Laguna	14,300	May-19	79	82	59,785	7,316	67,101	\$ 5,012,000	\$ 38,807,463	\$ 11,343,750	\$ 55,163,213	\$ 21,234,000	\$ 50,151,213	9% LRMC	Type III over 2 Type IA	7	Incl Community Services space
Booker T Washington	800 Presidio	8,000	Feb-18	50	52	40,340	20,700	61,040	\$ 3,323,000	\$ 39,783,017	\$ 9,125,350	\$ 49,125,367	\$ 9,026,304	\$ 45,802,367	HCD MHP Loan	Type V over Type I	5	TDC incl Community Center \$8.4MM
725 Davis Senior Housing	725 Davis	10,165	May-21	53	54	46,143	1,257	47,400	\$ -	\$ 26,190,972	\$ 11,846,397	\$ 48,037,369	\$ 18,525,940	\$ 49,027,259	Type IIIA & V over Type I	5-6	Senior	
Casa de la Misión	3001 24th Street	6,715	Sep-21	45	45	26,439	1,239	27,678	\$ 3,225,000	\$ 19,485,296	\$ 4,670,519	\$ 27,380,815	\$ 1,313,694	\$ 24,155,815	9% LRMC & private donor	Type V over Type I	5	

PROJECTS UNDER CONSTRUCTION																		
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR	Building Square Footage			Total Project Costs			Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
						Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost							
Burnside Block 3B	1551 Burnside Avenue	39,160		90	178	122,160	38,488	160,648	\$ 20,001	\$ 71,571,738	\$ 19,372,089	\$ 90,943,827	\$ 8,486,742	\$ 86,943,827	4% Credits: HCD HG & A	Type VA over IA	6	check contract to 11/2023 + parking
Sunnyside Block 3A	1501 Sunnyside Avenue	34,400		80	164	94,595	19,013	113,608	\$ 20,001	\$ 72,470,936	\$ 22,824,983	\$ 95,315,920	\$ 26,044,938	\$ 69,270,982	4% Credits: HCD HG & A	Type VA over IA	5	escal to 1/2023
4200 Geary	4200 Geary	16,738		98	98	76,834	1,908	78,742	\$ -	\$ 54,590,088	\$ 19,104,917	\$ 73,695,005	\$ 19,526,131	\$ 73,695,005	4% Credits: HCD MHP, A	Type III over Type I	7	Comm Sp, Urban Ag (95% CD)Add'l T&C; est 3/2022ALC @2023

PROJECTS IN PREDEVELOPMENT																		
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR	Building Square Footage			Total Project Costs			Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
						Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost							
Burnside Block 7	Sunrise Wy and Santos St	73,161		81	184	114,374	22,815	137,189	\$ 10,000	\$ 76,068,122	\$ 8,000,000	\$ 86,068,122	\$ 12,743,982	\$ 86,068,122	4% Credits: HCD HG & A	Type VA over IA	5	1/2023 start of work, 10/2023 start construction, 10/2023 start occupancy
Potter's Yard Senior	1828 Bryant			95	95	69,484	1,500	70,984	\$ 50,000	\$ 63,298,848	\$ 20,564,029	\$ 83,862,877	\$ 8,848,684	\$ 83,862,877		Type III over Type I	4-5	50% SD 2023

Attachment I: Predevelopment Budget

[See attached]

Application Date: 3/15/2024 # Units: 35
 Project Name: 3300 Mission # Bedrooms: 35
 Project Address: 3300-3308 Mission Street # Beds:
 Project Sponsor: BHHC, TCDC, MREG

SOURCES	2,349,000	4,151,000	-	-	Total Sources	6,500,000	Comments
Name of Sources: MOHCD Predevelopment Acquisition							

USES

ACQUISITION

Acquisition cost or value		3,850,000			3,850,000	
Legal / Closing costs / Broker's Fee		211,000			211,000	
Holding Costs		90,000			90,000	
Transfer Tax					0	
TOTAL ACQUISITION	0	4,151,000	0	0	4,151,000	

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	HOPE SF/OCC costs for streets etc.
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	
Design Contingency (remove at DD)					0	\$45MM+
Bid Contingency (remove at bid)					0	\$45MM+
Plan Check Contingency (remove/reduce during Plan Review)					0	\$45MM+
Hard Cost Construction Contingency					0	5% new construction / 15% rehab
Sub-total Construction Contingencies	0	0	0	0	0	
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees	750,000				750,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)					0	
Architect Construction Admin					0	
Reimbursables					0	
Additional Services					0	
Sub-total Architect Contract	750,000	0	0	0	750,000	
Other Third Party design consultants (not included under Architect contract)					150,000	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	900,000	0	0	0	900,000	

Engineering & Environmental Studies

Survey	40,000				40,000	
Geotechnical studies	27,000				27,000	
Phase I & II Reports	27,000				27,000	
CEQA / Environmental Review consultants	100,000				100,000	
NEPA / 106 Review					0	
CNA/PNA (rehab only)					0	
Other environmental consultants					0	Name consultants & contract amounts
Total Engineering & Environmental Studies	194,000	0	0	0	194,000	

Financing Costs

Construction Financing Costs						
Construction Loan Origination Fee	25,000				25,000	
Construction Loan Interest					0	
Title & Recording	25,000				25,000	
CDLAC & CDIAC fees					0	
Bond Issuer Fees					0	
Other Bond Cost of Issuance					0	
Other Lender Costs (HAF)	93,000				93,000	HAF Closing Fee + Expenses
Sub-total Const. Financing Costs	143,000	0	0	0	143,000	
Permanent Financing Costs						
Permanent Loan Origination Fee					0	
Credit Enhance. & Appl. Fee					0	
Title & Recording					0	
Sub-total Perm. Financing Costs	0	0	0	0	0	
Total Financing Costs	143,000	0	0	0	143,000	

Legal Costs

Borrower Legal fees	20,000				20,000	
Land Use / CEQA Attorney fees	30,000				30,000	
Tax Credit Counsel					0	
Bond Counsel					0	
Construction Lender Counsel					0	
Permanent Lender Counsel					0	
Other Legal (specify)					0	
Total Legal Costs	50,000	0	0	0	50,000	

Other Development Costs

Appraisal	10,000				10,000	
Market Study	10,000				10,000	
* Insurance	12,000				12,000	
* Property Taxes	20,000				20,000	
* Accounting / Audit	5,000				5,000	
* Organizational Costs					0	Design Printing/Copying
Entitlement / Permit Fees	90,000				90,000	
* Marketing / Rent-up					0	
* Furnishings					0	\$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees	15,000				15,000	
TCAC App / Alloc / Monitor Fees	100,000				100,000	
* Financial Consultant fees	50,000				50,000	
Construction Management fees / Owner's Rep	39,600				39,600	
Security during Construction					0	
* Relocation					0	
Community Outreach	74,000				74,000	
Syndication Consultant					0	
Inspectors					0	
Total Other Development Costs	425,600	0	0	0	425,600	

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	86,400				86,400	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	1,799,000	0	0	0	1,799,000	5.0%

1,712,600
85630

RESERVES

* Operating Reserves					0	
Replacement Reserves					0	
* Tenant Improvements Reserves					0	
Other (specify)					0	
Other (specify)					0	
Other (specify)					0	
TOTAL RESERVES	0	0	0	0	0	

-770

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	550,000				550,000	
Developer Fee - Cash-out At Risk					0	
Commercial Developer Fee					0	
Developer Fee - GP Equity (also show as source)					0	
Developer Fee - Deferred (also show as source)					0	
Development Consultant Fees					0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)					0	
TOTAL DEVELOPER COSTS	550,000	0	0	0	550,000	

TOTAL DEVELOPMENT COST

2,349,000	4,151,000	0	0	6,500,000	
Development Cost/Unit by Source	67,114	118,600	0	0	185,714
Development Cost/Unit as % of TDC by Source	36.1%	63.9%	0.0%	0.0%	100.0%

Acquisition Cost/Unit by Source

0	110,000	0	0	110,000	
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Construction Cost (inc Const Contingency)/Unit By Source

0	0	0	0	0	
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Construction Cost (inc Const Contingency)/SF

0.00	0.00	0.00	0.00	0.00	
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*Possible non-eligible GO Bond/COP Amount:

82,000					
City Subsidy/Unit	67,114				

Tax Credit Equity Pricing:

0.97					
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Construction Bond Amount:

19,979,702					
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Construction Loan Term (in months):

30 months					
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Construction Loan Interest Rate (as %):

7.25%					
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Attachment J: Development Budget

[See attached]

Application Date: 3/15/2024 # Units: 35
 Project Name: 3300 Mission # Bedrooms: 35
 Project Address: 3300-3308 Mission Street # Beds:
 Project Sponsor: BHHC, TCDC, MREG

SOURCES	Total Sources					Comments
	2,349,000	4,151,000	-	9,314,553	22,932,700	
MOHCD Predev	MOHCD Acquisition		MOHCD Perm Gap	Tax Credit Equity		Total MOHCD non asq
						11,663,553

USES

ACQUISITION	0	3,850,000			3,850,000	
Acquisition cost or value	0	211,000			211,000	
Legal / Closing costs / Broker's Fee	0	90,000	35,000		125,000	
Holding Costs					0	
Transfer Tax					0	
TOTAL ACQUISITION	0	4,151,000	0	35,000	0	4,186,000

CONSTRUCTION (HARD COSTS)

* Unit Construction/Rehab			2,472,931	13,443,699	15,916,630	Include FF&E
* Commercial Shell Construction				761,154	761,154	
* Demolition					0	
* Environmental Remediation					0	
* Onsite Improvements/Landscaping					0	
* Offsite Improvements					0	
* Infrastructure Improvements					0	HOPE SF/OClI costs for streets etc.
Parking					0	
GC Bond Premium/GC Insurance/GC Taxes				427,131	427,131	2.2%
GC Overhead & Profit				663,180	663,180	3.4%
CG General Conditions				1,618,776	1,618,776	8.3%
<i>Sub-total Construction Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,472,931</i>	<i>16,913,940</i>	<i>19,386,871</i>
Design Contingency (remove at DD)				0	0	\$45MM+
Bid Contingency (remove at bid)			80,000	500,850	580,850	\$45MM+
Plan Check Contingency (remove/reduce during Plan Review)			30,000	500,000	580,000	\$45MM+
Hard Cost Construction Contingency				1,551,029	1,551,029	5% new construction / 15% rehab
<i>Sub-total Construction Contingencies</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>110,000</i>	<i>2,601,879</i>	<i>2,711,879</i>
TOTAL CONSTRUCTION COSTS	0	0	0	2,582,931	19,515,819	22,098,750

SOFT COSTS

Architecture & Design						
Architect design fees	750,000		725,000	483,082	1,958,082	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)					0	
Architect Construction Admin					0	
Reimbursables					0	
Additional Services					0	
<i>Sub-total Architect Contract</i>	<i>750,000</i>	<i>0</i>	<i>0</i>	<i>725,000</i>	<i>483,082</i>	<i>1,958,082</i>
Other Third Party design consultants (not included under Architect contract)			330,000		480,000	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	900,000	0	0	1,055,000	483,082	2,438,082
Engineering & Environmental Studies						
Survey	40,000			10,000	50,000	
Geotechnical studies	27,000		1,000	7,000	35,000	
Phase I & II Reports	27,000		1,000	7,000	35,000	
CEQA / Environmental Review consultants	100,000		50,000		150,000	(2,349,000)
NEPA / 106 Review					0	
CNA/PNA (rehab only)					0	
Other environmental consultants					0	Name consultants & contract amounts
Total Engineering & Environmental Studies	194,000	0	0	52,000	24,000	270,000
Financing Costs						
Construction Financing Costs						
Construction Loan Origination Fee	25,000		25,000	226,000	276,000	
Construction Loan Interest			1,711,051	568,949	2,280,000	
Title & Recording	25,000			50,000	75,000	
CDLAC & CDIAC fees					0	
Bond Issuer Fees					0	
Other Bond Cost of Issuance					0	
Other Lender Costs (HAF)	93,000			500	93,500	
<i>Sub-total Const. Financing Costs</i>	<i>143,000</i>	<i>0</i>	<i>0</i>	<i>1,736,051</i>	<i>845,449</i>	<i>2,724,500</i>
Permanent Financing Costs						
Permanent Loan Origination Fee					0	
Credit Enhance. & Appl. Fee					0	
Title & Recording					0	
<i>Sub-total Perm. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Financing Costs	143,000	0	0	1,736,051	845,449	2,724,500
Legal Costs						
Borrower Legal fees	20,000		330,000		350,000	
Land Use / CEQA Attorney fees	30,000		20,000		50,000	
Tax Credit Counsel					0	
Bond Counsel					0	
Construction Lender Counsel				100,000	100,000	
Permanent Lender Counsel				0	0	
Other Legal (specify)					0	
Total Legal Costs	50,000	0	0	350,000	100,000	500,000
Other Development Costs						
Appraisal	10,000				10,000	
Market Study	10,000				10,000	
Insurance	12,000		98,268		110,268	
Property Taxes	20,000		30,000		50,000	333,244.37
Accounting / Audit	5,000		45,000		50,000	
Organizational Costs					0	
Entitlement / Permit Fees	90,000		810,000		900,000	
Marketing / Rent-up			250,000		250,000	
Furnishings			200,000		200,000	
PGE / Utility Fees	15,000		485,000		500,000	
TCAC App / Alloc / Monitor Fees	100,000			14,350	114,350	
Financial Consultant fees	50,000		25,000		75,000	
Construction Management fees / Owner's Rep	39,600		387,928		427,528	
Security during Construction			75,000		75,000	
Relocation					0	
Community Outreach	74,000				74,000	
Syndication Consultant			55,000		55,000	
Inspectors			175,000		175,000	
Total Other Development Costs	425,600	0	0	2,636,196	14,350	3,076,146
Soft Cost Contingency						
Contingency (Arch, Eng, Fin, Legal & Other Dev)	86,400		643,399		729,799	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	1,799,000	0	0	6,472,646	1,466,881	9,738,527

RESERVES

* Operating Reserves			98,976		98,976	3 months
* Replacement Reserves					0	
* Tenant Improvements Reserves					0	
* Other (specify)					0	395904
* Other (specify)					0	
* Other (specify)					0	
TOTAL RESERVES	0	0	0	98,976	0	98,976

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	550,000			550,000	1,100,000	
Developer Fee - Cash-out At Risk					1,100,000	
Commercial Developer Fee			125,000	300,000	425,000	0
Developer Fee - GP Equity (also show as source)					0	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	
TOTAL DEVELOPER COSTS	550,000	0	0	125,000	1,950,000	2,625,000

TOTAL DEVELOPMENT COST

	2,349,000	4,151,000	0	9,314,553	22,932,700	38,747,253
Development Cost/Unit by Source	67,114	118,600	0	266,130	655,220	1,107,064
Development Cost/Unit as % of TDC by Source	6.1%	10.7%	0.0%	24.0%	59.2%	100.0%

Acquisition Cost/Unit by Source

	0	110,000	0	0	0	110,000
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Construction Cost (inc Const Contingency)/Unit By Source

	0	0	0	73,798	557,595	631,393
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Construction Cost (inc Const Contingency)/SF

	0.00	0.00	0.00	142.85	1,079.36	1,222.21
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*Possible non-eligible GO Bond/COP Amount: 82,000
 City Subsidy/Unit: 67,114

Tax Credit Equity Pricing: 0.970
 Construction Bond Amount: 19,979,702
 Construction Loan Term (in months): 30 months
 Construction Loan Interest Rate (as %): 7.25%

Attachment K: 1st Year Operating Budget

[See attached]

Application Date: 3/15/2024 Project Name: 3300 Mission
 Total # Units: 35 Project Address: 3300-3308 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: BHHC, TCDC, MREG

Correct errors noted in Col N!

INCOME	Total	Comments
Residential - Tenant Rents	478,620	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Space	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	3,780	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	
Gross Potential Income	482,400	
Vacancy Loss - Residential - Tenant Rents	(24,120)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	458,280	PUPA: 13,094

OPERATING EXPENSES		
Management		
Management Fee	33,048	1st Year to be set according to HUD schedule.
Asset Management Fee	0	Up to \$25,130 2024 based on MOHCD above the line AMF schedule
Sub-total Management Expenses	33,048	PUPA: 944

Salaries/Benefits		
Office Salaries		
Manager's Salary	15,288	
Health Insurance and Other Benefits	11,600	
Other Salaries/Benefits		
Administrative Rent-Free Unit	26,580	
Sub-total Salaries/Benefits	53,468	PUPA: 1,528

Administration		
Advertising and Marketing		
Office Expenses	19,900	\$13.2K Telephone & Answering Svc
Office Rent	2,720	
Legal Expense - Property	8,500	
Audit Expense	9,500	
Bookkeeping/Accounting Services	4,896	
Bad Debts		
Miscellaneous	3,500	
Sub-total Administration Expenses	49,016	PUPA: 1,400

Utilities		
Electricity	38,798	
Water	17,150	
Gas		
Sewer	22,750	
Sub-total Utilities	78,698	PUPA: 2,249

Taxes and Licenses		
Real Estate Taxes	1,300	
Payroll Taxes	2,776	
Miscellaneous Taxes, Licenses and Permits	2,500	
Sub-total Taxes and Licenses	6,576	PUPA: 188

Insurance		
Property and Liability Insurance	28,000	
Fidelity Bond Insurance		
Worker's Compensation	4,884	
Director's & Officers' Liability Insurance		
Sub-total Insurance	32,884	PUPA: 940

Maintenance & Repair		
Payroll	17,333	
Supplies	28,930	
Contracts	20,020	
Garbage and Trash Removal	15,400	
Security Payroll/Contract	2,200	
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs	7,330	
Miscellaneous Operating and Maintenance Expenses	2,500	
Sub-total Maintenance & Repair Expenses	93,713	PUPA: 2,678

Supportive Services	31,000	
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES 378,403 PUPA: 10,812

Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	1	Ground lease with MOHCD Provide additional comments here, if needed.
Bond Monitoring Fee		
Replacement Reserve Deposit	17,500	
Operating Reserve Deposit		
Other Required Reserve 1 Deposit		
Other Required Reserve 2 Deposit		
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	17,501	PUPA: 500

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	395,904	PUPA: 11,312	Min DSCR: 1.15 Mortgage Rate: 7.25%
NET OPERATING INCOME (INCOME minus OP EXPENSES)	62,376	PUPA: 1,782	Term (Years): 30 Supportable 1st Mortgage Pmt: 54,240 Supportable 1st Mortgage Amt: \$662,587 Proposed 1st Mortgage Amt: \$2,349,000

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 Len)	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	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL HARD DEBT SERVICE	0	PUPA: 0

CASH FLOW (NOI minus DEBT SERVICE) 62,376		
USES OF CASH FLOW BELOW (This row also shows DSCR.)		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
'Below-the-line' Asset Mgt fee (uncommon in new projects, see policy)		
Partnership Management Fee (see policy for limits)	50,249	2nd
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	1st
Other Payments		
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)		Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		Def. Develop. Fee split: 0% Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	55,249	PUPA: 1,579

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS) PRECEDING MOHCD) 7,127		
Residual Receipts Calculation		
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease? Yes
Will Project Defer Developer Fee?	Yes	
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): 1
% of Residual Receipts available for distribution to soft debt lenders in	50%	

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. recs	\$13,465,553	70.33%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$5,680,010	29.67%
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	0	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	No residual receipts payments for first 5 years due to Emerging Developer
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	No residual receipts payments for first 5 years due to Emerging Developer

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 7,127		
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	0	
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	0	

REMAINDER (Should be zero unless there are distributions below) 7,127		
Owner Distributions/Incentive Management Fee	0	
Other Distributions/Uses	0	
Final Balance (should be zero)	7,127	Check final balance - not zero!

Attachment L: 20-year Operating Proforma

[See attached]

