



118-0282021-002

Agenda Item No. 5(b)
Meeting of August 17, 2021

MEMORANDUM

TO: Community Investment and Infrastructure Commissioners

FROM: Sally Oerth, Interim Executive Director

SUBJECT: Authorizing a Loan Agreement for \$59,200,732 with HPSY 52-54, LP, a California Limited Partnership, for Construction of a 112-Unit Affordable Residential Project (Including 111 Affordable Family Rental Units and One Manager's Unit) at Hunters Point Shipyard Phase 1 Blocks 52 & 54, and Adopting Environmental Review Findings Pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area

EXECUTIVE SUMMARY

In April 2021, the Successor Agency Commission ("Commission") authorized the Executive Director to enter into an Exclusive Negotiations Agreement ("ENA") and an amended and restated predevelopment loan (the "Predevelopment Loan") with Jonathan Rose Companies ("JRC" or "Developer") for predevelopment activities related to a 112-unit affordable residential project (including 111 affordable family rental units and one Manager's Unit) at Hunters Point Shipyard Phase 1 Blocks 52 & 54 (the "Project"). Staff now request Commission commitment of a permanent gap loan (the "Permanent Loan"). The approval will allow the Developer to apply for tax exempt bond and low-income housing tax credit financing for the Project in the upcoming State application period (applications due in September 2021). The closing of the Permanent Loan will be conditioned on the Commission's approval of a ground lease for the Project, which will be presented to the Commission upon completion of negotiations of the terms thereof. In the meantime, Staff request that predevelopment funds, in the amount of approximately \$2,837,377.98 (the sum of the remaining Predevelopment Loan funds plus \$751,605 in additional predevelopment funds that will be included in the proposed Permanent Loan), be available to assist the Developer in completing predevelopment activities for the Project.

London N. Breed
MAYOR

Sally Oerth
INTERIM
EXECUTIVE DIRECTOR

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Staff recommends authorizing a Loan Agreement for \$59,200,732 with HPSY 52-54, LP, a California limited partnership for 112 affordable family rental housing units (including one manager's unit) at Hunters Point Shipyard Phase 1 Blocks 52 & 54, and adopting environmental review findings pursuant to the California Environmental Quality Act; Hunters Point Shipyard Redevelopment Project Area.

DISCUSSION

Project Area Background

The former Hunters Point Naval Shipyard ("HPS" or "Shipyard") consists of approximately 500 acres along the southeastern waterfront of San Francisco. After its closure in 1974, the City and County of San Francisco ("City") established a Redevelopment Project Area encompassing the Shipyard, and in 1997 the San Francisco Board of Supervisors adopted a Redevelopment Plan for the HPS Redevelopment Project area (as most recently amended, the "HPS Redevelopment Plan"). The former San Francisco Redevelopment Agency (the "Former Agency", now OCII) and the U.S. Department of the Navy (the "Navy") entered into a Conveyance Agreement dividing the Shipyard into several transfer parcels and establishing the process for conveyance to OCII for redevelopment purposes. Prior to transfer and pursuant to federal and state law, the Navy is required to complete all necessary environmental remediation and determination from federal, state and local regulators that the property is safe for its intended use (Environmental Remediation is discussed further below).

Phase 1 of the HPS Redevelopment Plan ("HPS Phase 1") is coincident with Parcel A under the Conveyance Agreement. the first parcel transferred by the Navy to OCII. Historically, the Navy used Parcel A for administrative and residential uses. In 2004, the federal and state environmental regulatory agencies with oversight over the Shipyard cleanup determined that Parcel A did not require environmental remediation and was safe for transfer for its intended residential use (see Environmental Remediation and Testing below for further discussion). Parcel A has been further divided into Parcel A-1 and Parcel A-2, commonly referred to as Parcel A was later divided into Parcel A-1 and Parcel A-2, commonly known as the "Hilltop" and the "Hillside", respectively.

In December 2003, the Former Agency entered into a Disposition and Development Agreement for HPS Phase 1 with HPS Development Co, LP an affiliate entity of Lennar Urban ("Master Developer"), which establishes requirements for horizontal and vertical development of HPS Phase 1 ("Phase 1 DDA", described in more detail below). The Phase 1 DDA has been amended seven times since its approval in 2003.

The HPS Phase 1 development program includes the construction of infrastructure, 26 acres of parks and open space, and up to 1,428 housing units, of which approximately 29% will be affordable to low- and moderate-income households. Under the Phase 1 DDA, vertical developers have built 505 units, including 43 inclusionary homeownership units within market rate buildings, across multiple blocks in HPS Phase 1, and 59 inclusionary rental units in a 100% affordable project on Block 49 (Pacific Pointe at 350 Friedell). The Master Developer has built approximately 47% of the Infrastructure within HPS Phase 1, including 12 acres of park space and approximately 40% of the roadways. OCII has three

stand-alone affordable housing sites on Hilltop (Blocks 52, 54, and 56), which will provide approximately 183 BMR units at up to 50 percent AMI. Blocks 52 and 54, located on the Hilltop, are the first OCII sites considered for development. OCII's portion of Block 52 is bounded by Friedell Street to the northwest, Kirkwood Avenue to the southwest, Jerrold Avenue to the northeast, and currently, a private market-rate parcel being developed by Lennar on the same block, to the southeast. Block 54 is bounded by Friedell Street to the northwest, Hudson Avenue to the northeast, Innes Avenue to the southwest, and an existing market-rate housing development to the east. See Attachment 1.

Blocks 52/54 (OCII) Background and Program Overview

In March 2018, the Successor Agency Commission ("Commission") selected a development team for an affordable rental housing project on Blocks 52 & 54 (the "Project") within the Hunters Point Shipyard Phase 1 Development Project ("HPS Phase 1"). This development team consisted of McCormack Baron Salazar ("MBS") as lead developer, Bayview Hunters Point Multipurpose Senior Services ("BHPMSS") as co-developer and services lead, Mithun | Solomon ("Mithun") as architect and The John Stewart Company ("JSCo") as property manager. The development team now also includes an associate architect, Kerman Morris Architects LLP, a general contractor, Baines-Nibbi (the "Development Team"). Most recently, on July 16, 2019, the Commission conditionally approved a Schematic Design for the Project.

In August 2020, MBS withdrew and terminated their participation in the Development Team. In October 2020, OCII issued a Request for Qualifications ("RFQ") seeking a developer to replace MBS as lead developer (with the remainder of the Development Team remaining in place along with the work product developed to date. On April 6, 2021, the Commission approved an Exclusive Negotiations Agreement ("ENA") with JRC, assigning the existing predevelopment loan to JRC, and entering into an amended and restated predevelopment loan (the "Predevelopment Loan") to update the schedule of performance. The Project meets affordable housing goals of the HPS Redevelopment Plan and the City's Consolidated Plan.

The Project is comprised of a mix of one-, two-, three-, four- and five-bedroom units for very-low-income families earning up to 50% of the Area Median Income, as defined by the Mayor's Office of Housing and Community Development ("AMI"). Two (2) units will be set aside as Family Childcare Units and Project residents will have a first preference for those childcare slots. The buildings will have a combined parking ratio of approximately .6 to 1, more than double our typical parking ratio in recognition of the relative lack of transit options in the neighborhood at this time. The buildings will include multiple courtyards and gardens, a community room with kitchen, a fitness room, management and services spaces, children's play space and laundry lounges.

Unit Type	Block 52 (OCII)	Block 54 (OCII)	Total
1 BDRM	31	18	49
2 BDRM	16	15	31
3 BDRM	12	11	23
4 BDRM	8	0	8
5 BDRM	0	1	1
TOTAL	67	45	112

The Project funding, in addition to OCII funds, will consist primarily of a tax-exempt bond allocation from the California Debt Limit Allocation Committee (“CDLAC”) 4% Low-Income Housing Tax Credits (“LIHTC”).

Marketing and Leasing Preferences

All units (except the manager’s unit) will be restricted and affordable to households earning no more than 50% of the Area Median Income as defined by MOHCD. Occupancy priorities will follow the HPS Redevelopment Plan and the Phase 1 DDA and also include DTHP and NRHP pursuant to April 16, 2019 Commission action, as follows: 1) Certificate of Preference Holders; 2) Displaced Tenant Housing Preference (“DTHP”); 3) Neighborhood Residential Housing Preference (“NRHP”); and, 4) San Francisco Residents or Workers.

Upon completion of the Project, OCII’s assets related to the sites will be transferred to MOHCD, which is the designated Housing Successor Agency under Dissolution Law. MOHCD reviewed the RFP, the RFQ, and participated on both evaluation panels, and will review on the Project’s financial underwriting, funding, and disposition documents in order to ensure a smooth transition to MOHCD at project completion.

Environmental Remediation and Testing

In the early 1990s, the Navy and the United States Environmental Protection Agency (“US EPA”) placed the Shipyard on the National Priorities List for environmental remediation (commonly called “Superfund”), in accordance with federal law. Thereafter, the Navy and the US EPA examined each parcel of the Shipyard to determine the extent of contamination, if any, and proposed an appropriate remedial approach to make the Shipyard safe for future intended uses. In 1995, the Navy determined, and the US EPA, the State of California and San Francisco Department of Public Health agreed, that Parcel A (which consisted of soldiers’ barracks and accessory activities during active base use) posed no threat to human health or the environment and required no further action, and in 1999, the US EPA removed Parcel A from the National Priorities (Superfund) List and confirmed that the site was safe for its intended use as a residential community. In 2004, the Navy transferred Parcel A – the land now making up the Hilltop and Hillside of HPS Phase 1 – and began testing and remediating separate portions of the Shipyard (known as HPS Phase 2). The Navy remains responsible for any remediation required at HPS Phase 2.

In 2016, the Navy and the US EPA became aware of anomalies in post-remediation testing at HPS Phase 2. Further investigation led to the Navy's decision to disregard data provided by one of its former contractors. The Navy is currently in the process of retesting portions of Phase 2 that was the subject of the unreliable data. Although these activities were limited to HPS Phase 2, in July through November of 2018, in response to public concerns and at the request of the City and Speaker Nancy Pelosi, the California Department of Public Health ("CDPH") performed a phased-approach radiological survey to assess the health and safety of the public and the environment at HPS Phase 1.

CDPH completed its Final Report for the Hilltop on February 5, 2019, which concluded that no residents, workers or visitors are being exposed to radiological health and safety hazards. To address continued concerns and questions from the community regarding the testing conducted at the Shipyard, Mayor Breed, City Attorney Herrera, and Supervisor Shamann Walton asked experts from UC San Francisco and UC Berkeley to conduct an impartial analysis of CDPH's procedures. The report concluded that CDPH's health and safety scan was appropriate as a health and safety survey.

Out of an abundance of caution, OCII has worked with the Development Team (including the new Lead Developer) to establish a scope of additional radiological soil testing at OCII Block 52 and 54 to be conducted along with the standard site environmental testing. This work will be done in September or October with results anticipated early next year.

Blocks 52/54 (OCII) Development History

On September 21, 2017, OCII released an RFP offering two Agency Affordable Parcels for development. On August 7, 2018, Commission authorized an Exclusive Negotiations Agreement and a Predevelopment Loan Agreement in an amount not to exceed \$4,000,000, with Shipyard 5254, L.P., the entity formed by MBS and BHPMSS to develop the Project. The development team completed the Schematic Design and review process, and the Schematic Design was approved on July 16, 2019. For the remainder of 2019 and early 2020, the development team continued to develop the designs and began the permitting process. The Department of Building Inspection issued a Site Permit on April 23, 2020. In August 2020, MBS formally notified OCII that they would be withdrawing from the Project. The remainder of the development team did not withdraw from the Project.

In October 2020, OCII issued an RFQ seeking a new lead developer for the Project. In February 2021, JRC was recommended by an evaluation panel consisting of representatives from OCII, the Mayor's Office of Housing and Community Development's ("MOHCD"), and the Hunters Point Shipyard Citizens Advisory Committee ("HPSCAC"). In April 2021, OCII Commission approved JRC as the new lead developer, along with an Amended and Restated Predevelopment Loan with the Developer allowing them to spend the remainder of the predevelopment loan on the remaining predevelopment activities and establishing a new schedule and updated loan conditions and approving a new ENA with the Developer.

Additional Predevelopment Request

The Developer is requesting an additional \$751,605 in funds to be used during predevelopment to cover the costs related to Mechanical, Engineering, Plumbing, and Fire Protection (“MEPF”) components of the Project and additional architecture costs related to the RFQ process. The Developer has determined that completing this work as design-build would be the most cost-efficient overall for the Project, however it requires more up-front expenditures. The design-build MEPF subcontractors will build out their design during the design document phase. Having the design-build subcontractors on board early allows the team to confirm subcontractor pricing that typically makes up for 25-30% of the total contract. The contractor is able to bring all subcontractors together to work through scope gaps. This process helps mitigate large change orders that are typically seen during construction in the alternative “bid-build” model.

Additionally, the architect has requested \$15,000 in additional funds to cover costs related to the transfer of developers and the associated RFQ.

Project Financing and Loan Terms

On July 16, 2021, the Citywide Affordable Housing Loan Committee recommended approval of a total OCII subsidy amount of \$59,200,732. The approved amount includes the \$3,650,000 million in existing predevelopment funds, \$751,605 in additional predevelopment funds described above, as well as an additional \$54,799,127 in permanent funding that cannot be accessed until the Project has received all funding commitments and has an executed ground lease (subject to Commission approval). The proposed Second Amended and Restated Loan Agreement will have a term of 55 years, and an interest rate of 3%, with authority given to the Executive Director of OCII and the Director of MOHCD to approve a decrease down to 0% as part of the final financial plan (“FFP”) for the Project. At the time of the FFP the loan amount may also be reduced depending on the final sources and uses for the Project. These funds are being requested now so the Project can be competitive to receive a tax-exempt bond allocation from CDLAC that, if awarded, will be issued by the City in order to secure construction and permanent loans from a lender. At the same time the Developer will apply for an LIHTC allocation that will allow the Project to receive additional investor equity.

Starting in 2020, for the foreseeable future, tax-exempt bonds are allocated competitively and are expected to be oversubscribed. The Developer is planning to submit a bond application for the Project in September 2021. However, based on the current anticipated tie-breaker score, the Project is very unlikely to receive an allocation, unless there are changes to the tie-breaker calculation. The Developer will apply now, however, to demonstrate readiness to CDLAC and so that the Project is in the queue if and when CDLAC regulations change in a way that will benefit the Project. The City is continuing to advocate for changes to the tie-breaker scoring calculation and increases to the Bay Area pool that could benefit this Project. In the event of not receiving a competitive allocation, the project would have to reapply until successful and could result in development delay. Staff and the Developer will track this issue and any changes or refinements to the new competitive allocation process closely during the remaining predevelopment period. This is a critical issue as access to proposed LIHTC equity is dependent on securing a tax-exempt bond allocation. Projected funding sources and uses for the Project are summarized in the chart below:

Permanent Sources	Amount	Per Unit	Per Bedroom	Per SF
OCII Loan	\$59,200,732	\$528,578	\$272,814	\$351
Tax-Exempt Permanent Loan	\$7,316,068	\$65,322	\$33,715	\$43
Deferred Fee	\$1,158,147	\$10,341	\$5,337	\$7
Tax Credit Equity	\$41,042,670	\$366,452	\$189,137	\$243
Total	\$108,717,617	\$970,693	\$501,003	\$644
Permanent Uses	Amount	Per Unit	Per Bedroom	Per SF
Acquisition	\$0	\$0	\$0	\$0
Hard Costs	\$91,878,228	\$820,341	\$423,402	\$545
Soft Costs	\$13,661,242	\$121,975	\$62,955	\$81
Developer Fee	\$3,178,147	\$28,376	\$14,646	\$19
Total	\$108,717,617	\$970,693	\$501,003	\$644

Estimated development costs are high, though not the highest, among MOHCD and OCII projects in the construction pipeline. By combining the two sites into one project, there are economies of scale related to reduced soft costs. However, hard costs remain higher than typical due to the need to build two separate buildings with separate foundations and building systems and a high proportion of larger family units (including some 4 and 5-BR units). Anticipated per unit subsidy is high at \$528K per unit. This is related to the high hard costs currently shown for the Project. The following Project details further exacerbate the issues driving up the OCII subsidy:

- the lack of sources available outside of standard tax-exempt bond and tax credit equity
- the maximum income restriction of City 50% AMI per the Hunters Point Shipyard Redevelopment Plan, limits ability to leverage more permanent debt
- small number of units targeted at City 30% and 40% AMI to ensure opportunities for preference populations including Certificate of Preference holders, but limits operating income.

The proposed Permanent Loan includes the condition that the Developer will seek other financing sources that the Project may qualify for, such as State Infill and Infrastructure Grant ("IIG") and Federal Home Loan Bank Affordable Housing Program funds. If they are successful in obtaining other sources, the loan may be decreased accordingly at the time the FFP is executed just prior to construction start.

Equal Opportunity Program and Compliance with OCII Policies

The Developer is required to comply with the Bayview Hunters Point Employment and Contracting Policy, OCII's Nondiscrimination in Contracts, Minimum Compensation and Health Care Accountability policies and will work closely with contract compliance staff to comply with the Small Business Enterprise ("SBE") Policy and the Construction Workforce Policy on this development.

During the construction phase of this Project, the Developer is committed to meeting OCII's requirements and goals which include the 50% SBE participation goal on all contract dollars, payment of prevailing wages and the 50% local construction workforce hiring goal. As a result of a competitive general contractor selection process, the Developer has selected Baines Nibbi, a joint venture between the general contractor Nibbi Brothers and General Contractor Baines Group, an OCII-recognized SBE and Minority-Owned Business Enterprise.

The Sponsors have secured the following SBE percentages on the Project through Professional Services contracts thus far: SBE 87.8%, San Francisco-Based (SF) LBE 79.7%, Minority-Owned Business Enterprise (MBE) 6.5%, Woman-Owned Business Enterprise (WBE) 68.5%.

COMMUNITY PARTICIPATION

Staff presented the original RFP to the CAC Housing Subcommittee of the HPSCAC and to the full HPSCAC in July and August 2017. In September 2017, staff convened an informational meeting about the RFP for Hilltop homeowners. Staff presented an update on the selection process to the HPSCAC Housing Subcommittee in January 2018 and presented the developer selection recommendation to the HPSCAC in February 2018. The CAC voted to recommend that Commission select the MBS/BHPMSS team to develop Blocks 52/54.

Staff presented an update on the proposed Schematic Design to the Hilltop neighbors in March 2019. The design team made some adjustments to the building design for Block 54 (OCII) where it abuts the existing market rate building based on input from the neighbors. They adjusted one lightwell for better alignment with the market rate building and recessed the portion of the building adjacent to the open space of the market rate block. Staff then presented the proposed Schematic Design to the HPSCAC Housing Subcommittee in March 2019 and to the HPSCAC in April 2019. The CAC voted unanimously to recommend that Commission approve the Schematic Design for the Project.

Staff provided a development update to the HPSCAC on Monday, October 19, 2020. This update included information regarding the RFQ seeking a new lead developer. On February 8, 2021, staff presented the results of the evaluation process to the HPSCAC and they voted to recommend that OCII Commission select JRC as the new lead developer for the Project and the development team will continue to ensure outreach is provided to HPS Phase 1 neighbors and the broader HPS and BHVP community to inform them of any relevant CAC meetings discussing this Project

CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA")

The San Francisco Redevelopment Agency Commission ("Former Commission") and the San Francisco Planning Commission certified the Hunters Point Shipyard Reuse Final Environmental Impact Report ("FEIR"), and adopted California Environmental Quality Act ("CEQA") findings, a mitigation monitoring and reporting program and statement of overriding considerations (collectively "CEQA Findings") in 2000, and subsequently issued a First and Second Addendum to the Final EIR in 2003 and 2006, respectively, to address project changes (collectively, the FEIR and the CEQA Findings as updated by the First and Second Addenda are referred to as the "Phase 1 EIR"). Additionally, the

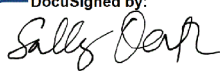
Former Agency Commission and the Planning Commission certified the Candlestick Point/Hunters Point Shipyard Phase 2 Final Environmental Impact Report in 2010 and adopted CEQA findings, a mitigation monitoring and reporting program and statement of overriding considerations (collectively, "Phase 2 CEQA Findings"), and subsequently issued four addenda, in 2014, 2016, 2018, and 2019, respectively, to address project changes (collectively, the FEIR and Phase 2 CEQA Findings as updated by the three addenda are referred to as the "Phase 2 EIR"). The Phase 2 EIR updated the transportation analysis and transportation plan (including the transportation system management plan) for HPS Phase 1, but the Phase 2 EIR did not identify any new significant environmental effects or an increase in the severity of significant impacts of the Phase 1 Project previously identified in the Phase 1 EIR.

OCII staff has reviewed the Permanent Loan documents and has found them to be within the scope of the project analyzed in the Phase 1 EIR. Staff recommends that the Commission adopt environmental findings requiring no additional environmental review beyond the Phase 1 EIR, pursuant to State CEQA Guidelines Sections 15180, 15162, 15163, and 15164 and 15168, confirming that there have been no substantial project changes and no substantial changes in project circumstances that would require major revisions to the Phase 1 EIR due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth in the Phase 1 EIR, as confirmed by the analysis provided in the Phase 2 EIR.

PROJECT SCHEDULE AND NEXT STEPS

The development team will need to apply for a tax-exempt bond allocation and 4% Low Income Housing Tax Credits in September 2021. If awarded, Staff will return to Commission with a request to approve a ground lease in Spring 2022 for a construction start in the Summer of 2022 with a completion date in the summer of 2024. As described above, the current CDLAC rules disadvantage San Francisco projects, therefore staff anticipates that the development team may need to apply for funding multiple times before being successful, which could extend the schedule by six months to over a year.

(Originated by Elizabeth Colomello, Senior Development Specialist)

DocuSigned by:

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Sally Oerth

Interim Executive Director

Attachments:

1. Project Site
2. Loan Evaluation (July 16, 2021)
3. SBE Consultants
4. Consultant Biographies

Attachment 1
Project Site

Figure 1- Hilltop Area

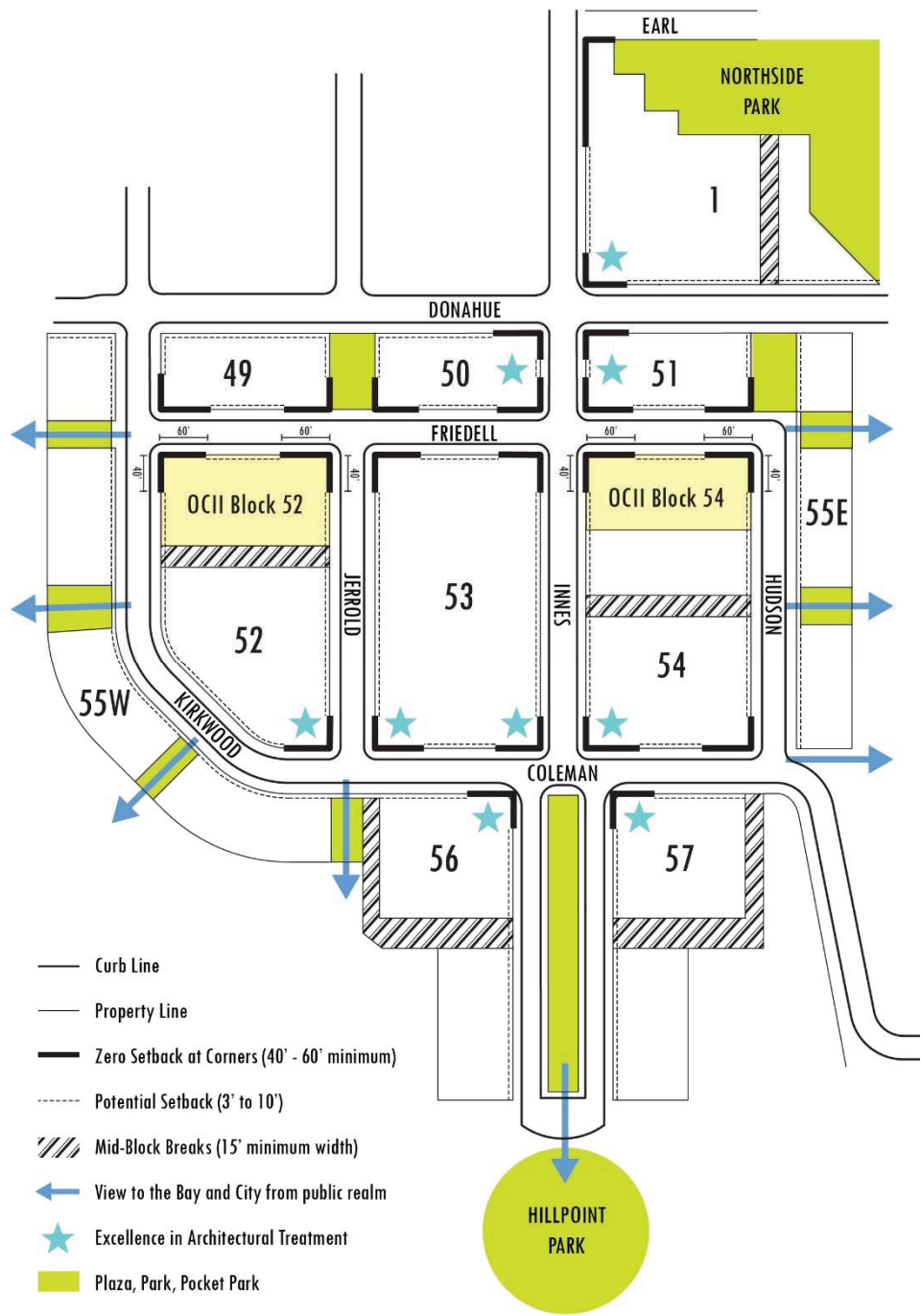


Figure 2A – Block 52

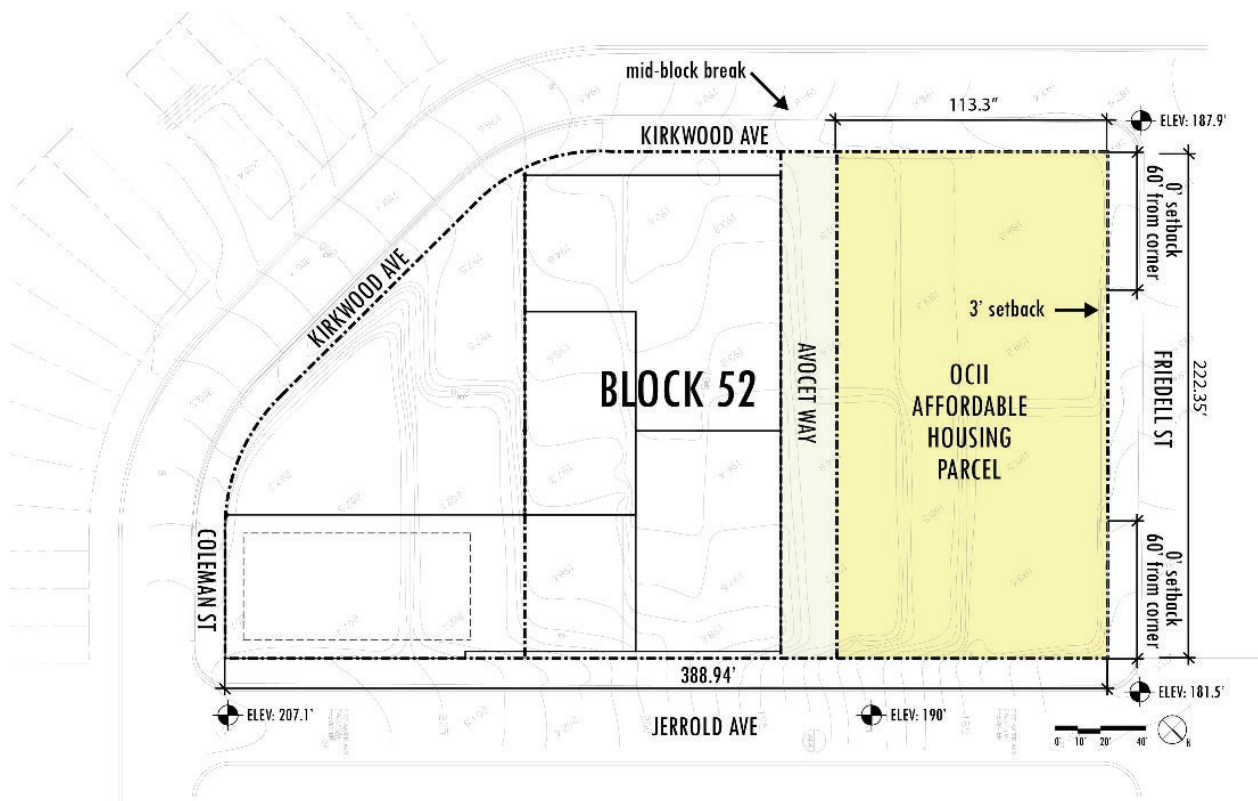
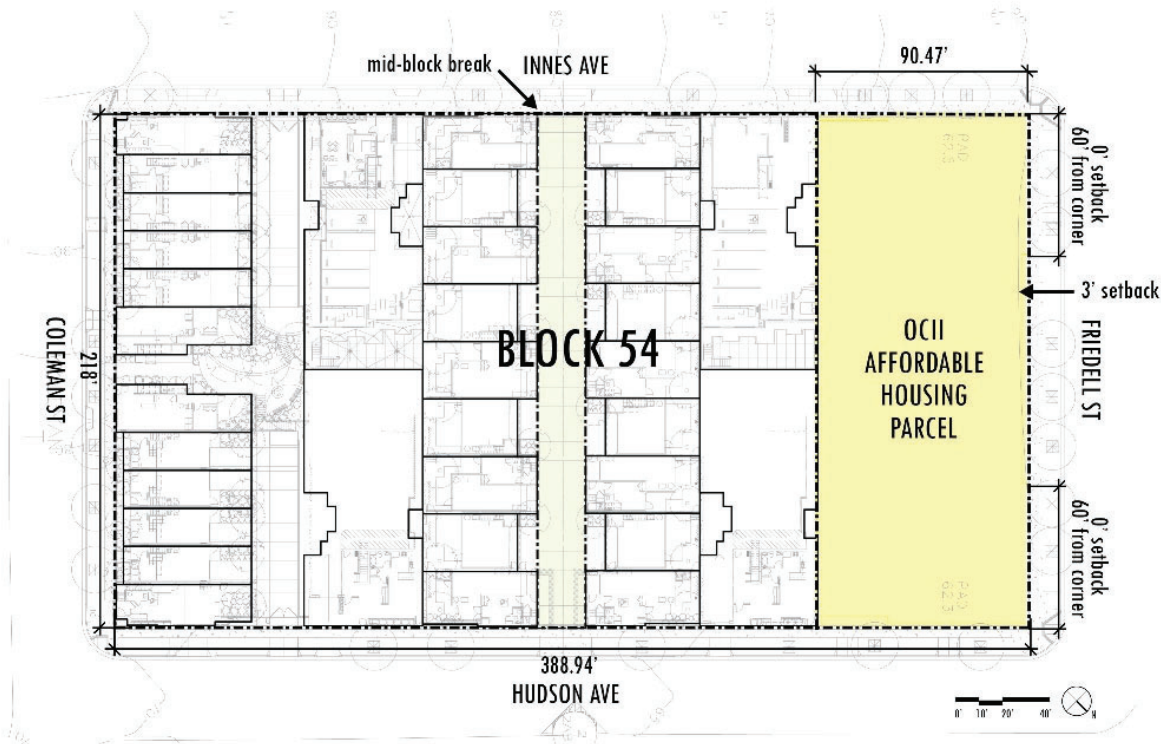


Figure 2B – Block 54



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

Hunters Point Shipyard Phase 1

Blocks 52 and 54

**\$55,550,732 Permanent Funding Amount
including \$751,605 in Additional Predevelopment
Funding**

Evaluation of Request for:	Permanent Loan including Additional Predevelopment funds
Loan Committee Date:	July 16, 2021
Prepared By:	Elizabeth Colomello, Senior Development Specialist
MOHCD Asset Manager:	Scott Madden
Sources and Amounts of New Funds Recommended:	\$55,550,732 OCII Bond Proceeds (this amount includes \$751,605 in Additional Predevelopment funds)
Sources and Amounts of Previous City Funds Committed:	\$3,650,000 OCII Bond Proceeds
Total Funding Recommended	\$59,200,732 OCII Bond Proceeds
ROPS Line	ROPS 21/22 Line 395
NOFA/PROGRAM/RFP:	OCII Bond funds/RFP and RFQ
Applicant/Sponsor(s) Name:	The Jonathan Rose Companies/Bayview Hunters Point Multipurpose Senior Services

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Hunters Point Shipyard Blocks 52 & 54 Affordable Family Housing	Sponsor(s):	The Jonathan Rose Companies/Bayview Hunters Point Multipurpose Senior Services
Project Address (w/ cross St):	151 and 351 Friedell Street (x Hudson Ave., Kirkwood Ave) 94124	Ultimate Borrower Entity:	HPSY 52-54, LP

Project Summary:

Hunters Point Shipyard ("HPS") Blocks 52 & 54 is a 100% affordable family housing project and will include 112 one to five-bedroom units serving households between 30% and 50% of AMI on two blocks in the Hunters Point Shipyard ("Blocks 52/54" or the "Project"). The Project does not include any operating or rent subsidies. On September 21, 2017, OCII released a Request for Proposals ("RFP") offering Blocks 52/54 for development. On March 6, 2018, the OCII Commission selected McCormack Baron Salazar ("MBS") as lead developer, Bayview Hunters Point Multipurpose Senior Services ("BHPMSS") as co-developer and services lead, Mithun | Solomon ("Mithun") as architect and The John Stewart Company ("JSCo") as property manager. In July 2020, MBS informed OCII that MBS was withdrawing from the Development Team. To replace MBS as lead developer, in October 2020 OCII issued a Request for Qualifications ("RFQ"). The remainder of the Development Team planned to remain in place along with the work product developed to date. Four developers responded to the RFQ and an evaluation panel ranked The Jonathan Rose Companies ("JRC" or, along with BHPMSS, "Developer") the highest. On April 6, 2020, OCII Commission approved an Exclusive Negotiations Agreement ("ENA") with the new development entity with JRC, assigning the existing predevelopment loan (the "Loan") to the new development entity and amending and restating the Loan to update the schedule of performance. The Project fulfills affordable housing goals of the HPS Redevelopment Plan and the City's Consolidated Plan. With this request, the Developer seeks a commitment for a permanent gap loan from OCII to apply for CDLAC and TCAC financing for the Project. The final financial plan ("FFP"), including a final loan amount that may be reduced based on the final sources and uses for this Project, will be approved by the OCII Executive Director and MOHCD Director closer to the start of construction of the Project. The only funds available to the Developer prior to the approval and execution of the ground lease and close of construction financing will be the remaining predevelopment funds from the Predevelopment Loan plus \$751,605 in Additional Predevelopment funds described in this evaluation and the attached Predevelopment Budget. If awarded the Project will begin construction in May 2022 with a target completion by May 2024.

Project Description:

Construction Type:	Type III wood-frame construction over a Type I concrete podium	Project Type:	New Construction
Number of Stories:	Both Blocks: 5 (4 over podium)	Lot Size (acres and sf):	Block 52: 25,100 sf/.58 acres Block 54: 19,660 sf/.45 acres
Number of Units:	112 Total (Block 52: 67 units; Block 54: 45 units)	Architect:	Mithun Solomon
Total Residential Area:	100,891 sf	General Contractor:	Baines Nibbi JV
Total Commercial Area:	NA	Property Manager:	John Stewart Company
Total Building Area:	168,731 sf	Supervisor and District:	Sup. Walton D10
Land Owner:	OCII		
Total Development Cost (TDC):	\$108,717,617	Total Acquisition Cost:	\$0
TDC/unit:	\$970,693	TDC less land cost/unit:	\$970,693
Loan Amount Requested:	\$59,200,732	Request Amount / unit:	\$528,578
HOME Funds?	N	Parking?	Y: 62 spaces 0.6/1 ratio

PRINCIPAL DEVELOPMENT ISSUES

- **Development Costs.** Estimated development costs are high at \$971k/unit, though not the highest, among MOHCD and OCII projects in the pipeline. Maintaining a reasonable cost and minimizing OCII subsidy given the current financial climate with rising costs and more modest tax credit equity assumptions will be a challenge for this Project. The Project benefits from economies of scale by combining the two sites into one project and saves on soft costs. On the other hand, high hard cost drivers include two sites with two foundations and a high proportion of larger family units (including some 4 and 5-BR units). For more details see Section 6.5.
- **Per Unit Subsidy.** Anticipated per unit subsidy is high at \$528K per unit. This is related to the high hard costs currently shown for the Project described above and in Section 6.5. See also Attachment H Comparison of City Investment in Other Housing Developments. The following Project details further exacerbate the issues driving up the OCII subsidy:
 - the lack of sources outside of standard tax-exempt bond and tax credit equity
 - the maximum income restriction of City 50% AMI per the Hunters Point Shipyard Redevelopment Plan, limits ability to leverage more permanent debt
 - small number of units targeted at City 30% and 40% AMI to ensure opportunities for preference populations including Certificate of Preference holders, but limits NOI
 For more details see Sections 4.5 and 6.5.
- **Competitive Tax-Exempt Bond Allocation Process.** Starting in 2020, for the foreseeable future, tax exempt bonds will be allocated competitively and are expected to be oversubscribed. The Developer is planning to submit a bond application for the Project in September 2021 (Round 3). However, based on the current anticipated tie-breaker score, the Project is very unlikely to receive an allocation, unless there are changes to the tie-breaker calculation. The City is continuing to advocate for changes to the tie-breaker scoring calculation and increases to the Bay Area pool that could benefit this Project. In the event of not receiving a competitive allocation, the project would have to reapply until successful and could result in development delay. Staff and Sponsor will track this issue and any changes or

refinements to the new competitive allocation process closely during the remaining predevelopment period. This is a critical issue as access to proposed LIHTC equity is dependent on securing a tax-exempt bond allocation. For more details see Section 6.5.2.

- **Change in Lead Developer** In July 2020, the previous lead developer chose to withdraw from the Project. The remainder of the development team chose to stay with the Project. OCII then underwent an RFQ process to select a new lead developer. OCII Commission approved The Jonathan Rose Companies as new lead developer in April 2021. The delay has resulted in increased construction costs and some duplication of efforts to bring the new lead developer up to speed and restart the Project after a period of inactivity. For more information see Section 1.1 and Attachment E.
- **Elective Soil Testing** The development team and OCII have agreed to do elective additional radiological soil testing on the Site concurrent with the Project's Phase II environmental testing at the request of District 10 Supervisor Shamann Walton. This additional scope is elective since the site has been deemed safe for residential use by State and Federal regulators. Based on these previous environmental clearances and previous identified uses at the site staff is confident that there will not be any issues. However, if testing were delayed or took longer than anticipated, it could delay construction. For more details see Section 2.5.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
OCII Loan	\$3,650,000	3 yrs @ 3% Def	Committed
Additional OCII Loan Amount	\$751,605	55 yrs @ 3% / Res Rec	This request (included in OCII Loan shown below)
Total	\$3,650,000		
Permanent Sources	Amount	Terms	Status
OCII Loan	\$59,200,732	55 yrs @ 3% / Res Rec	Not Committed
Tax Exempt Permanent Loan	\$7,316,068	30 yrs @ 3.75% /Amortized	Not Committed
Deferred Fee	\$1,158,147	Res Rec	Not Committed
Tax Credit Equity	\$41,042,670	0.96/per credit	Not Committed
Total	\$108,717,617		
Uses	Amount	Per Unit	Per SF
Acquisition	\$0	0	\$0
Hard Costs	\$91,878,228	820,341	\$545
Soft Costs	\$13,661,242	121,975	\$81
Developer Fee	\$3,178,147	28,376	\$19
Total	\$108,717,617	970,693	\$644

1. BACKGROUND

1.1. Project History Leading to This Request.

The Hunters Point Shipyard ("HPS" or "Shipyard") and Candlestick Point together form approximately 780 acres along the southeastern waterfront of San Francisco. The San Francisco Board of Supervisors originally adopted the HPS Redevelopment Plan in 1997 and amended it in 2010 along with the Bayview Hunters Point Redevelopment Plan (which covers Candlestick Point) to provide for the integrated planning and development of the HPS and Candlestick Point. Properties within the Shipyard transfer from the U.S. Department of the Navy (the "Navy") to OCII after any necessary environmental remediation and determination from federal, state and local regulators that the property is safe for its intended purpose. HPS Phase 1 is located on Navy Parcel A ("Parcel A"), which the Navy transferred to the former Redevelopment Agency in 2004. Historically, the Navy used Parcel A (subdivided into Parcel A-1, or the Hilltop, and Parcel A-2, or the Hillside) as

barracks and related personnel uses. In 2004, the federal and state environmental regulatory agencies with oversight over the Shipyard cleanup determined that Parcel A did not require environmental remediation and was safe for transfer for its intended residential use (see Environmental Remediation and Testing below for further discussion). See the map below showing the Hilltop and Hillside, which make up Hunters Point Shipyard Phase 1 along with the remainder of the Shipyard, which makes up Phase 2.



The HPS Phase 1 Disposition and Development Agreement, dated December 2003 ("Phase 1 DDA") between OCII and master developer, HPS Development Co, LP an affiliate entity of Lennar Urban ("Master Developer"), implements the development on the Hilltop and Hillside areas of HPS Phase 1 (described in more detail below). The Phase 1 DDA has been amended six times since its approval in 2003.

The HPS Phase 1 development program includes the construction of infrastructure, 26 acres of parks and open space, and up to 1,428 housing units, of which approximately 29% will be affordable to low- and moderate-income households. HPS Phase 1 is divided into two areas, the Hilltop and Hillside. Under the Phase 1 DDA, Vertical Developers have built 505 units, including 43 inclusionary homeownership units within market rate buildings, across multiple blocks in HPS Phase 1, and 59 inclusionary rental units in a 100% affordable project on Block 49 (Pacific Pointe at 350 Friedell). The Master Developer has built approximately 47% of the Infrastructure within HPS Phase 1, including 12 acres of park space and approximately 40% of the roadways. OCII has three stand-alone affordable housing sites on Hilltop (Blocks 52, 54, and 56), which will provide approximately 183 BMR units at up to 50 percent AMI. Blocks 52 and 54, located on the Hilltop, are the first OCII sites considered for development. OCII's portion of Block 52 is bounded by Friedell Street to the northwest, Kirkwood Avenue to the southwest, Jerrold Avenue to the northeast, and currently, a private market-rate parcel being developed by Lennar on the same block, to the southeast and is under construction. Block 54 is bounded by Friedell Street to the

northwest, Hudson Avenue to the northeast, Innes Avenue to the southwest, and an existing market-rate housing development to the east.

Blocks 52/54 Project Background

- **September 2017:** Original RFP Issued
 - **February 2018:** MBS/BHPMSS team recommended by evaluation panel (OCII, MOHCD, and the Hunters Point Shipyard Citizens Advisory Committee ("HPSCAC") recommendation endorsed by full HPSCAC
 - **March 2018:** OCII Commission approves MBS/BHPMSS team
 - **August 2018:** OCII Commission approval of Exclusive Negotiations Agreement and predevelopment loan with the MBS/BHPMSS team
 - **July 2019:** OCII Commission approval of schematic design
 - **July 2020:** MBS withdraws from Project as Lead Developer
 - **October 2020:** OCII issues RFQ seeking new lead developer
 - **February 2021:** The Jonathan Rose Companies recommended by evaluation panel (OCII, MOHCD, and the Hunters Point Shipyard Citizens Advisory Committee ("HPSCAC"
 - **April 2021:** OCII Commission approval of The Jonathan Rose Companies as new lead developer, a new ENA, and assignment of the remaining predevelopment loan
- 1.2. Applicable NOFA/RFQ/RFP. Hunters Point Shipyard Blocks 52/54 RFP September 2017 and Hunters Point Shipyard RFQ October 2020. For more information see Attachment E.
- 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, see Attachment E for more on the selection process for the original development team and the new lead developer)
- 1.3.1. Borrower. HPSY 52-54, LP
- 1.3.2. Joint Venture Partnership. BHPMSS and JRC will act as co-developers for the Project. BHPMSS is an established services provider in the neighborhood and acted as co-developer with MBS for the Dr. George W. Davis Senior Residences and Center. BHPMSS will act as co-developer of the Project and Managing General Partner of the Limited Partnership ("LP") that will be established for the development and ownership of the Project. JRC will act as co-developer of the Project and act as General Partner of the LP. BHPMSS will design and implement Marketing and Community Outreach Services to assist in making community residents, including Certificate of Preference holders, aware of the availability of Project units during lease up phase in accordance with City, State, and Federal regulations. BHPMSS will receive 15% of the paid developer fee and 30% of the deferred fee for the project. The JRC affiliate will receive the balance. Each will receive a pro rata share of each installment of the developer fee when the fee is paid. BHPMSS will serve as the lead service provider in planning and operations and will coordinate other local service providers. It is anticipated the BHPMSS and JRC affiliates will remain in the partnership in their original capacities for the entire duration of the project. BHPMSS will receive an option and/or first right of refusal to purchase property after the 15-year compliance period.
- 1.3.3. Demographics of Board of Directors and Staff. JRC does not have a Board of Directors, however they do have a Management Committee. Below are demographics for the Management Committee, Corporate Staff and All Staff (Corporate Staff are all staff that work in their New York, California and Ohio offices on development, Asset Management etc....All staff includes those staff that work on site at their housing developments):

Management Committee	No.	%
Black or African American	1	14.29%
Not specified	3	42.86%
White	3	42.86%
<i>Grand Total</i>	7	
Corporate Staff		
Asian	18	11%
Black or African American	21	12%
Hispanic or Latino	8	5%
Not specified	15	9%
Two or more races	6	4%
White	101	60%
<i>Grand Total</i>	169	
All Staff		
American Indian/Alaskan Native	1	0.20%
Asian	26	5.90%
Black or African American	108	24.50%
Hispanic or Latino	76	17.20%
Native Hawaiian or Other Pacific Islander	2	0.50%
Not specified	24	5.40%
Two or more races	11	2.50%
White	193	43.80%
<i>Grand Total</i>	441	

1.3.4. Racial Equity Vision. The Jonathan Rose Companies have made a commitment to work toward becoming an antiracist organization, looking at everything they do through the lens of racial equity and racial justice. With an understating of the national reach of JRC, ability to leverage and direct large sums of capital, develop the field's next leaders and have direct contact with diverse low-income residents in JRC-managed communities, the Antiracism Committee established three pillars for the company to focus efforts (Internal, External, Within JRC Communities) for its initiatives and have contracted and are working with third-party consultant, Frontline Solutions, for guidance around strategy and implementation. Below are the preliminary areas of focus identified by the Committee:

Internal

- Culture
- Hiring
- Onboarding
- Retention
- Pay Equity
- Leadership/Board
- Ownership
- Professional Development

External

- Partners
- Contractors
- Consultants
- Where and How we Invest
- Investors
- Suppliers

JRC Communities

- Communities of Opportunity
- Exposure to Real Estate Industry
- Neighborhood/Community Organizations
- Police Engagement

1.3.5. Relevant Experience. Please see Attachment C Developer Resume including Experience and Capacity.

1.3.6. Project Management Capacity. JRC will be devoting 2.4 FTE's to the Project. Heading up JRC's work on this project will be Yusef Freeman, Managing Director for the West Coast. Mr. Freeman previously worked for MBS, where he worked on the first 3 phases of Alice Griffith, on Dr. Davis Senior Community and was responsible for assembling the development team for Blocks 52 and 54 before leaving MBS. Mr. Freeman will be spending 50% of his time on the Project. Alexis Campbell, Development Manager will be spending 80% of her time on the Project. Chris Edwards, Director of Construction and Tom Sadlowski, Senior Construction Manager will be spending 20% and 70% of their time, respectively on the Project. Jonathan Rose, President and Lauren Zullo, Director of Sustainability will each spend 10% of their time on the Project.

1.3.7. Past Performance. N/A

1.3.7.1. City audits/performance plans. N/A

1.3.7.2. Marketing/lease-up/operations. JRC does not have any Projects currently in operations in San Francisco. However, BHPMSS and JSCo both have experience in marketing and lease up in San Francisco and JSCo has extensive operating experience in San Francisco. Because JRC is new to San Francisco, staff has included loan condition number 10 in Section 9.2 that requires developing a comprehensive marketing and outreach strategy for the Project starting during the predevelopment period.

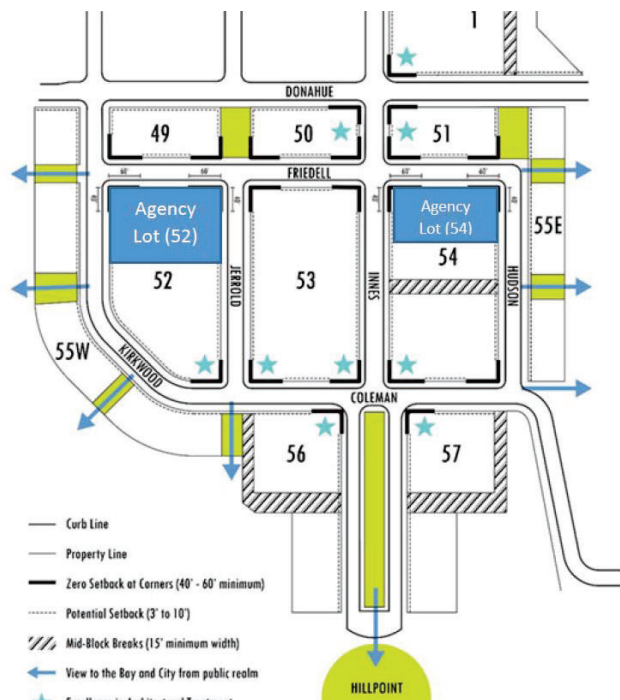
2. SITE (See Attachment E for Site map with amenities)

Site Description	
Zoning:	Moderate Density Residential, governed by Hunters Point Shipyard Redevelopment Project Phase 1 Design for Development ("D4D")
Maximum units allowed by current zoning (N/A if rehab):	80 DU/acre (not including density bonus) The D4D density bonus allows up to an additional 25% density increase by permitting adjustments to requisite D4D Development Controls (e.g., height, bulk, mid-block break location/construction) that allow for the larger project/density.
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Seismic Zone 4
Soil type:	Published geologic maps of the site and vicinity indicate that Parcel "A" (which includes the Hilltop area)

	is underlain by serpentinite, Franciscan chert, Franciscan sandstone, and shale. These maps show the Quaternary slope wash and ravine fill in swales on the northern portions of the Hilltop site and the southwest corner of the Hillside area. According to existing reports the fill on the Hilltop site appears to have been placed to construct the existing building pads and roadways. The findings from subsurface exploration and the exploratory borings from maps and consultant studies in the 1990's through early 2000's indicate that the existing fills range up to about 15 feet in thickness. These existing fills generally include a mixture of native soil and bedrock derived materials as well as imported base rock type material. Minor amounts of broken glass and debris may also be present.
Environmental Review:	On June 3, 2010, the Former Redevelopment Agency Commission by Resolution No. 58-2010 and the Planning Commission by Motion No. 18096, acting as co-lead agencies, approved and certified the Environmental Impact Report for the HPS/CP Project. On the same date, both co-lead agencies adopted environmental findings, including the adoption of a mitigation monitoring and reporting program and a statement of overriding considerations, for the HPS/CP Project by Former Redevelopment Agency Commission Resolution No. 59-2010 and by Planning Commission Motion No. 18097. On July 14, 2010, the Board of Supervisors affirmed the certification and findings by Resolution No. 347-10 and found that various actions related to the HPS/CP Project complied with the California Environmental Quality Act ("CEQA"). Subsequent to the certification, the Commission and the Planning Commission approved Addenda 1 through 4 to the Environmental Impact Report for the HPS/CP Project analyzing certain HPS/CP Project modifications (together, the "HPS/CP EIR"). Project Phase II (along with elective soils testing not required for environmental review described in Section 2.5 below) is not yet complete; target completion by Fall 2021.
Adjacent uses (North):	Residential
Adjacent uses (South):	Residential, Shipyard Redevelopment
Adjacent uses (East):	Residential, Shipyard Redevelopment
Adjacent uses (West):	Residential
Neighborhood Amenities within 0.5 miles:	Super Save Grocery is 1.2 miles away, India Basin Shoreline Park .4 miles away, Malcolm X Academy .7 miles away,
Public Transportation within 0.5 miles:	MUNI 19, 15 (Bayview Hunters Point Express)
Article 34:	Not exempt, application submitted, confirmation letter expected before CDLAC application needs to be submitted.

Article 38:	Exempt
Accessibility:	100% of units are adaptable and comply with the 2016 CBC. 10% (12) of units will have added mobility features per 2010 ADA and FHA guidelines. 4% (5) of the units will have added communication features per 2010 ADA and FHA standards. This meets TCAC standards.
Green Building:	The Developer currently estimates a 149 GPR rating for the Project. The Project will include the following features: • Zero VOC paints and low formaldehyde finishes • Low-emitting, environmentally preferred, durable flooring • Energy star appliances, low flow fixtures • High-efficiency lighting • High content recycled material
Recycled Water:	Not exempt
Storm Water Management:	PUC has approved the Preliminary Storm Water Management Plan for the Project.

2.1. Description. Blocks 52 and 54, located on the Hilltop in Hunters Point Shipyard Phase 1, are the first of 5 OCII sites considered for development. OCII's portion of Block 52 is bounded by Friedell Street to the northwest, Kirkwood Avenue to the southwest, Jerrold Avenue to the northeast, and currently, a private market-rate parcel being developed by Lennar on the same block, to the southeast. OCII's portion of Block 54 is bounded by Friedell Street to the northwest, Hudson Avenue to the northeast, Innes Avenue to the southwest, and an existing market-rate housing development to the east. See map below.



2.2. Zoning. See chart

2.3. Probable Maximum Loss. N/A

2.4. Local/Federal Environmental Review. See chart

2.5. Environmental Issues.

- Phase I/II Site Assessment Status and Results. It is anticipated that this testing will happen in September/October 2021 with results expected by February 2022.
- Potential/Known Hazards. Some serpentinite rock contains the fibrous mineral chrysotile, which is considered an asbestos mineral. Generally, the amount of chrysotile in the rock is low (less than one percent of the rock mass). Asbestos is considered hazardous when it becomes airborne. Prior to preparation of final grading plans, testing of the serpentinite rock should be performed to determine the chrysotile content of the rock and to develop recommendations to mitigate potential asbestos hazards, if needed. Typical mitigation measures include air quality monitoring during grading, extra dust control measures during grading, and capping of serpentinite areas with non-serpentinite material.
- Elective soil testing. In the early 1990s, the Navy and the United States Environmental Protection Agency ("US EPA") placed the Shipyard on the National Priorities List for environmental remediation (commonly called "Superfund"), in accordance with federal law. Thereafter, the Navy and the US EPA examined each parcel of the Shipyard to determine the extent of contamination, if any, and proposed an appropriate remedial approach to make the Shipyard safe for future intended uses. In 1995, the Navy determined, and the US EPA, the State of California and San Francisco Department of Public Health agreed, that HPS Phase 1 (which consisted of soldiers' barracks and accessory activities during active base use) posed no threat to human health or the environment and required no further action, and in 1999, the US EPA removed HPS Phase 1 from the National Priorities (Superfund) List and confirmed that the site was safe for its intended use as a residential community. In 2004, the Navy transferred Parcel A – the land now making up the Hilltop and Hillside of HPS Phase 1 – and began testing and remediating separate portions of the Shipyard (known as HPS Phase 2). The Navy remains responsible for any remediation required at HPS Phase 2.

In 2016, the Navy and the US EPA became aware of anomalies in post-remediation testing at HPS Phase 2. Further investigation led to the Navy's decision to disregard data provided by one of its former contractors. The Navy is currently in the process of retesting portions of Phase 2 that were the subject of the unreliable data. Although these activities are limited to HPS Phase 2, in July through November of 2018, in response to public concerns and at the request of the City and County of San Francisco ("City") and Speaker Nancy Pelosi, the California Department of Public Health ("CDPH") performed a phased-approach radiological survey to assess the health and safety of the public and the environment at HPS Phase 1.

CDPH completed its Final Report for the Hilltop on February 5, 2019, which concluded that no residents, workers or visitors are being exposed to radiological health and safety hazards. To address continued concerns and questions from the community regarding the testing conducted at the Shipyard, Mayor London Breed, City Attorney Dennis Herrera, and Supervisor Shamann Walton asked experts from UC San Francisco and UC Berkeley to conduct an impartial analysis of CDPH's procedures. The report concluded that CDPH's health and safety scan was appropriate as a health and safety survey.

Out of an abundance of caution, OCII will work with the Development Team (including the new Lead Developer) to establish a scope of additional radiological soil testing at OCII Block 52 and 54 to be conducted along with the standard site environmental testing. It is anticipated that this testing will happen in September/October 2021 with results expected by February 2022.

- 2.6. Adjacent uses and neighborhood amenities. The Phase 1 DDA obligates HPS Dev Co to construct the infrastructure necessary to support the total vertical development of up to 1,428 housing units and 26 acres of open space and parks in HPS Phase 1. HPS Phase 1 is well underway. Horizontal infrastructure construction is complete. See Section 1.1 above for a description of the development completed and underway at HPS Phase 1. A variety of transit options will be available for residents of Blocks 52/54. In 2020 the 15 Bayview Hunters Point Express bus began providing service to the neighborhood with a stop within a ¼ of a mile of both Block 52 and 54. This will provide a connection between the Hilltop area and BART, Caltrain, etc. These additional transportation options were developed in conjunction with the Planning Department and SFMTA to ensure a level and quality of transit service for the area. Because transit options are currently limited in the area we have required that the Project have a parking ratio of .6:1, which is higher than a typical family development in a more transit rich environment which would have a parking ratio of .25:1 or less.
- 2.7. Green Building. See chart. Both buildings incorporate design strategies that support the health and wellness of building occupants and residents. Environmentally preferable products are prioritized for incorporation throughout the building including: materials that are sourced locally and/or high in recycled content; non-toxic paints, as well as coating and materials that are free of volatile organic compounds ("VOC") and phthalates. Prioritization of healthy, non-toxic materials within the residential units, where people spend the most time and have the highest levels of exposure. Another area of emphasis is energy performance. In order to reduce energy usage, the buildings will be all-electric, with photovoltaic arrays on the roofs. Together with an upgraded envelope design, this is a cost-effective way to meet the energy goals and low-maintenance needs of affordable housing. The Project is required to achieve a minimum of 125 points (a gold rating) and is currently scoring 142 and 143 for Blocks 52 and 54 respectively.

3. COMMUNITY SUPPORT

- 3.1. Prior Outreach. Staff presented the original RFP to the CAC Housing Subcommittee of the HPSCAC and to the full HPSCAC in July and August 2017. In September 2017, staff convened an informational meeting about the RFP for Hilltop homeowners. Staff presented an update on the selection process to the HPSCAC Housing Subcommittee in January 2018 and presented the developer selection recommendation to the HPSCAC in February 2018. The CAC voted to recommend that Commission select the MBS/BHPMSS team to develop Blocks 52/54.

Staff presented an update on the proposed Schematic Design to the Hilltop neighbors in March 2019. The design team made some adjustments to the building design for Block 54 where it abuts the existing market rate building based on input from the neighbors. They adjusted one lightwell for better alignment with the market rate building and recessed the portion of the building adjacent to the open space of the market rate block. Staff then presented the proposed Schematic Design to the HPSCAC Housing Subcommittee in March 2019 and to the HPSCAC in April 2019. The CAC voted unanimously to recommend that Commission approve the Schematic Design for the Project.

Staff provided a development update to the HPSCAC on October 19, 2020. This update included information regarding the RFQ seeking a new lead developer. On February 8, 2021, staff presented the results of the evaluation process to the HPSCAC and they voted to recommend that OCII Commission select JRC as the new lead developer for the Project.

- 3.2. Future Outreach. Staff and the development team will continue to ensure outreach is provided to HPS Phase 1 neighbors and the broader HPS and BHVP community to inform them of any relevant CAC meetings discussing this Project throughout development and operations, as necessary. In partnership with the Baines-Nibbi team, upcoming neighborhood outreach efforts will be focused around job and contracting opportunities. Leveraging partnerships with local non-profit organizations including the Dr. Davis Center,

meetings will take place in District 10 accessible spaces with translation services as-needed.

3.3. Proposition I. Not required

4. DEVELOPMENT PLAN

4.1. Site Control. Both lots are currently owned by OCII. Block 52 is an approximately 25,860 square-foot site bounded by Friedell Street to the northwest, Kirkwood Avenue to the southwest, Jerrold Avenue to the northeast, and the private market-rate portion of Block 52 to the southeast. Block 54 is an approximately 19,720 square foot site bound by Friedell Street to the northwest, Innes Avenue to the southwest, Hudson Avenue to the northeast, and Avocet Way to the southeast.

4.1.1. Proposed Property Ownership Structure. OCII will retain fee interest in the land and ground lease the residential parcel to the Limited Partnership, which will own the improvements.

4.2. Proposed Design.

The Project covers non-contiguous parcels at the heart of the new Hilltop neighborhood. However, the buildings on these two parcels are designed to function as a single community. Because the two sites have different dimensions the most efficient layouts are substantially different on each of the sites. For this reason, community, management and services functions will be clustered in the larger building on Block 52. That allows for the Block 54 building layout to be as efficient as possible while still providing for all the important functions and shared spaces necessary to serve residents. Both buildings use strong proportions and simple framing, finishes and details to both complement the existing architecture on the Hilltop and to create their own character to foster the shared community between the two blocks. Each block incorporates 1 Family Childcare unit.

Unit Type	Block 52	Block 54	Total
1 BDRM	31	18	49
2 BDRM	16	15	31
3 BDRM	12	11	23
4 BDRM	8	0	8
5 BDRM	0	1	1
TOTAL	67	45	112

Block 52

The identity of the building on Block 52 is established by a trellised entry court garden at grade on Friedell Street. This space is defined by a landscaped space in a paved plaza that also provides for adjacent outdoor space to the Community Room. The 1,718 square foot Community Room includes a kitchen and is adjacent to a Fitness Room.

Flush-to-grade bio-retention planter areas and an exterior stair lead to the second-floor (podium level) courtyards. The podium level courtyards provide more outdoor landscaped spaces, with seating areas adjacent to residential units and a laundry/lounge space and informal and formal children's play areas. In total, the design provides over 5,500 square feet of open space for residents to enjoy. All of the administrative functions for both buildings, management and tenant services, are clustered on the southwest side of the

entry court garden. To protect the privacy of patrons of tenant services, the circulation and entrances to these functions are separated from one another.

The garage entrance for the parking is on Friedell Street, integrated and largely concealed in the massing of the building. A ground floor parking area within the building podium includes 34 parking spaces. A bike parking and maintenance room located at the corner of Friedell Street and Kirkwood Avenue provides space for 48 bikes.

Block 54

On Block 54, the opportunity of an expansive view of downtown San Francisco is a key design driver. The entry and main vertical circulation of the building are located to take advantage of a roof deck with informal seating and play areas and a communal table at the northeast corner of the property, highlighting the view. On the ground floor off the main lobby is an amenity space including a lounge and laundry room that are connected to the street level courtyard which also includes informal play and seating areas. There is also a podium level courtyard surrounded by residential units that incorporates informal seating areas and play areas. In total, the design includes over 4,000 square feet of open space for residents. The massing responds to the adjacent neighbors to the south by stepping down at the Hudson Avenue façade. Lightwells at the southern property line align with those of the adjacent buildings, and break up the massing of the building.

Parking and utilities are all at the southern edge of the property. The garage entrance is on Hudson Ave. A ground floor parking area within the building podium includes 28 parking spaces and 28 bike parking spaces.

Accessibility

Block 52

All units will be adaptable for people living with disabilities. Seven mobility accessible units will be provided. Three visual and hearing-impaired units will also be provided.

Block 54

All units will be adaptable for people living with disabilities. Five mobility accessible units will be provided. Two visual and hearing-impaired units will also be provided.

Building Materials

Both buildings will be constructed of Type V, residential wood-frame construction over a Type I concrete podium supported by grade beams and footings. The building on Block 52 will have five stories over a one-story podium and the building on Block 54 will have four stories over a one-story podium.

Proposed exterior finish materials include painted cement plaster, painted box rib metal panels, and glazed thin brick tile (or comparable material). Colors are chosen to be compatible with the neighboring buildings while simultaneously providing a separate identity for each building of this Project and are subject to final approval by OCII staff.

Avg Unit SF by type:	Average unit sizes exceed TCAC minimums 1-brdm avg sf: 589 2-brdm avg sf: 824 3-brdm avg sf: 1,082 4-brdm avg sf: 1,358 5-brdm avg sf: 1,661
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Residential SF:	100,891
Circulation SF:	30,241
Parking Garage SF:	21,541
Common Area SF:	5,418
Management/Resident Services	2,951
Service/Mechanical	7,690
Building Total SF:	168,731

- 4.3. Construction Supervisor/Construction Representative's evaluation The proposed construction budget reflects a total hard cost value of \$91,878,228 inclusive of the residential, parking, site improvements (no infrastructure), and bid and design contingencies (held by the developer). This total hard cost value reflects a cost of approximately \$545 per SF or \$820,341 per unit. The per unit cost is significantly higher than the *average* construction costs for MOHCD and OCII funded projects in predevelopment-though it is not the highest, the per bedroom costs are also higher than the average of projects in predevelopment (though less so than the per unit costs) and per square foot costs are lower than the average. This is likely a reflection of the high number of larger bedroom count units with 3, 4- and 5-bedroom units making up nearly 30% of the units. Adding larger units diminishes cost savings as it results in fewer units in the same footprint and it creates an irregular building foot print, therefore not allowing for efficient stacking. Regularity saves costs. This is also a reflection of the lack of economies of scale related to the construction of 2 buildings vs one larger 112-unit building, therefore multiple lobbies, elevators and means of egress are required. The new lead developer is currently undergoing a value engineering process with OCII to continue to refine and contain costs. The new lead developer is using the design build method for mechanical, electrical, plumbing and fire protection building systems. One company builds the drawing set and executes construction, minimizing errors and confusion in the build and reducing overall costs (see Section 6.4.2 for more information on MEPF design build). Construction is anticipated to commence in 2022.
- 4.4. Service Space. The services suite is 1,536 sf and is located on Block 52. It includes enough space for 3 small offices and 2 larger meeting or activity rooms. The proposed services space is adequate for the target population and proposed services plan. While both management and services are clustered on the Southwest corner of Block 52, the circulation and entrances to these functions are separate from each other to protect residents' privacy.
- 4.5. Marketing, Occupancy, and Lease-Up. All units (except the manager's unit) will be restricted and affordable to households earning no more than 50% of the Area Median Income as defined by MOHCD. Occupancy priorities will follow the HPS Redevelopment Plan, the Phase 1 DDA, and OCII Commission action approving City Housing Preferences (Reso. 09-2019), as follows: 1) Hunters Point Certificate of Preference Holders; 2) other Certificate of Preference Holders; 3) Displaced Tenant Housing Preference ("DTHP"); 4) Neighborhood Residential Preference; 5) San Francisco Residents or Workers; 6) Members of the General Public.

These preference referrals must meet the Developer's established screening requirements for the project, and final selection will lie with the Developer. Any authorized preference shall be permitted only to the extent that such preference: (a) does not have the purpose or effect of delaying or otherwise denying access to a housing development or unit based on race, color, ethnic origin, gender, religion, disability, age, sexual orientation, or other protected characteristic of any member of an applicant household; and (b) is not based on

how long an applicant has resided or worked in the area. OCII (and/or its agent) will work with the selected developer teams to resolve potential occupancy conflicts and determine additional occupancy preferences and marketing requirements and to ensure adherence to OCII occupancy preferences and marketing requirements. If more applicants apply than the number of units available, the Developer shall conduct a public lottery.

4.6. Relocation. N/A

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	Mithun Solomon	N	N
Associate Architect	Kerman Morris	Y	N
General Contractor	Baines Nibbi JV	Y (JV partner)	N
Owner's Rep/Construction Manager	TBD	TBD	N
Legal	Klein Hornig Bocarsly Emden	N	N
Property Manager	John Stewart Co.	N	N (Development Team Member)
Services Provider	BHPMSS	N	N (Development Team Member/nonprofit)

5.1. Procurement Plan. Pursuant to the new ENA with JRC, they have agreed to continue to work with all SBE consultants and contractors already working on the Project. The Developer is required to comply with the Bayview Hunters Point Employment and Contracting Policy, OCII's Nondiscrimination in Contracts, Minimum Compensation and Health Care Accountability policies and will work closely with contract compliance staff to comply with the Small Business Enterprise ("SBE") Policy and the Construction Workforce Policy on this development.

During the construction phase of this project, the Developer is committed to meeting OCII's requirements and goals which include the 50% SBE participation goal on all contract dollars, payment of prevailing wages and the 50% local construction workforce hiring goal. As a result of a competitive general contractor selection process, the previous (MBS) Developer selected Baines Nibbi, a joint venture between the general contractor Nibbi Brothers and General Contractor Baines Group, an OCII-recognized SBE and Minority-Owned Business Enterprise.

The previous Development Team secured the following SBE percentages on the Project through Professional Services contracts thus far: SBE 87.8%, San Francisco-Based (SF) LBE 79.7%, Minority-Owned Business Enterprise (MBE) 6.5%, Woman-Owned Business Enterprise (WBE) 68.5%.

5.2. Opportunities for BIPOC-Led Organizations. The development team is committed to providing opportunities for BIPOC-Led organizations and individuals for the project. Maintaining the Baines-Nibbi JV after the procurement of the new lead developer is critical to exceeding project goals and consistent with JRC's approach to racial equity. In addition, JRC has committed a BIPOC-led staff for the day to day management of the development project and to exceed goals associated with subcontracting for the construction of the project described in Section 5.1 above.

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:

Loan Type/ Program	Loan Date	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Outstanding Principal Balance
OCII Bond Proceeds (Amended and Restated with the new Lead Developer)	April 6, 2021	\$3,650,000	3%	April 6, 2024 or until the perm loan is executed	Deferred	\$2,085,772.98
Total:		\$3,650,000				\$2,085,772.98

6.2. Disbursement Status. Developer can continue to spend predevelopment funds until the close of construction financing, including the additional predevelopment amount in this current request. However, the gap loan proceeds (\$ 54,799,127) may not be drawn prior to the close of construction financing and execution of the Ground Lease.

The \$2,085,772.98 in remaining initial Predevelopment funds have an approved date of November 17, 2017 per the loan evaluation approved on June 15, 2018. The \$751,605 in Additional Predevelopment and permanent funding recommended in this evaluation can be spent on eligible expenses dating back to July 1, 2020.

6.3. Fulfillment of Loan Conditions. Below is the status of Loan Conditions since this project was last at Loan Committee for Predevelopment Financing on June 15, 2018:

- Borrower will provide an analysis of potential sources and strategies and provide a revised recommended financing plan within ninety (90) days of the date of this Agreement. **Status: Complete.**
- Borrower will work with OCII and MOHCD to evaluate costs and propose cost containment strategies throughout the design phase of the Project. **Status: Ongoing.**
- Borrower will refine the services plan and budget and provide an updated preliminary plan and budget consistent with the original RFP response and anticipated resident needs to OCII staff within ninety (90) days of the date of the Amended and Restated Predevelopment Loan Agreement. **Status: In process.**
- Borrower will conduct ongoing outreach to the Hunters Point Shipyard community to solicit input, address concerns, and educate community members on various aspects of the project. **Status: Ongoing.**
- Borrower will continue to utilize the services of the architect, general contractor, and other SBE consultants hired by Shipyard 5254, L.P. and shall inform and cooperate with OCII to effectuate a change in the team's makeup should a change be necessary. Borrower will obtain cost estimates from the selected contractor, and will work with their architectural team to ensure that the site's development costs are managed to OCII's approval. Furthermore, Borrower shall cooperate with OCII and continue to require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs. **Status: Ongoing.**

6.4. Proposed Additional Predevelopment Financing

6.4.1. Additional Predevelopment Sources Evaluation Narrative. OCII is providing all predevelopment funding to the Project and they are sufficient to bring the Project to the

start of construction. The Developer has requested an additional \$751,605 during predevelopment, which will come from this request for funding. See description below.

6.4.2. Additional Predevelopment Uses Evaluation: The Developer is requesting these additional funds to be used during predevelopment to cover the costs related to Mechanical, Engineering, Plumbing, and Fire Protection ("MEPF") components of the Project. The Developer has determined that completing this work as design build would be the most cost-efficient overall for the Project, however it requires more up-front expenditures. The design build MEPF sub contractors have been brought on-line to build out their design during the design document phase. Having the design build subs on board early allows the team to confirm sub pricing that typically makes up for 25-30% of the total contract. Under a design build model, the Developer is able to leverage sub-contractors for Value Engineering ideas to meet code minimums. The contractor is able to bring all sub-contractors together to work through scope gaps. This process helps mitigate large change orders that are typically seen during construction in the alternative "bid-build" model.

Additionally, the architect has requested \$15,000 in additional funds to cover costs related to the transfer of developers and the associated RFQ.

6.5. Proposed Permanent Financing. No funding, other than the OCII Predevelopment Loan, has been secured for this Project. The terms described below are based on the current debt and equity environment and are reasonably conservative. The Developer will work with OCII and potential lenders and investors to secure the best possible terms of all financing for the Project. This final financial plan ("FFP") will be approved by the OCII Executive Director and MOHCD Director.

6.5.1. Permanent Sources Evaluation Narrative: The

Borrower proposes to use the following sources to permanently finance the project:

- Private mortgage (\$7,316,068): This loan is modeled at an interest rate of 3.75% and a 30-year term.
- 4% Tax Credit Equity (\$41,042,670): The equity amount assumes a \$.96 per credit pay-in rate and a 4% credit rate based on an estimate provided by Wells Fargo Bank.
- OCII Loan (\$59,200,732): This amount is comprised of \$55,550,732 in new OCII funds (including \$751,605 in Additional Predevelopment funds) plus \$3,650,000 in current predevelopment funds. The loan will have a term of 55 years, and staff is currently anticipating an interest rate of 3%. At the time of FFP, staff may recommend that the OCII Executive Director and MOHCD Director decrease the interest rate, should the Project need it at the time of the close of construction financing to meet IRS requirements related to true debt. At the time of FFP staff may also recommend that the OCII loan amount be reduced if other sources are obtained or better terms on anticipated sources are secured.
- AHP (not included at this time): AHP is not currently included in the sources for this Project as the new developer was brought on after this year's AHP round, however, staff believes that the Project may be competitive and has included loan condition number 3 in Section 9.2 that requires the Developer to apply for these funds, unless it is determined that the Project cannot be successful in the first round of 2022. If successful, the final OCII loan will be reduced at FFP.
- Deferred Developer Fee (\$1,158,147): The proposed Deferred Developer Fee is consistent with the Underwriting Guidelines. This fee generates a net

amount of \$266,821 in additional equity after paying for the fee itself and the loss of cash flow associated with the deferred fee. See Section 6.5.6 for more information.

- General Partner Equity (\$0): The Developer is proposing no GP Equity at this time to minimize project costs. This is not consistent with MOHCD's guideline to incorporate as much Equity as possible to reduce MOHCD/OCII debt. The Developer will explore ways to incorporate it into the Project without jeopardizing financial feasibility. If successful, GP Equity will be incorporated into the FFP and subject to approval by the MOHCD Director and OCII Executive Director.
- Construction Loan (\$56,533,151): While not a permanent source, the construction loan terms include a 3.25% interest rate and a 24-month term.

6.5.2 CDLAC Tax-Exempt Bond Application: Based on the anticipated tie-breaker score, the Project will not be funded in the upcoming CDLAC/TCAC funding rounds. However, staff and the Developer are recommending proceeding with the application to demonstrate need and readiness, and in the unlikely event there is a change to the tie-breaker calculation that would benefit this Project. Since any further delays to this Project will likely result in additional increased costs, staff and the Developer recommend applying for financing now as the Project will be ready. The Developer will analyze Project adjustments that may make the Project more competitive assuming the Project remains uncompetitive for the 2022 funding rounds.

CDLAC Self-Score	
Opportunity Map Resource Level	Low
TCAC Housing Type (new construction only)	Large Family
Bond Allocation Request Amount	\$63,000,000
Total Self-Score (out of 120 points)	119
Tiebreaker Score	\$285,880.95

6.5.3. Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit are within standards	Y	\$820,341/unit This estimate is high when compared to similar Projects on a per unit basis (though there are no real comparable Projects with 2 new construction buildings being built on non-contiguous parcels). A higher per unit cost is warranted for this Project as it is comprised of two separate, non-contiguous buildings therefore it does not benefit from the same economies of scale as other similarly-sized projects

		do. Additionally, there are a high number of large bedroom count units in the Project. The Project is 9% higher than the average of projects in predevelopment and is not the highest cost of those projects in predevelopment on a per bedroom basis and is lower on a per sf basis. See Section 4.3 Const Representative's Evaluation Section and Attachment H Comparison of City Investment in Other Housing Developments
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5%
Architecture and Engineering Fees are within standards	Y	
Construction Management Fees are within standards	Y	
Developer Fee is within standards, see also disbursement chart below	N*	Project management fee: \$900,000 At risk fee: \$1,120,000 Deferred fee: \$1,158,147 Total fee: \$3,178,147 *The Project does not currently include GP Equity. See section 6.5.4 below.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 3 months
Capitalized Replacement Reserves are a minimum of \$1,000 per unit (Rehab only)	NA	
Other Soft Costs	Y	Other soft costs are reasonable

6.5.4 Developer Fee Evaluation: The proposed Developer Fee does not include the \$350,000 that was paid to the previous developer to bring the Project to an approved schematic design. This amount was also removed from the loan at assignment to the new lead developer. Staff proposes that in recognition of the work done by the previous developer, the Project Management Fee be reduced by \$100,000 to \$900,000. JRCo requests the additional developer fee to cover the staff time associated with getting up to speed on a project that is in the middle of DD, the additional risk associated with not being a part of schematic design and the beginning of design development, and the uncapped guarantees and liquidity requirements typically required by the lenders and investor. Staff believes this is a fair proposal that recognizes the work done by the previous developer and also the added work required for a new developer to step into the Project, including reengaging and contracting with the rest of the development team, updating all aspects of the Project and engaging in a value engineering process after a period of almost a year with no predevelopment activity all within a challenging and highly competitive financing environment, that will likely require multiple applications for bonds and tax credits.

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

Total Developer Fee:	\$3,178,147	
Project Management Fee Paid to Date:	\$0	No fee has been paid to the new Development Team.
Amount of Remaining Project Management Fee:	\$900,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,120,000	\$1M plus \$10K per unit for each unit over 100 units per Developer Fee Policy
Amount of Fee Deferred (the "Deferred Fee"):	\$1,158,147	Sized to maximize equity and maintain competitive CDLAC application. This Deferred Fee increases equity by \$109,735 and does not increase the OCII loan amount
Amount of General Partner Equity Contribution (the "GP Equity"):	\$0	No GPE recommended to maintain lower costs for CDLAC application
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Close of Permanent Loan w/Additional Predevelopment financing	\$75,000	8%
At submission of CDLAC and TCAC applications through Construction Close	\$75,000	8%
Execution of Ground Lease	\$65,000	7%
Construction close	\$147,500	16%
During Construction	\$347,500	39%
Construction Completion	\$90,000	10%
Project close-out	\$100,000	11%
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	\$224,000	20%
Permanent conversion	\$560,000	50%
Project close-out	\$336,000	30%

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

7.5. Annual Operating Budget. The Project includes no operating or rental subsidies. Expenses are on the low side compared to similar Projects in MOHCD's portfolio comparable to other similar projects. See the chart below for more information.

7.6. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	Y	
Vacancy meets TCAC Standards	Y	Vacancy is 5%

Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 2.5%
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$10,339 per unit JSCo has used comparable projects in District 10 with some adjustments made due to their higher janitorial costs as they are all public housing replacement projects and have higher janitorial and security costs than other Projects in their portfolio. Staff has included loan condition number 11 in Section 9.2 requiring a re-assessment of the operating budget prior to the submission of the CDLAC application. Any adjustments will be made in the FFP.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$69,888 or \$52 PUPM
Property Management staffing level is reasonable per comparables	Y	\$82,300 for 1 FTE Property Manager, \$52,000 for 1 FTE Assistant Property Manager \$67,000 payroll for 1.5 FTE maintenance \$83,200 assumed in maintenance/ground contracts
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$25,124/yr Annual PM Fee is \$25,124/yr
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$400 per unit per year
Limited Partnership Asset Management Fee meets standards	Y	LP Asset Management Fee is \$5,000 per year, no escalation.

7.7. Income Restrictions for All Sources.

UNIT SIZE		<u>MAXIMUM INCOME LEVEL</u>			
	No. of Units	MOHCD	TCAC	HCD	
<u>LOTTERY</u>					
1 BR	1	30%	23%	NA	
2 BR	1	30%	21%	NA	
3 BR	1	30%	21%	NA	
4 BR	1	30%	20%	NA	
5 BR	0	30%	19%	NA	
Sub-Total	4				
1 BR	1	40%	31%	NA	
2 BR	1	40%	29%	NA	
3 BR	1	40%	28%	NA	
4 BR	1	40%	27%	NA	
5 BR	0	40%	26%	NA	
Sub-Total	4				
1 BR	47	50%	38%	NA	
2 BR	28	50%	36%	NA	
3 BR	21	50%	35%	NA	
4 BR	6	50%	33%	NA	
5 BR	1	50%	33%	NA	
Sub-Total	103				
<u>STAFF UNITS</u>					
2 BR	1	N/A	N/A		
TOTAL	112				
AVERAGE FOR LOTTERY UNITS ONLY	111	49%	36%		

7.8. MOHCD Restrictions

Unit Type	Proposed Number of Units	Proposed Avg. Sq. Feet	Max. Rent (at Target AMI)	Net Rent (including Utility Allowance)	Max % AMI OCII	Rent or Operating Subsidies
1BR	1	589	\$799	\$697	30%	none
1BR	1	589	\$1,065	\$963	40%	none
1BR	47	589	\$1,333	\$1,231	50%	none
2BR	1	824	Mgr	Mgr	Mgr	none
2BR	1	824	\$899	\$755	30%	none
2BR	1	824	\$1,199	\$1,055	40%	none
2BR	28	824	\$1,499	\$1,355	50%	none
3BR	1	1082	\$999	\$813	30%	none
3BR	1	1082	\$1,333	\$1,147	40%	none
3BR	21	1082	\$1,665	\$1,479	50%	none
4BR	1	1358	\$1,079	\$847	30%	none
4BR	1	1358	\$1,439	\$1,207	40%	none
4BR	6	1358	\$1,799	\$1,567	50%	none
5BR	1	1661	\$1,931	\$1,646	50%	none
Total Units	112					

Note: That the income tiering with 8 units below 50%, is consistent with the Redevelopment Plan requirement that affordability cannot exceed 50% AMI and MOHCD AMI ensures Project feasibility. While at the time of predevelopment financing the Project was modeling up to 30 units below 50% AMI, it was anticipated at that time that the Project may need to include a lower number of units below 50% AMI to maintain feasibility give the restriction on affordability at 50% AMI versus 60% AMI. More than 8 units at 30% and 40% results is too negative impact on cash flow. However, the Developer will explore ways to increase income tiering below 50% AMI and the final mix may shift prior to the close of construction financing. Any changes are subject to approval by the OCII Executive Director and the MOHCD Director through the FFP. In no event shall the restrictions on any unit exceed 50% of City AMI.

8. SUPPORT SERVICES

8.5. Services Plan. At this property, BHPMSS and their Resident Services Coordinator will work in partnership with, the San Francisco Department of Public Health and JSCo property management as well as community services providers to ensure residents have access linkages and referrals to appropriate services. BHPMSS' supportive services are based on providing compassionate, individualized, culturally and linguistically competent, and voluntary services designed to help families meet individual and community goals for self-sufficiency and well-being. Through their partnership with property management, the Resident Service Coordinator is able to work with families and individuals to continue to improve or maintain a higher quality of life and have access to quality housing and services. The Developer will provide an updated Services Plan and Budget prior to submitting the CDLAC/TCAC applications.

8.6. Service Budget. The current operating budget includes 1 FTE Resident Services Coordinator. However, BHPMSS has proposed providing a wider array of services at the site, through partnerships with other local services providers including Hunters Point Family, Bayview Hunters Point Foundation, Young Community Developers and Rafiki Wellness. The Developer will provide an updated Services Plan and Budget prior to submitting the CDLAC/TCAC applications.

9. STAFF RECOMMENDATIONS

9.5. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$59,200,732
Loan Term:	55 years
Loan Maturity Date:	2076
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3% (This loan may be recast to conform with any future true debt test need for an interest rate between 0% and 3% to be determined prior to the permanent loan closing with approval of the OCII Executive Director and MOHCD Director pursuant to the FFP)
Date Loan Committee approves prior expenses can be paid (this applies only to the new funds recommended in this loan evaluation, remaining \$2,085,772.98 in initial Predevelopment funds have an approved date of November 17, 2017 per the loan evaluation approved on June 15, 2018):	July 1, 2020

9.6. Recommended Loan Conditions

1. Sponsor will conduct ongoing outreach to the Hunters Point Shipyard community to solicit input, address concerns, and educate community members on various aspects of the project.
2. Sponsor will continue to utilize the services of the architect, general contractor, and other SBE consultants hired by Shipyard 5254, L.P. and shall inform and cooperate with OCII to effectuate a change in the team's makeup should a change be necessary. Borrower will obtain cost estimates from the selected contractor, and will work with their architectural team to ensure that the site's development costs are managed to OCII's approval. Furthermore, Borrower shall cooperate with OCII and continue to require the general contractor to exercise good faith efforts to select subcontractors who either are SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs.
3. Sponsor to apply for Federal Home Loan Bank's Affordable Housing Program at the next round. If successful, the final OCII loan will be reduced at FFP.
4. Sponsor to evaluate if Project will be competitive for State Infill and Infrastructure Grant and, if so, apply at the next round. Sponsor to analyze and propose how to

make project more aligned with state priorities for IIG and other state sources and thus competitive with CDLAC for bond allocation.

5. Sponsor must provide operating and development budgets (including contractor budgets) that meet MOHCD underwriting guidelines and are sufficient to cover anticipated operating expenses.
6. Sponsor must provide OCII with a services plan and proposed staffing levels that meet OCII underwriting standards prior to submission of the CDLAC and TCAC application.
7. Sponsor must provide OCII with information outlining cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of OCII gap loans.
8. Sponsor must explore opportunities to increase above eight units that serve households below 50% AMI, if financially feasible. If Sponsor is unable to increase the number of units below 50%, Sponsor must provide additional strategies to serve COP holders at 50% AMI.
9. Sponsor must: a) provide for OCII review of the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) provide for OCII review of all raw financial data from developer or financial consultant prior to selection; c) provide for OCII review and approval of all selected investors and lenders; and, d) provide for OCII review and approval of all Letters of Intent from financial partners.
10. Sponsor will provide information regarding marketing (including the reflection of the lease-up team to that of the applicants) and operations (i.e., does on-site staff reflect the property residents) in existing portfolio and work with OCII and MOHCD to establish a marketing and outreach plan for the Project focusing on preference populations.
11. Sponsor must review operating cost assumptions with JSCo prior to submission of the CDLAC application to ensure the operating budget is sufficient given the anticipated lease up date of the Project.
12. Sponsor must provide an Early Outreach Plan 1 month after the start of construction and initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the project to OCII' preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents.
13. Sponsor must provide quarterly updated response to any letters requesting corrective action.

10. LOAN COMMITTEE MODIFICATIONS

July 16, 2021

LOAN COMMITTEE RECOMMENDATION

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

☐ APPROVE. ☐ DISAPPROVE. ☐ TAKE NO ACTION.

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

Date: _____

☐ APPROVE. ☐ DISAPPROVE. ☐ TAKE NO ACTION.

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

Date: _____

☐ APPROVE. ☐ DISAPPROVE. ☐ TAKE NO ACTION.

Sally Oerth, Acting 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 including Experience and Capacity
 - 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. Sources and Uses
 - J. Additional Predevelopment Budget
 - K. 1st Year Operating Budget
 - L. 20-year Operating Pro Forma

Attachment A: Project Milestones and Schedule

	Performance Milestone	Estimated or Actual Date¹	Contractual Deadline
1	Design		
2	Submittal of Updated Design Development & Cost Estimate	<u>5/1/2021</u>	<u>6/1/2021</u>
3	Submittal of 50% CD Set & Cost Estimate	<u>7/15/2021</u>	<u>10/15/2021</u>
4	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>12/15/2021</u>	<u>3/15/2022</u>
5	Permits		
6	Building / Site Permit Application Submitted	<u>10/8/2019</u> <u>Issued 4/2020</u>	
7	Addendum #1 Submitted	<u>8/15/2021</u>	<u>1/15/2022</u>
8	Addendum #2 Submitted	<u>12/15/2021</u>	<u>3/29/2022</u>
9	Request for Bids Issued	<u>12/2021</u>	<u>3/2022</u>
10	Service Plan Submission		
11	Update	<u>7/1/2023</u>	<u>12/10/2023</u>
	Additional City Financing		
	Predevelopment Financing Application #2	<u>N/A</u>	
12	Gap Financing Application	<u>7/2021</u>	<u>4/2022</u>
	Other Financing		
13	Construction Financing RFP	<u>9/2/2021</u>	<u>4/1/2022</u>
14	AHP Application	<u>3/2022</u>	<u>3/2023</u>

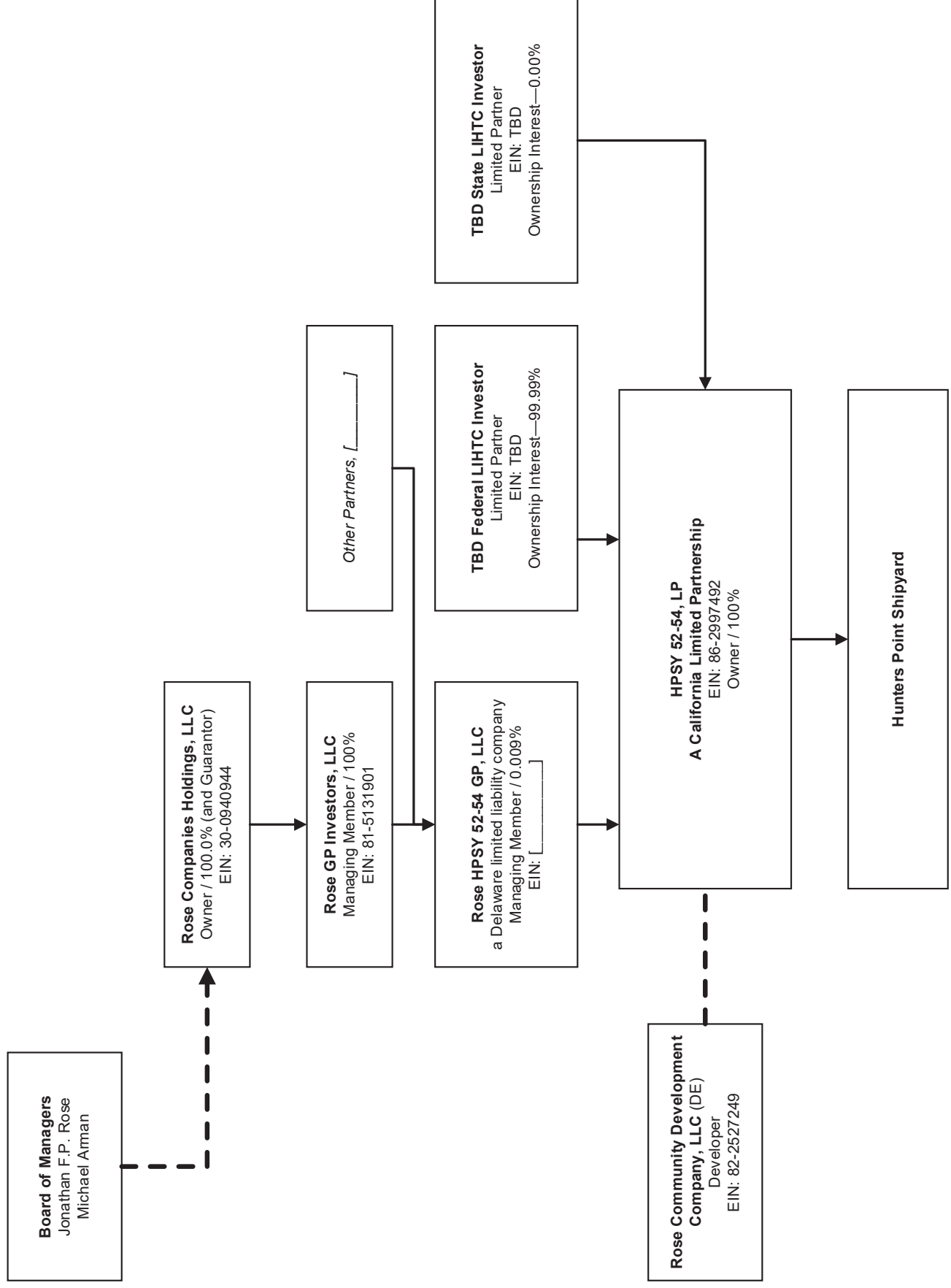
¹ Estimated Dates are the Borrower's and OCII's best estimate for achieving milestones established herein, which estimates are established for project management purposes, but do not supersede contractual deadlines, which establish deadlines by which Borrower is required to perform under this Agreement.

Evaluation of Request for Financing
Hunters Point Shipyard Blocks 52 & 54, 151 and 351 Friedell St.

July 16, 2021

15	CDLAC Application CDLAC Award (based on 2021 dates)	<u>9/2021</u> <u>12/2021</u>	<u>2/4/2022</u> <u>4/28/2022</u>
16	TCAC Application TCAC Award (based on 2020 dates)	<u>9/2021</u> <u>12/2021</u>	<u>2/4/2022</u> <u>4/28/2022</u>
	Other Financing Application		
	Closing		
17	Construction Closing	<u>5/1/2022</u>	<u>10/1/2022</u>
18	Permanent Financing Closing	<u>2/1/2025</u>	<u>8/1/2025</u>
	Construction		
19	Notice to Proceed	<u>5/1/2022</u>	<u>10/1/2022</u>
20	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>5/1/2024</u>	<u>10/1/2024</u>
21	Marketing/Rent-up		
22	Early Outreach Plan Submission	<u>6/1/2022</u>	<u>11/1/2022</u>
23	Marketing Plan Submission	<u>12/2023</u>	<u>6/2024</u>
24	Commence Marketing	<u>2/1/2024</u>	<u>6/1/2024</u>
25	95% Occupancy	<u>10/1/2024</u>	<u>6/1/2024</u>
26	Cost Certification/8609	<u>6/1/2025</u>	<u>12/1/2025</u>
	Close Out MOH/OCII Loan(s)		

Attachment B: Borrower Org Chart



Evaluation of Request for Financing
Hunters Point Shipyard Blocks 52 & 54, 151 and 351 Friedell St.

July 16, 2021

Attachment C: Developer Resume

Developer Experience and Capacity



Jonathan Rose Companies is a national development and investment management firm. The company's mission is to strengthen communities of opportunity by developing innovative real estate solutions that build value, enhance resilience, and cultivate wellbeing. Jonathan Rose Companies is one of the largest owners and developers of affordable housing in the country, with nearly 15,000 units developed and owned in 18 states and the District of Columbia. Since its founding in 1989, the firm has completed over \$3.2 billion of community enhancing work. The company is widely recognized as a leader for design excellence, green and affordable buildings and creating successful community development models that enrich the ability of their residents, communities and cities to thrive.

In 2017, Jonathan Rose Companies opened an office in Los Angeles, which serves as the headquarters for Rose Community Capital and earlier this year brought on Yusef Freeman to lead its ground up development and acquisitions in the western US out of the newly opened office in Oakland. Jonathan Rose Companies are uniquely positioned for success to step into this project as lead developer as Yusef put together and led the team selected for this development while serving as Managing Director for McCormack Baron Salazar. His experience includes the successful completion of OCII-sponsored work with both the selected general contractor and managing general partner in the Bayview neighborhood as well as managing Mithun design work in San Francisco. Jonathan Rose Companies have included him in the management committee for the entire firm and looks to him for leadership and decision-making for West Coast development and acquisitions.

Jonathan Rose Companies believes in building communities of opportunity in balance with nature. For over 30 years, most of which has been co-created in partnership with cities and nonprofit institutions. Jonathan Rose Companies is recognized as a pioneer in developing green, affordable and mixed-income housing, and is committed to ensuring that every project provides residents with access to jobs, education, health services, and other elements of opportunity that nurture the common good.

Meeting and creating rigorous environmental criteria for our projects have been part of our ethos from the earliest days of the company. In the early 1990s, Jonathan Rose recognized the need for a comprehensive, structured approach to developing buildings that had a positive impact on the natural environment by creating a set of principles to guide projects in responsible development. The guide that was created led to the development of the Enterprise Green Communities certification program. Over the last 30 years we have developed some of the country's most environmentally friendly affordable housing projects using innovative design, financing, and partnerships to lead the field in delivering healthy, sustainable, transit-oriented housing, which are values consistent with San Francisco's innovative building code and OCII's Design for Development approach in the Shipyard.



Throughout Jonathan Rose Companies' history we have hired third-party General Contractors ("GC") and Construction Managers ("CM") to execute most of our work. This strategy allowed us to fortify strong relationships with subcontractors across many markets in the country while simultaneously building a team of in-house construction professionals who provided oversight of the third-party GCs and CMs. Each member of our team has vast construction knowledge and experience on complex ground up construction as well as rehabilitation projects. All members have worked in the General Contracting arena and furthered their skills while working at Jonathan Rose Companies. Our in-house construction experts participate in the design development process to ensure that key constructability, budget and green considerations are incorporated into the project design. Once construction has commenced, we track construction progress, make regular site visits, and continue to manage all team members to deliver the project on-time and on-budget. We are confident in our ability to meet our goals and honored to continue the important work of strengthening communities of opportunity.

Jonathan Rose Companies' has a wealth of experience working with public agencies to deliver and operate complex, master-planned mixed-use developments featuring a wide range of uses. State and Federal agency relationships include but are not limited to CDLAC, CTCAC, California Department of Housing and Community Development, and the U.S. Department of Housing and Urban Development.

JRCo leads in competing for 4% and 9% Low Income Housing Tax Credits (LIHTC) and has successfully completed over 21 projects utilizing 4% and 9% LIHTC equity for both new construction and preservation of affordable housing. In June 2019, JRCo closed on a \$70.2 million equity investment from Bank of America priced at \$1.07 per credit for the first phase of Sendero Verde, 361 units in East Harlem, the highest known tax credit pricing in New York City that year. JRCo is also one of the largest owners of Section 8 projects in the country, with over 5,581 units in its portfolio. In 2019, Jonathan Rose closed on the acquisition and preservation of 286 units of Project-Based Section 8 in California. In 2019, Jonathan Rose Companies closed on \$55 million in tax-exempt bonds with California Statewide Communities Development Authority (CSCDA) to acquire and preserve 286 units of affordable senior housing. Our experience with the largest LIHTC investors and affordable housing lenders in the country coupled with our direct relationships with the San Francisco and greater California-based leaders of those finance partners will yield the most competitive pricing and terms available in the market for the project.

Our team has experience stepping into a project with a local government sponsor that the initially awarded developer did not complete. During his time at McCormack Baron Salazar, Yusef Freeman led their work in New Orleans after Hurricane Katrina. After completing 460 units of mixed-income housing in partnership with the Housing Authority of New Orleans, the LIHTC equity investor for a nearby community going through a similar revitalization asked MBS to step in for KBK Enterprises, who was unable to move the project forward. Yusef led the effort to transition the project and the closing of the initial phase of development on the site. This took place during the same period when he led the team to secure the Choice Neighborhoods grant for the redevelopment of Alice Griffith in partnership with OCII and secured the Project-Based Vouchers for the development of the Dr. Davis Senior building in partnership with BVHPMSS, both projects in the Bayview with the Baines/Nibbi JV as general contractor.

In October of this year, Jonathan Rose Companies closed on a \$525 Million affordable housing preservation fund, our fifth multifamily acquisition fund pairing equity with agency and traditional debt to extend the affordability of regulated and unregulated affordable housing throughout the country. The latest fund has been active in San Francisco and the surrounding Bay Area searching for opportunities to preserve affordability in the region without leveraging tax credits or local capital subsidies.



Jonathan Rose Companies also has a subsidiary Community Development Entity, the Rose Urban Green Fund, which makes NMTC investments across the country. In 2017, Rose Urban Green Fund, which was awarded an NMTC allocation of \$45 million by the U.S. Department of the Treasury.



DEVELOPER'S EXPERIENCE IN COMPARABLE PROJECTS



Caesura

Jonathan Rose Companies was designated as the winner of an RFP process run by NYC Department of Housing Preservation and Development to develop the last un-programmed vacant site in the Downtown Brooklyn Cultural District. Caesura consists of 123 rental apartments units designed to accommodate a range of modern urban households. Twenty percent of the apartments will be affordable to households earning 80% of AMI, twenty percent will be affordable to households earning 130% of AMI, with the balance rented at market rates. Unique to the area are the 34 micro-unit apartments, which are efficiencies under 400 SF in size that optimize living space and reduce clutter and the apartment footprint.



Metro Green Terrace

Metro Green Terrace consists of 131 apartment units in an eleven-story building. The site is located in a Smart Growth neighborhood, one block from the Stamford Train Station and within walking distance of downtown Stamford's business district, entertainment, and shopping. Apartments are available in a range of prices including 58 apartments available at market rates, 43 apartments available to households earning at or below 60% of AMI and 30 apartments available to households earning at or below 50% of AMI.



Portner Flats

The Rose Green Cities Fund, in a joint-venture (the "JV") between the Fund and Portner Development Partners, acquired Portner Place. The property is a 100% affordable Section 8 project located in Washington, D.C. and consists of 48 family-designated apartments in three similar garden-style four-story buildings. The JV received entitlements and Planned Unit Development (PUD) approval to increase the site's density and create a new mixed-income residential community with retail space. The pre-negotiated development agreement with the existing tenants calls for temporary relocation of residents off-site, while the new 96 unit affordable property was developed, which doubled the existing affordability and capitalize on the strong demand for housing on this well-located site.



Biographies



Jonathan F.P. Rose
President

Jonathan F.P. Rose is the Founder and President of the Jonathan Rose Companies LLC, a multi-disciplinary real estate development, planning, consulting and investment firm. The firm is a leading national developer of green affordable and mixed income communities and is implementing affordable housing investment funds to preserve and enhance affordable housing. Mr. Rose is a thought leader in a wide range of urban issues, and the development of communities of opportunity. He has received MIT's Visionary Leadership Award, The Urban Land Institute's global award for Excellence and many other awards for his work.

Mr. Rose's book on how to create resilient cities, *The Well-Tempered City: What Modern Science, Ancient Civilizations and Human Nature Teach Us About the Future of Urban Life*, was published by Harper Wave in 2016, and won the 2017 PROSE Award for Outstanding Scholarly Work by a Trade Publisher.

Mr. Rose is a Trustee of Enterprise Community Partners and the Brooklyn Academy of Music. He is an Honorary Member of the American Institute of Architects and Honorary Trustee of the American Museum of Natural History and Jazz at Lincoln Center. Mr. Rose plays bass and blues harp.

Mr. Rose graduated from Yale University in 1974 with a B.A. in Psychology and Philosophy, and received a Masters in Regional Planning from the University of Pennsylvania in 1980.



Yusef Freeman
Managing Director, West Coast

Yusef Freeman is the Managing Director of California for the Jonathan Rose Companies, leading ground up development and acquisitions on the West Coast out of the Companies' Oakland, CA office.

Prior to joining the Rose Companies, Yusef was a Vice President of Investments in the transactions group at PGIM Real Estate, sourcing investment opportunities for the real estate private equity funds of the company.

Prior to joining PGIM in 2018, Yusef was the Managing Director for McCormack Baron Salazar, leading west coast operations and new business development nationally for the company and a Graduate Program lecturer in the Department of City and Regional Planning at the University of California, Berkeley.

Yusef holds a bachelor's degree from the University of California, Berkeley where he spent one year studying abroad at the American University in Cairo, Egypt; a Master of Public Administration from New York University, where he majored in public finance as a Public Policy and International Affairs Fellow; and an alum of the Center for Urban Redevelopment Excellence Fellowship Program at the University of Pennsylvania.



Biographies

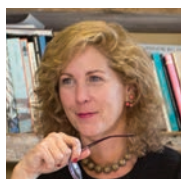


Alexis Campbell
Development Manager

Ms. Campbell joined Jonathan Rose Companies as an Assistant Project Manager in the Development and Culture, Health, and Education practices in 2017. Ms. Campbell is involved with all aspects of project development from design to stabilization.

Prior to joining Jonathan Rose Companies Alexis received her Master's in Real Estate Development from Columbia University and a Bachelor's degree in International Development and Urban Planning at the University of California, Los Angeles. After graduating UCLA, Alexis joined Concord Real Estate Services and assisted in the rehabilitation, and management of apartment complexes in redevelopment areas of Southern California.

Ms. Campbell has always had a strong belief in helping people in underserved communities. She has been involved in various capacities with the Jackie Robinson Foundation and has spent time volunteering with Homes for Hope and strongly believes that adequate, safe housing for all should be the standard regardless of race, nationality or socio-economic status.



Lori Stanlick
Director, Social Services

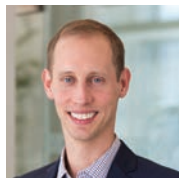
In this newly created role of Director of Social Service, Lori Stanlick, a licensed social worker, will implement the Communities of Opportunity Program. The multiyear project, founded by Jonathan Rose Companies and Enterprise Community Partners, has been designed to gather concrete evidence that comprehensive housing-based approaches result in substantially improved outcomes for residents. Lori will leverage community resources in order to provide additional support to residents of the company's national developments. She will also take the lead in measuring the efficiency and efficacy of programming as well as developing best practices for each region.

Most recently, Stanlick was an Associate Executive Director at the YWCA of White Plains where she spent the last 13 years as a vital team member overseeing five YWCA mission-based programs, including a 193-unit residence. She has been practicing social work for over twenty years and has dedicated her career to serving formerly homeless and vulnerable populations.

Lori obtained her Bachelor of Arts Degree in Psychology from Clark University and a Master of Social Work from Columbia University. She obtained her Low-Income Tax Credit Certification in 2010. Stanlick currently is a member of the Weill Cornell/NYPH Psychiatric/Geriatric Mental Health Coalition and has joined the Women and Housing Finance Group, based in Manhattan.



Biographies



Christopher Edwards
Managing Director of Design and Construction

As Managing Director of Design and Construction, Mr. Edwards is involved in all aspects of the design and construction processes at Jonathan Rose Companies. Mr. Edwards instills a collaborative team approach in each project to ensure the client's needs are met, risks are identified and mitigated, and the project is completed on time, on budget and with the highest standard of quality. He brings more than 18 years of experience in the fields of development and construction management and has overseen over \$1 billion of work throughout his career.

Prior to joining Jonathan Rose Companies, Mr. Edwards was a Project Manager for The Dermot Company, a private developer, where he managed new construction and renovation projects ranging from \$1.5 million to \$186 million. Earlier in his career, Mr. Edwards was a Project Management Cost Systems Engineer and an Assistant Project Manager at Turner Construction where he worked on core and shell commercial buildings, office renovations/office fit-outs, and educational facilities.

Mr. Edwards is a LEED Accredited Professional who received his Bachelor of Science in Civil and Environmental Engineering from Bucknell University in Lewisburg, PA. His unique qualifications of field experience and project cost analysis allow him to identify and mitigate risks early in the design and construction process, which results in project success.



Lauren Zullo
Director of Sustainability

As Director of Sustainability, Lauren Zullo is responsible for leading environmental and healthy building initiatives across the portfolio. Working closely with our Asset Management, Development, and Construction practices, she identifies and implements green retrofit opportunities and advances environmental innovation in new development. She also tracks building performance metrics and develops environmental reporting for investors and other stakeholders.

Ms. Zullo brings 10 years of experience in planning and implementation of green real estate strategy for owners, tenants, and local governments. Most recently, she was with the Natural Resources Defense Council (NRDC), a leading environmental non-profit, where she served as the Director of Partnerships and Strategic Planning for the City Energy Project (CEP). As part of CEP, she worked to establish replicable, market-based policies and programs to improve energy and water performance of existing buildings and reduce the carbon footprint of the built environment. She joined NRDC as an Environmental Innovation Fellow for NRDC's Center for Market Innovation, leading high-performance commercial tenant design projects.

Previously, Zullo worked for Washington, DC-based commercial real estate development and management firm, Greenebaum & Rose Associates, where she focused on sustainability initiatives, development, and property management. Lauren received her A.B. from Bowdoin College and has served on USGBC's LEED Advisory Committee since 2013.

Staff Name/Position Title	Total FTE %	% F T E B y T a s k									
		Projects (1) (2)								Other	
		Hunters Point Block 52 & 54	New Miramar	Miramar Towers (Rehab)	JRco Southeast	JRco East Coast	Acquisition / Preservation	Administration	Business Development	Miscellaneous	
Jonathan F.P. Rose, President	100%	10%			10%	10%	20%	10%	40%		
Yusef Freeman, Managing Director	100%	50%	15%				30%		5%		
Alexis Campbell, Development Manager	100%	80%		10%				10%			
Chris Edwards, Director of Construction	100%	20%	10%	10%	10%	10%		20%		20%	
Tom Sadlowski, Senior Construction Manager	100%	70%	10%	10%						10%	
Lauren Zullo, Director of Sustainability	100%	10%						90%			

(1) List all development projects, including the subject site, (existing or contemplated) that each person is expected to spend time on, [from Start predev date to Start of Construction]

(2) Attach additional sheets if necessary

NOTE: This form will be posted along with the RFP on OCII's website and can be downloaded and filled out electronically. However, the completed form must be submitted as a hard copy along with all other proposal materials as outlined in the RFP.

Attachment D: Asset Management Evaluation of Project Sponsor

JRC's portfolio consists of 88 projects, 17,000 units under the asset management portfolio. An Asset Management Organizational Chart is included in this attachment. 93.9% of JRC's portfolio (both existing and pipeline projects) is affordable. We don't have an only "market rate" property. All JRC properties are either affordable, or mixed-income. The Asset Management Team (the "Team") monitors the performance, leasing and operations of investment and development properties, in a portfolio of over 4.5 million sf. of commercial and residential properties, including new construction, green retrofits and completed projects implementing green operations. The practice provides financial oversight of the property in context of the overall portfolio, including drafting the initial business plan, provide guidance on operating budgets and 5-year capital expense plans to meet or exceed business plan goals, monitors the monthly financials to assess performance, acts swiftly to address budget variances, and fully understands the economics of a deal, while continuously seeking to optimize value.

As the liaison between ownership and property management the Team ensures property management is operating to the budget. The Asset Management Team leads the refinancing and disposition processes of properties and is responsible for the successful completion of the transactions.

JRC owns 17,000 units and plan to be at least 25,000 by end of strategic plan period. We have established offices coast to coast nationally, with HQ in NYC and Management and Operations in Cleveland, and we staff according to need by region as portfolio grows.

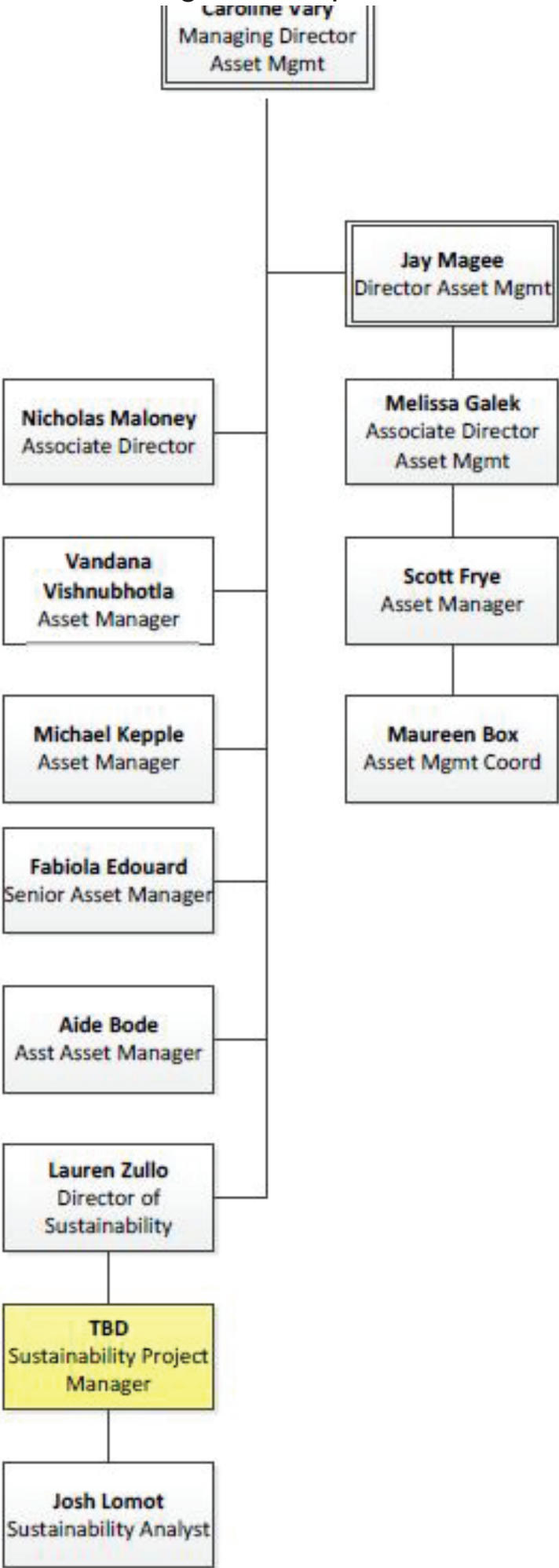
JRC's California Asset Management staffing plan, including Blocks 52/54 is as follows:

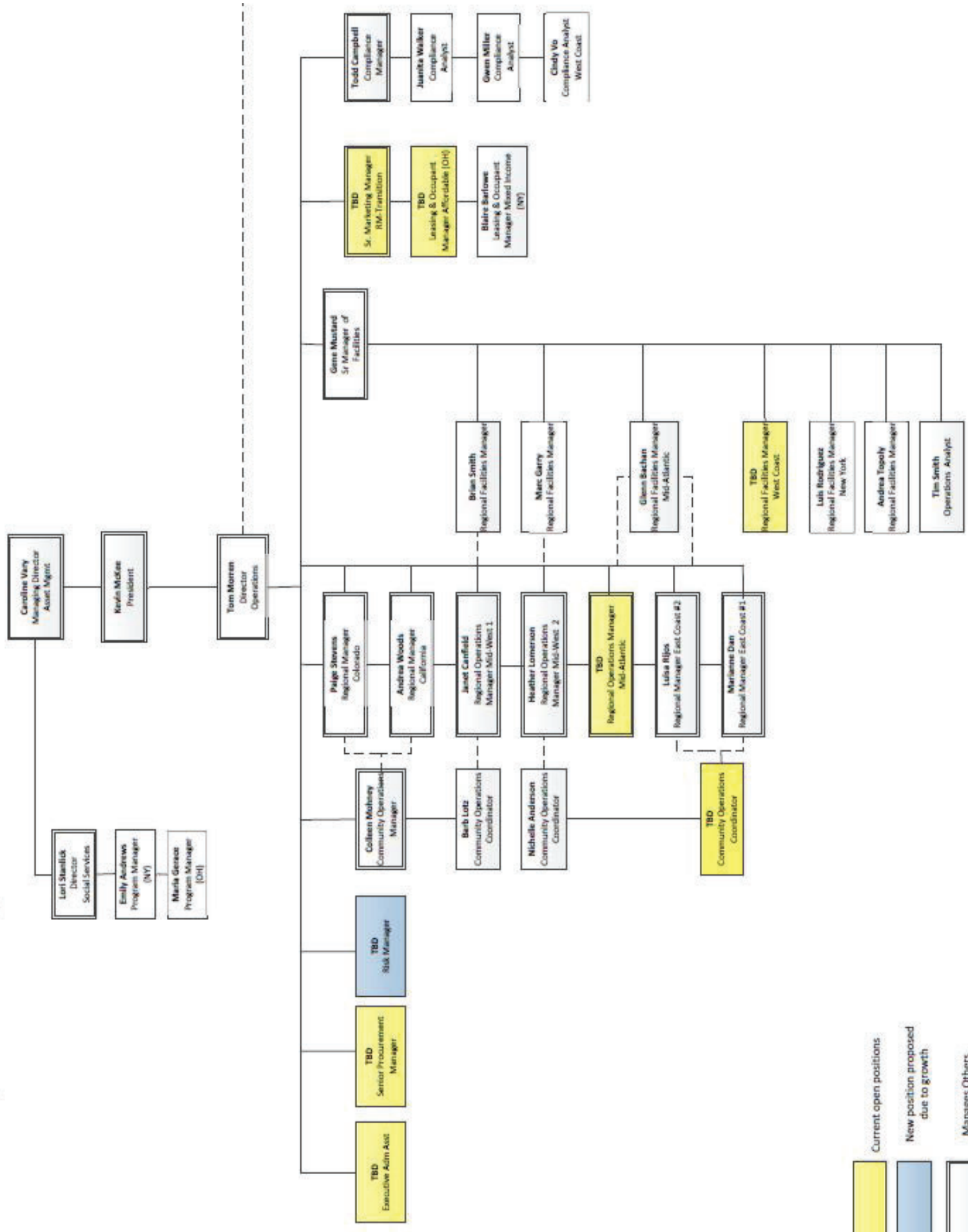
Jay Magee – FTE – Director, Asset Management
Melissa Galek – FTE – Director, Asset Management
Scott Frye – FTE – Asset Manager
Evan Finley – FTE – Asset Management Analyst
Alex Canitano – FTE - Asset Management Analyst
Kristen Hennings – FTE – Asset Management Coordinator

Dulce Pineda – FTE – Regional Vice President for RCM who reports to AM
Tia Rameriz – FTE – Regional Manager

Our other California property assignments are the following:

La Mesa Springs
Miramar Towers
The Grove
Casa Panorama
Glendora Gardens
Golden West Tower
Piedmont Apartments





Current open positions

New position proposed due to growth

Manages Others

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

Original 2017 RFP Process

On September 21, 2017, OCII released an RFP offering two Agency Lots for development (two of the OCII stand-alone 100% affordable sites). This will be the first affordable housing developed on Agency Lots in Phase 1. Block 52 is bounded by Friedell Street to the northwest, Kirkwood Avenue to the southwest, Jerrold Avenue to the northeast, and currently, the private market-rate parcel to the southeast.

The Request for Proposals defined minimum threshold requirements to be considered for selection. All three respondents to the RFP satisfied the minimum requirements for review and consideration. The RFP asked that applicant teams propose a high quality project that:

- maximizes affordable housing opportunities in the Project Area serving very low-income households at a variety of income levels;
- delivers a robust early outreach and marketing plan to maximize participation of households meeting Project Area occupancy preferences, including Certificate of Preference Holders, Rent Burdened households, and Displaced Tenants Housing Preference households; and
- effectively balances excellence in architectural design with feasible development costs.

Block 52/54 Program Requirement Summary	
Number of units	Approximately 100 assuming the realigned Block 52 described above
Area Median Income and General population	Up to 50% AMI families. Use of income tiers encouraged.
Unit mix	2 five-bedroom units* 8 four-bedroom units* Remaining mix of one, two- and three-bedroom units
Family Child Care units	2 units
Parking	Assume a .6:1 parking ratio

*OCII specified in the RFP that 8 four-bedroom and 2 five-bedroom units be included in the design submittals in order to comply with California Redevelopment Law's requirement that an exact unit mix be replicated within a neighborhood undergoing redevelopment. These 4- and 5-bedroom units are being built in to accommodate the replacement of similar sized units that currently exist in the Alice Griffith Public Housing project but cannot be accommodated within the Alice Griffith revitalization project currently underway. If necessary for Project feasibility, the number of 4- and 5-bedroom units in the Project may be reduced.

OCII received three submittals, all of which met the minimum threshold for completeness. The submittals are as follows (in alphabetical order):

- BRIDGE Housing ("BRIDGE") and San Francisco Housing Development Corporation ("SFHDC") as co-developers
 - Architect: Pyatok
 - Property Manager: BRIDGE
 - Services Provider: SFHDC
- McCormack Baron Salazar ("MBS") and Bayview Hunters Point Multipurpose Senior Services ("BHPMSS") as co-developers
 - Architect: Mithun | Solomon
 - Property Manager: John Stewart Company
 - Services Provider: BHPMSS
- Tenderloin Neighborhood Development Corporation ("TNDC") and Young Community Developers ("YCD") as co-developers
 - Architect: Van Meter Williams Pollack and YA Studio
 - Property Manager: TNDC
 - Services Provider: TNDC/YCD

Evaluation of Request for Financing
 Hunters Point Shipyard Blocks 52 & 54, 151 and 351 Friedell St.

July 16, 2021

RANKING CRITERIA

All three teams were interviewed by an evaluation panel consisting of representatives from the OCII Housing and Design Review teams, MOHCD and the CAC. The evaluation panel selected the team including MBS and BHPMSS with John Stewart Company as Property Manager, design by Mithun | Solomon.

Ranking Criteria for the proposals is as follows:

POINTS		CRITERIA
50		Proposed Development Concept
	20	Proposed Massing Concept: strength and constructability of proposed massing concept, number of units, conformance with the Redevelopment Plan, Major Phase, and the Design for Development
	20	Financial Feasibility & Level of OCII Subsidy
	5	Proposed Services Plan
	5	Proposed Marketing Plan
50		Developer Team Experience and Capacity
	10	Developer experience marketing affordable housing comparable to the housing proposed in this RFP <i>and in accordance and in good standing with current OCII/MOHCD standards related to marketing and tenant selection</i>
	10	Developer experience with government assisted affordable housing programs and financing sources and/or “green” housing; Developer Workload Capacity. <i>Developer experience delivering affordable housing on budget (defined as maintaining or reducing a project’s per unit cost between RFP response, approval of a predevelopment loan/schematic design approval and construction loan closing).</i>
	5	Workforce and Contracting Action Plan
	10	Architect experience & capacity, including “green” housing <i>Architect experience delivering affordable housing on budget (defined as maintaining or reducing a project’s per unit cost between RFP response, approval of a predevelopment loan/schematic design approval and construction loan closing).</i>
	5	Services provider experience & capacity
	10	Property Manager experience & capacity, including retail operation
100	100	Total Points

Scoring for each of the proposals is as follows:

Applicant Team	Total Score	Average Score
MBS BHPMSS	579.0	96.5
TNDC YCD	542.0	90.3
BRIDGE SFHDC	489.0	81.5

The MBS/BHPMSS development concept proposal envisioned the following development program for Blocks 52/54:

MBS/BHPMSS Development Concept	
Number of Units	100 (including 1 manager's unit)
Architect	Mithun Solomon
Services Provider	BHPMSS
Property Manager	John Stewart Company
Building Amenities	• Ground Level Courtyard • Open Air Lobby • Community Room with Kitchen • Fitness Room • Teen Room • Tenant Services Office and Conference Room • Podium Garden and Courtyard • Podium Laundry/Lounge adjacent to courtyard and "informal children's play space"

2020 RFQ Process for New Lead Developer

On October 22, 2020 OCII issued an RFQ seeking a new lead developer. Notification of the RFP was provided to developers (including Small Business Enterprises and minority- and woman-owned contractors), and other community stakeholders through OCII's Citizens Advisory Committees email lists, Mayor's Office of Housing and Community Development's ("MOHCD") RFP/RFQ interest email list and newspaper advertising. The RFP was also available on OCII's website.

On November 20, 2020, OCII received 4 responses to the RFQ from the following developers:

- Jonathan Rose Companies
- Freebird Development Company
- The John Stewart Company
- San Francisco Housing Development Corporation and Tableau Development

Evaluation of Request for Financing
Hunters Point Shipyard Blocks 52 & 54, 151 and 351 Friedell St.

July 16, 2021

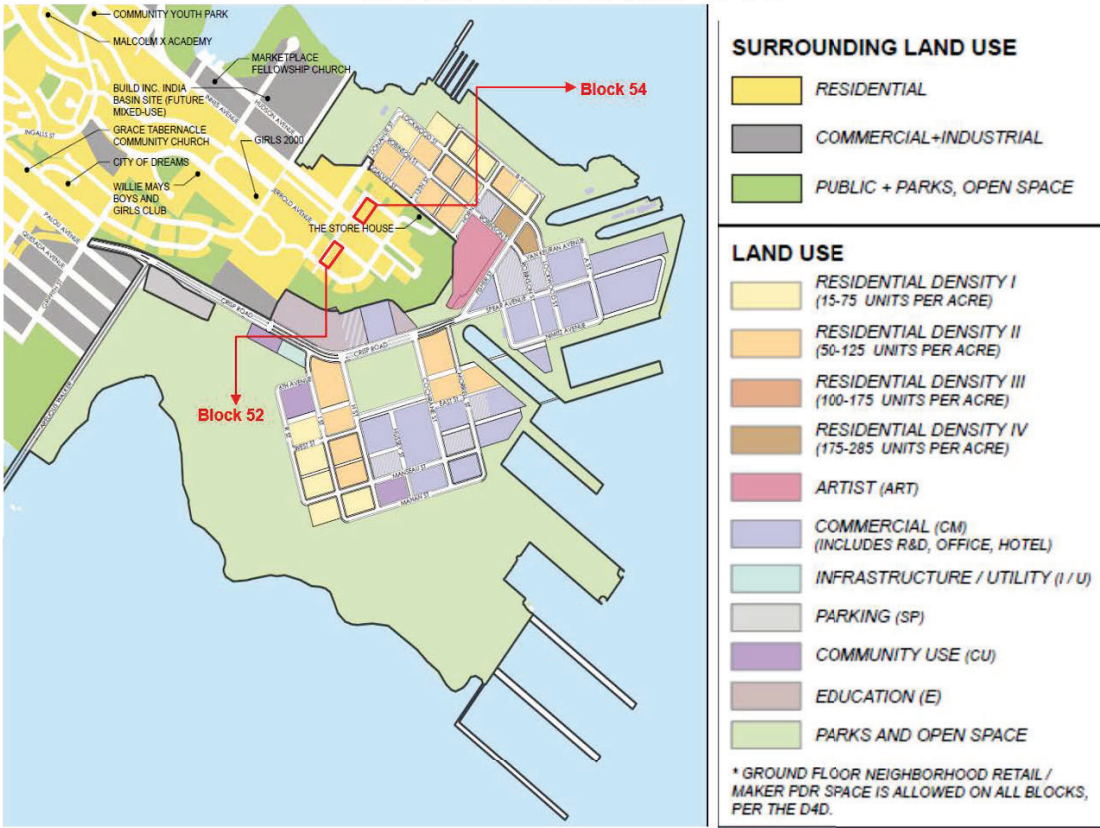
All four responses were deemed complete. On January 11, 2021, OCII staff convened an Evaluation Panel consisting of: Jeff White, OCII Housing Program Manager, Robert Baca, Joint Development Director for the Mayor's Office of Housing and Community Development ("MOHCD"), and Pastor Josiah Bell with the Hunters Point Shipyard Citizens Advisory Committee ("HPSCAC"). The applicants were evaluated based on the following criteria:

POINTS		SELECTION CRITERIA
50		Lead Developer Experience and Capacity
	15	Developer experience marketing affordable housing comparable to the housing proposed in this RFQ <i>and in accordance and in good standing with current OCII/MOHCD standards related to marketing and tenant selection</i>
	60	Demonstrated experience in and/or ability to successfully: ➤ Complete projects on time and on budget (15 points) ➤ Maximize leverage through multiple local, state and federal financing sources (10 points) ➤ Develop Type V/I or III/I construction (10 points) ➤ Develop affordable family housing (10 points) ➤ Work in District 10 (10 points) ➤ Build community support through outreach (5 points)
	10	Experience implementing Workforce and Contracting Action Plan
	15	Input of the three Development Team members (BHPMSS, Mithun, John Stewart)
100	100	Total Points

The Evaluation Panel ranked JRC the highest. JRC has been operating for the last 30 years and are a national owner, developer and manager specializing in low and mixed-income properties. They are known for working on complex multi-party development projects like this Project, and have a history of securing and creating unique financing structures with favorable terms. They are committed to anti-racism work and view all of their projects and work through the lens of racial equity and justice. Also, heading up their work on this project will be Yusef Freeman, Managing Director for the East Coast. Mr. Freeman previously worked for MBS, where he worked on the first 3 phases of Alice Griffith, on Dr. Davis Senior Community and was responsible for assembling the development team for Blocks 52 and 54 before leaving MBS. The JRC team showed the most staff capacity and dedicated the most staffing of all the applicants to completing the development of Blocks 52/54.

Attachment F: Site Map with amenities

Site Location



Evaluation of Request for Financing
Hunters Point Shipyard Blocks 52 & 54, 151 and 351 Friedell St.

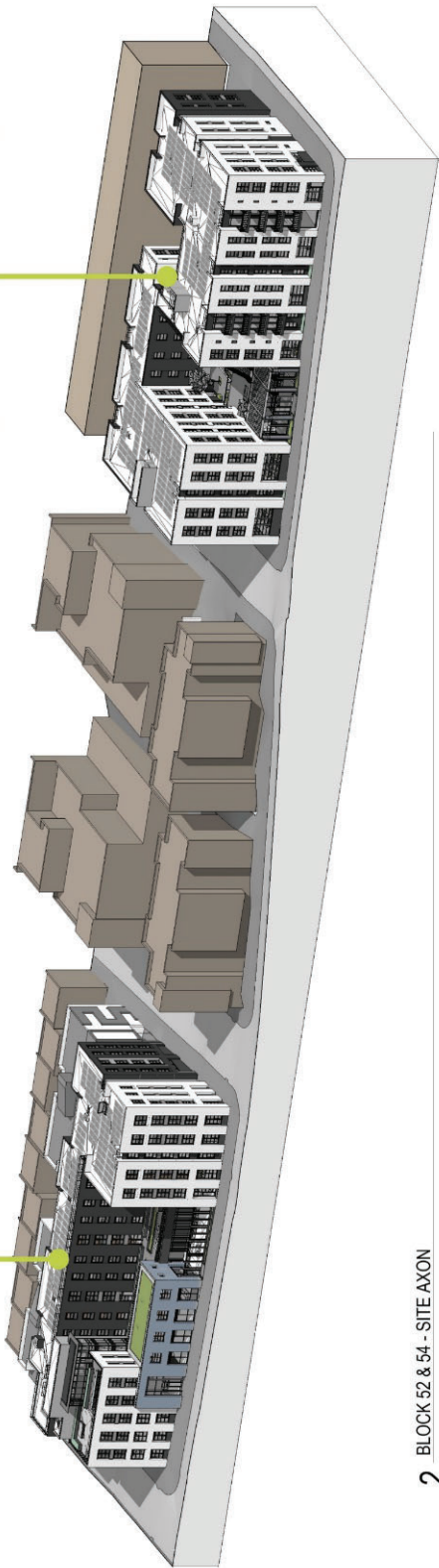
July 16, 2021

Attachment G: Elevations and Floor Plans

FRIEDELL STREET AXONOMETRIC & SITE PLAN

• 45 UNITS
BLOCK 54

• 67 UNITS
BLOCK 52



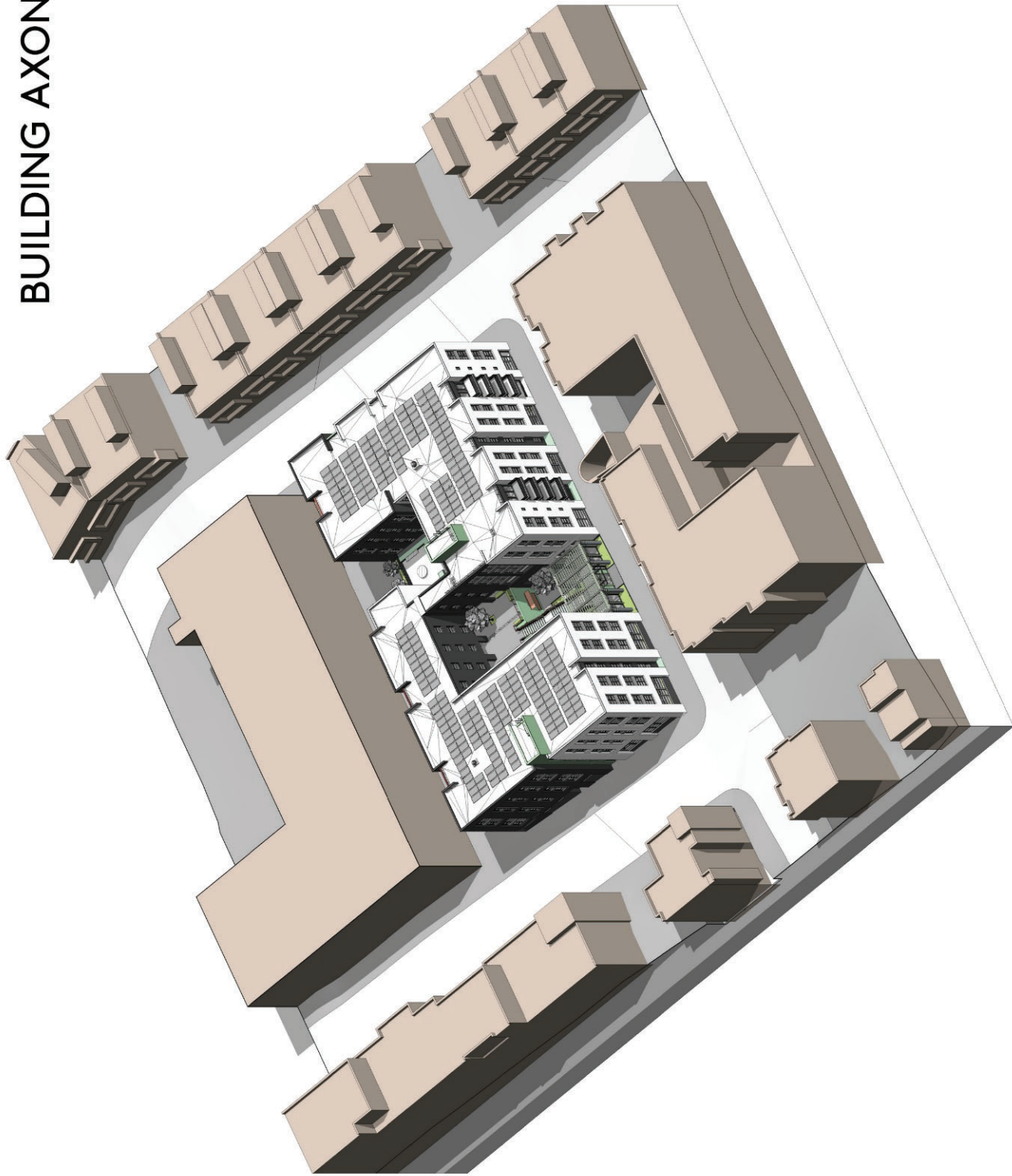
2 BLOCK 52 & 54 - SITE AXON



1 BLOCK 52 & 54 - SITE PLAN

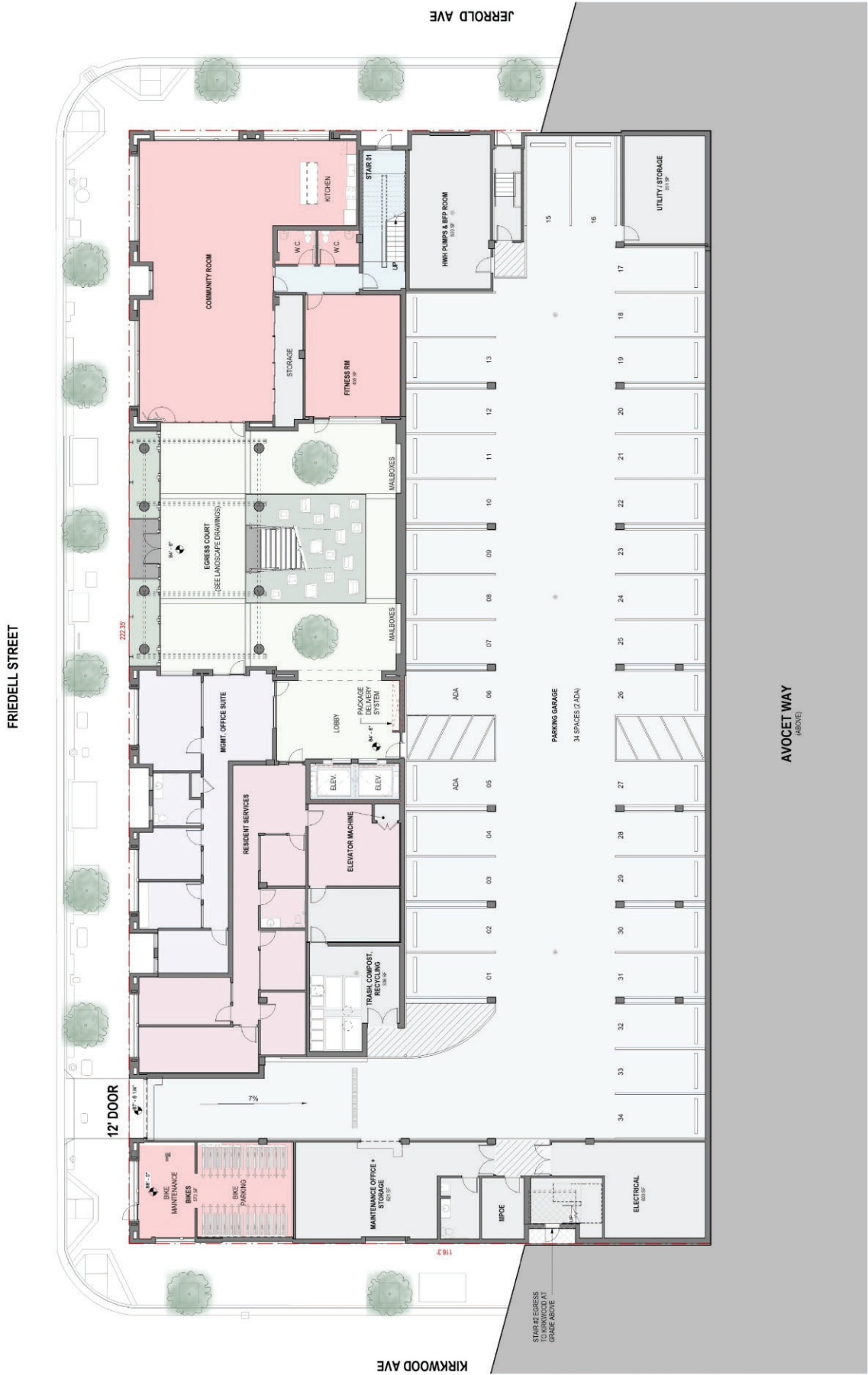
BLOCK 52

BUILDING AXONOMETRIC



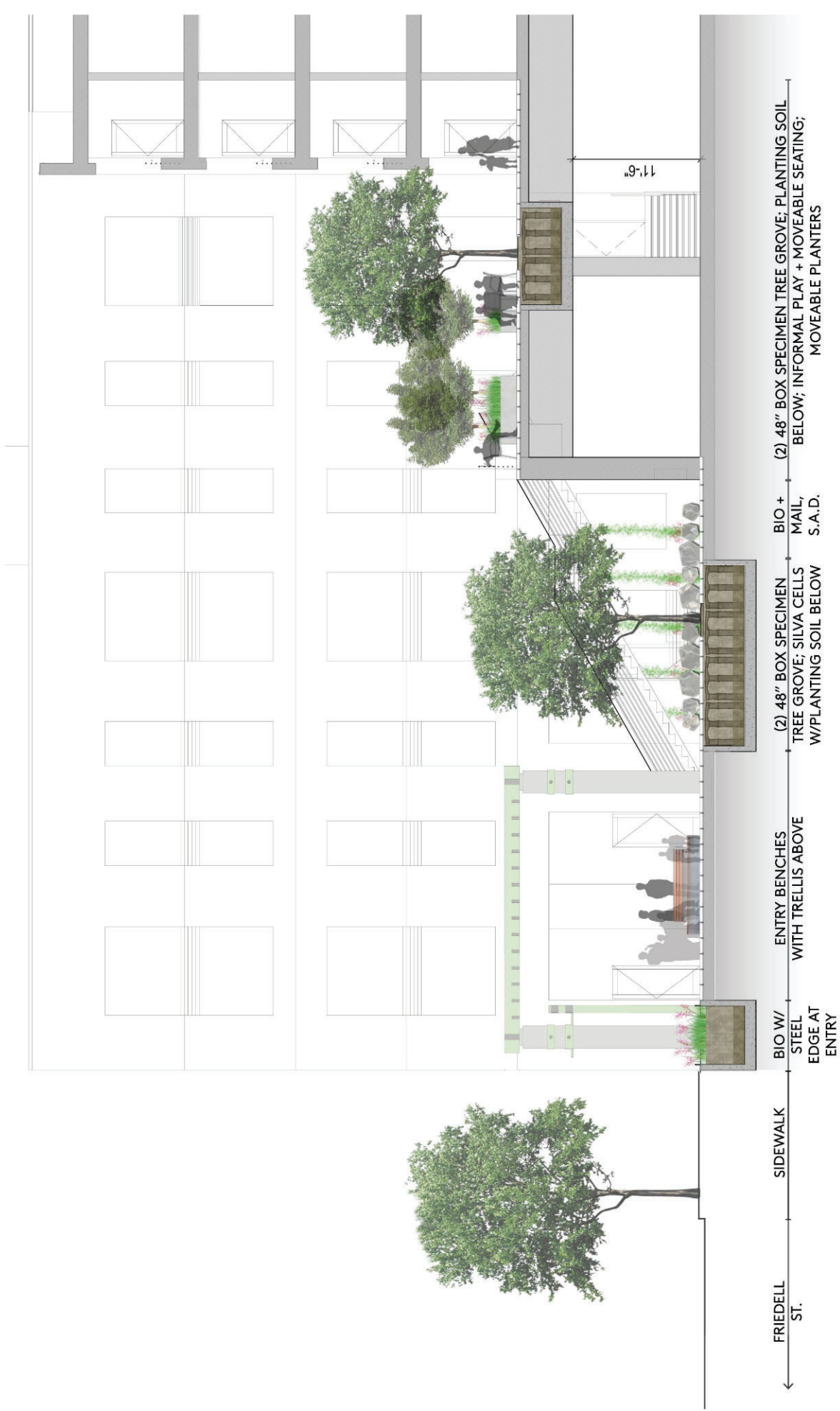
BLOCK 52

BUILDING PLANS - LEVEL 01



BLOCK 52

LANDSCAPE DESIGN



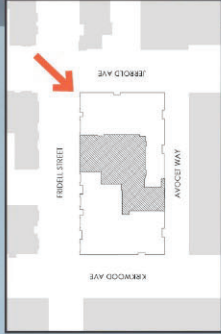
BLOCK 52

BUILDING PLANS - LEVEL 02



BLOCK 52

STREET VIEWS
CORNER OF FRIEDEL & JERROLD



BLOCK 52

STREET VIEWS

BUILDING ENTRY ACROSS FRIEDEL



BLOCK 52

VIEWS
ENTRY COURT DETAIL VIEW



BLOCK 52

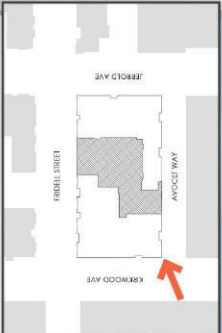
STREET VIEWS CORNER OF FRIEDELLE & KIRKWOOD



BLOCK 52

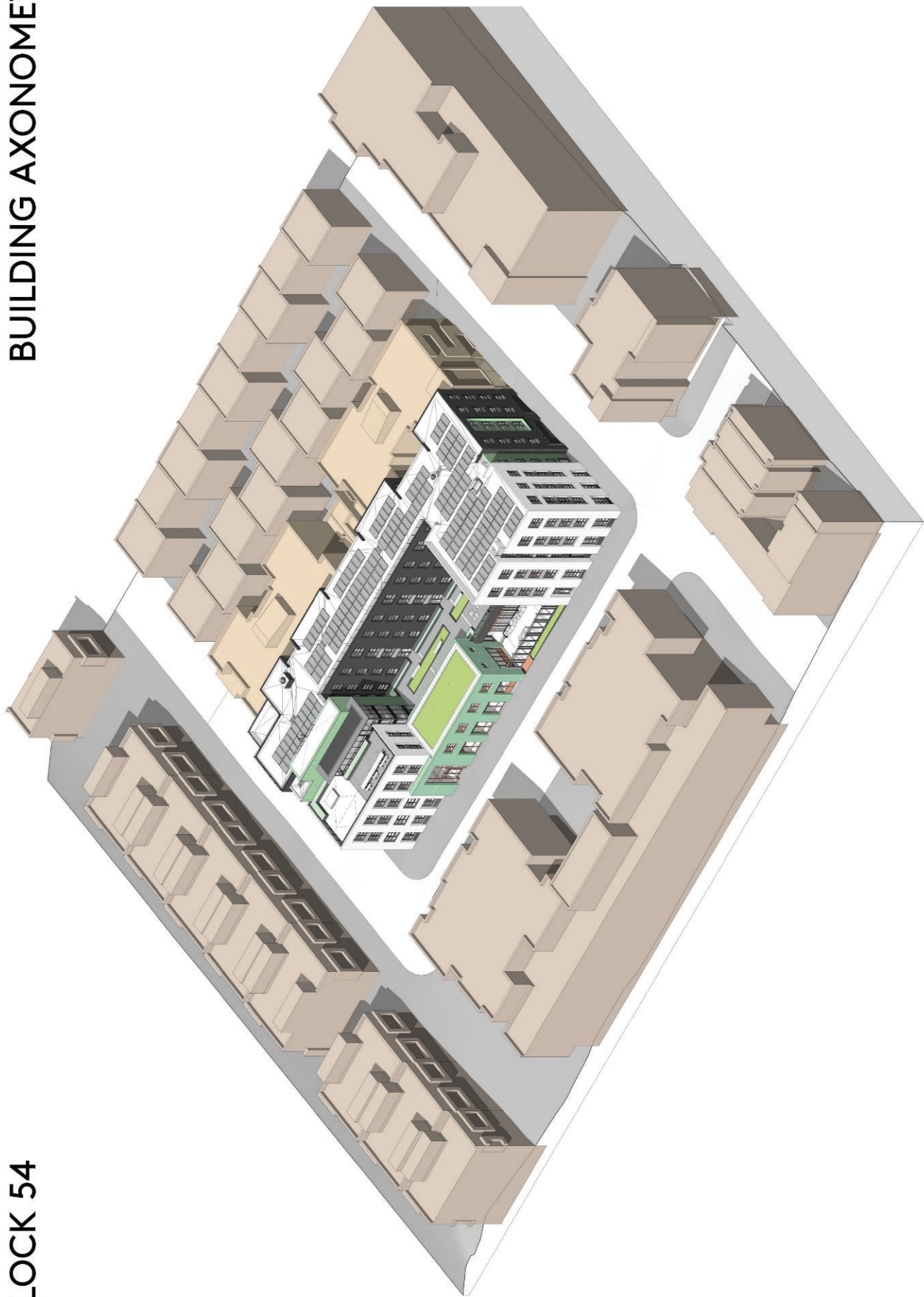
STREET VIEWS

VIEW DOWN AVOCET FROM KIRKWOOD



BLOCK 54

BUILDING AXONOMETRIC



BLOCK 54

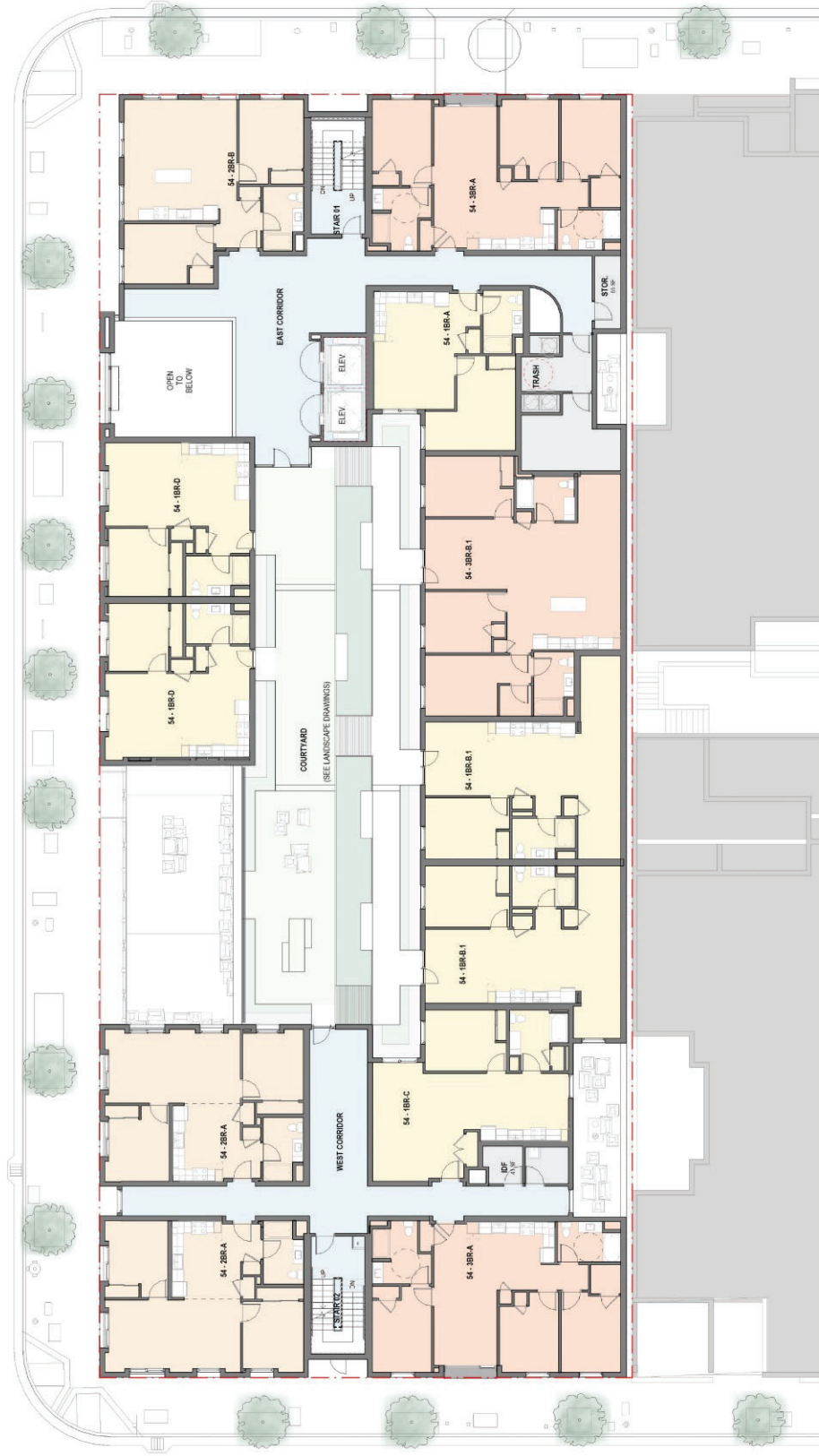
BUILDING PLANS - LEVEL 01



BLOCK 54

BUILDING PLANS - LEVEL 02
REVISED DESIGN

FRIEDEL STREET

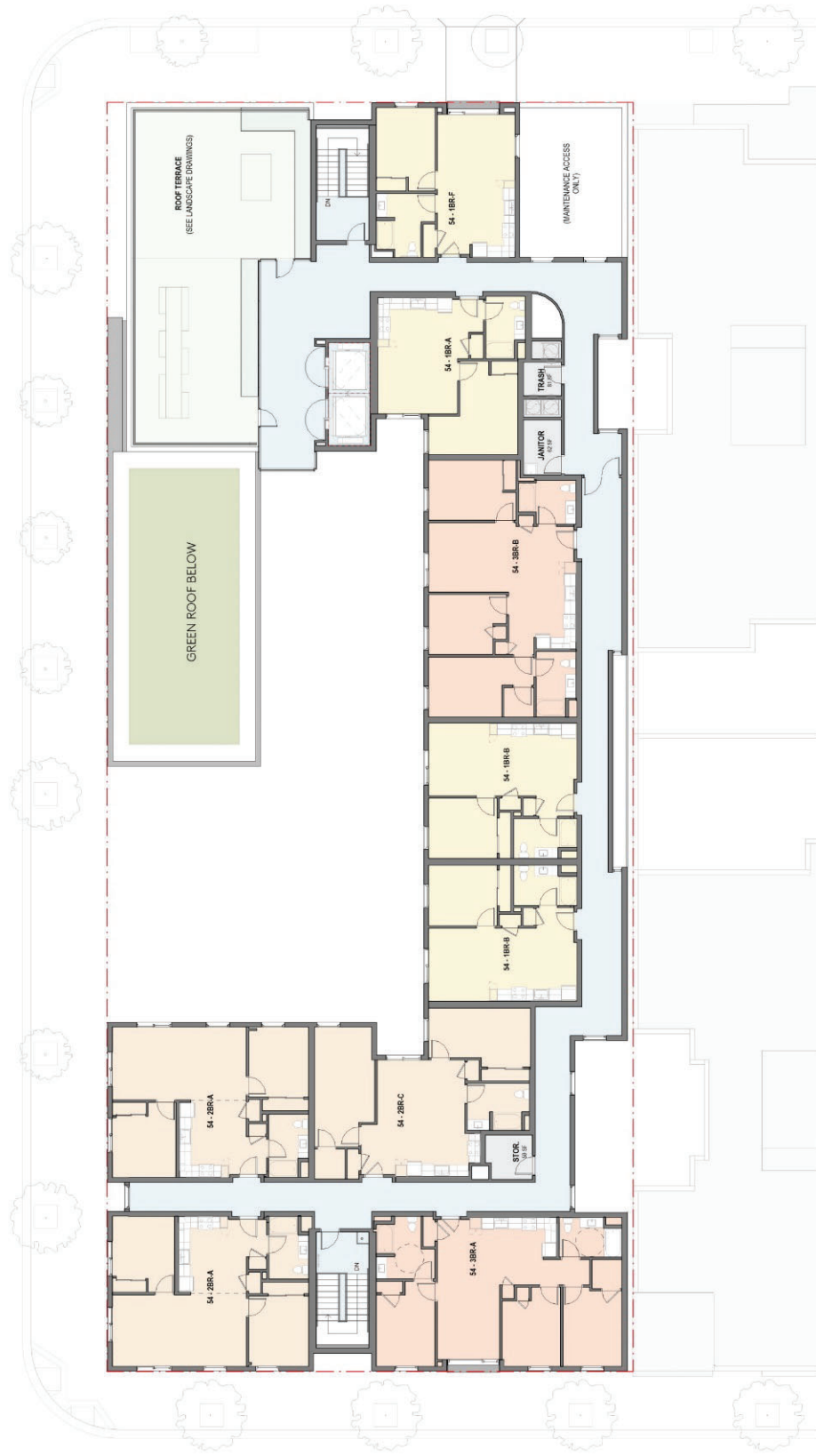


*DESIGN REVISION FOLLOWING MEETING WITH NEIGHBORS ON 03/14/2019

BLOCK 54

BUILDING PLANS - LEVEL 05
REVISED DESIGN

FRIEDEL STREET



*DESIGN REVISION FOLLOWING MEETING WITH NEIGHBORS ON 03/14/2019

BLOCK 54

VIEWS
ROOF TERRACE VIEW



BLOCK 54

STREET VIEWS
FRIEDEL & INNES



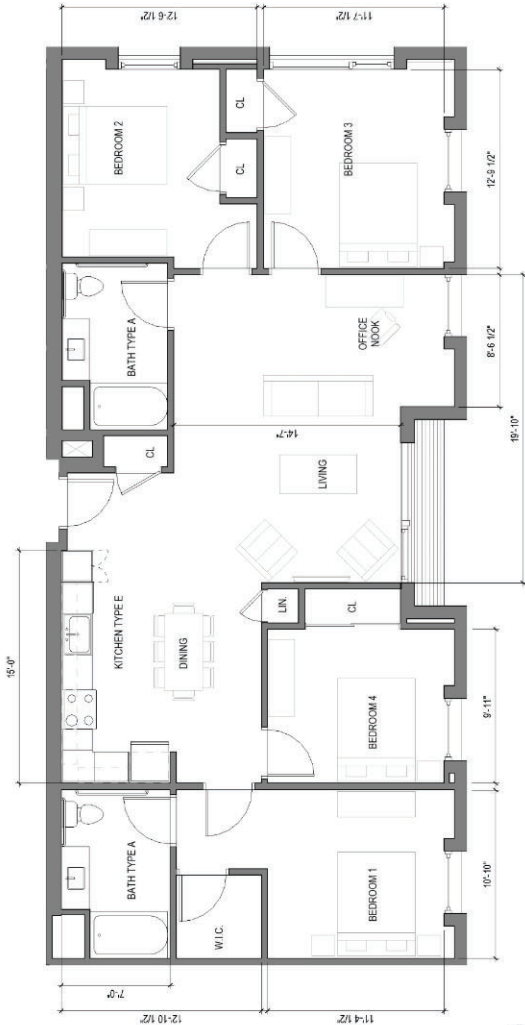
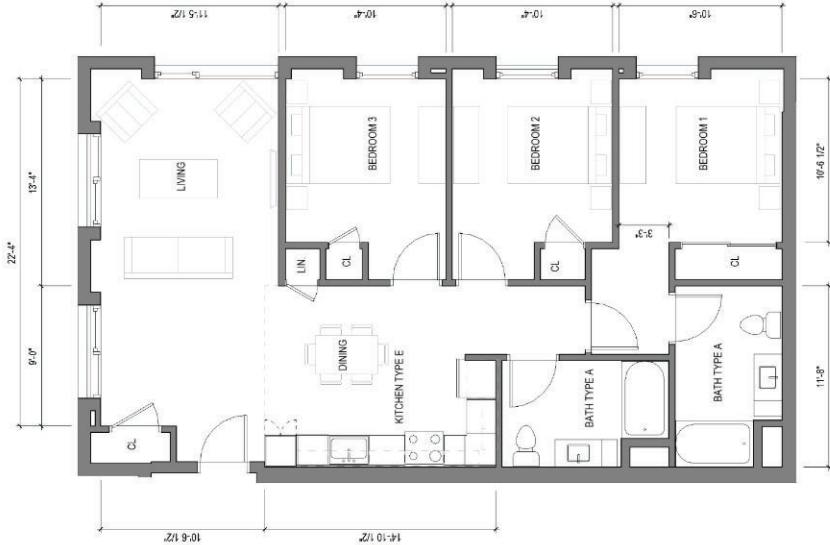
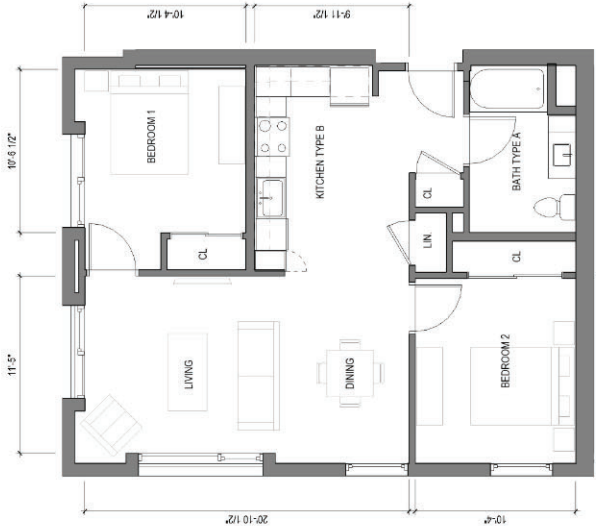
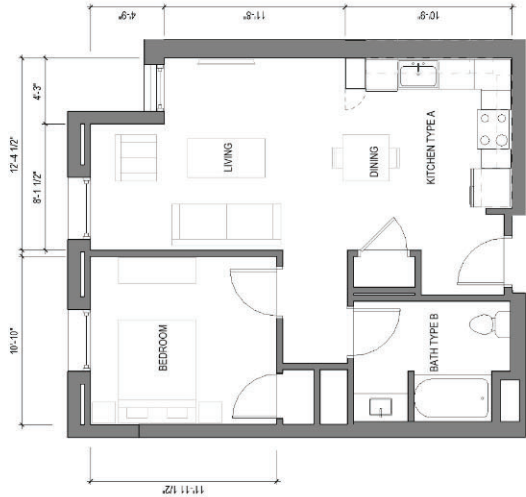
BLOCK 54

STREET VIEWS
FRIEDEL & HUDSON



BLOCKS 52 & 54

SAMPLE UNIT LAYOUTS



BLOCKS 52 & 54

PAINTED CEMENT PLASTER



EXTERIOR MATERIALS



METAL BALCONY & GUARDRAIL WITH DENSE MESH BACKING



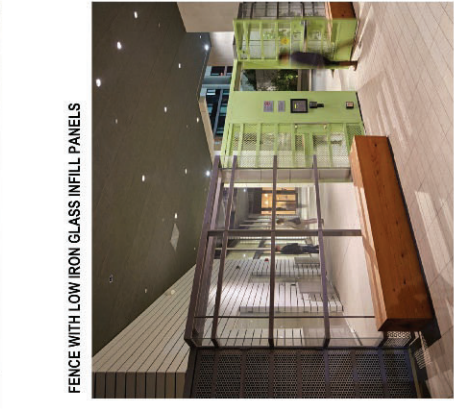
PAINTED BOX RIB METAL PANEL



GLAZED THIN BRICK TILE



FENCE WITH LOW IRON GLASS INFILL PANELS



ALUMINUM WINDOW & METAL PAINT COLORS



GLAZING TYPES



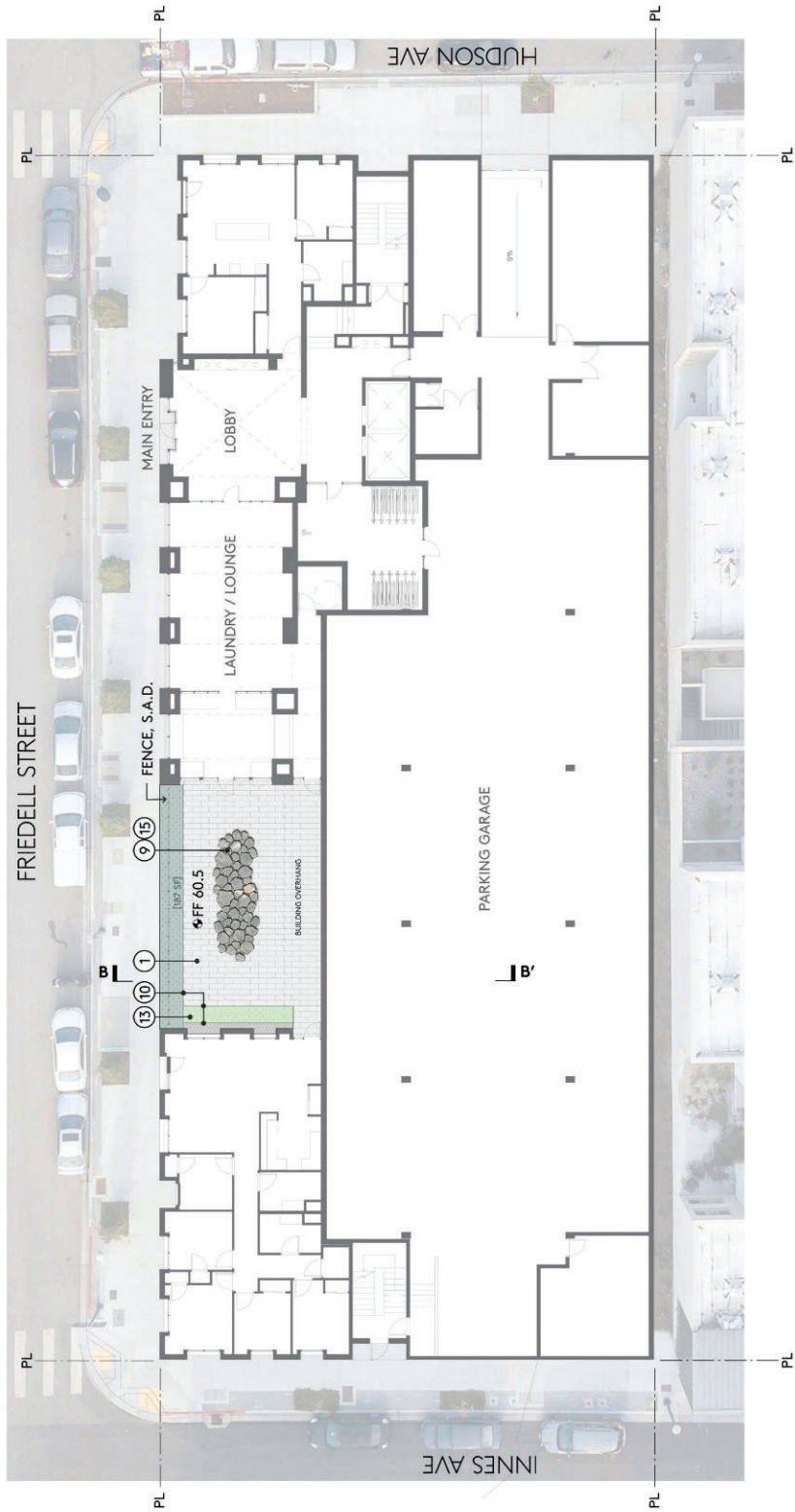
BLOCK 52

LANDSCAPE PLANS - LEVEL 02



BLOCK 54

LANDSCAPE PLANS - LEVEL 01



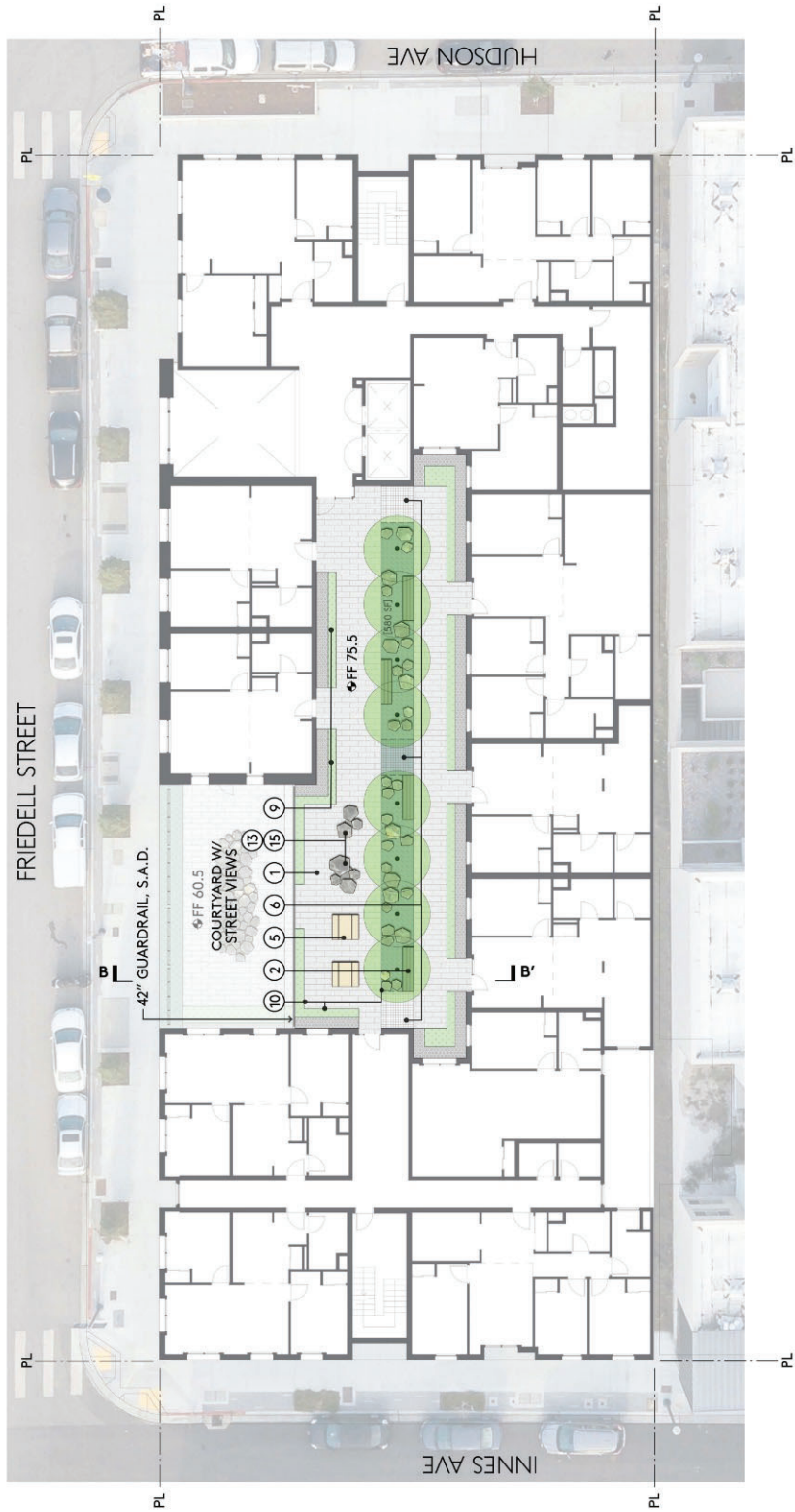


LEGEND

	CONCRETE PAVERS		PAVING		METAL BRIDGE		SEDUM TRAYS		PLATFORM / STAGE
	PLANTING		BENCHES		TREE GRATE		SILVA CELLS		LITTER RECEPTACLE
	BIORETENTION		MOVEABLE SEATING		MOVABLE PLANTERS		FREE PLAY		ASH URN
	24" GRAVEL BAND		COMMUNAL TABLE		VINE CABLES		PLAY EQUIPMENT		DECKING
	DECKING		PICNIC TABLE		6" STEEL PLANTING EDGES		INFORMAL PLAY / SEATING FEATURES		PLAY SURFACING

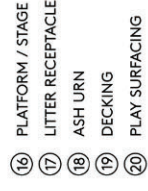
BLOCK 54

LANDSCAPE PLANS - LEVEL 02



LEGEND

- | | | | | | | | | | |
|---|-----------------|---|--------------------|--|-------------------------|---|-------------------------------------|---|----------------------|
|  | CONCRETE PAVERS |  | 1 PAVING |  | 6 METAL BRIDGE |  | 11 SEDUM TRAYS |  | 16 PLATFORM / STAGE |
|  | PLANTING |  | 2 BENCHES |  | 7 TREE GRATE |  | 12 SILVA CELLS |  | 17 LITTER RECEPTACLE |
|  | BIORETENTION |  | 3 MOVEABLE SEATING |  | 8 MOVABLE PLANTERS |  | 13 FREE PLAY |  | 18 ASH URN |
|  | 24" GRAVEL BAND |  | 4 COMMUNAL TABLE |  | 9 VINE CABLES |  | 14 PLAY EQUIPMENT |  | 19 DECKING |
|  | DECKING |  | 5 PICNIC TABLE |  | 6" STEEL PLANTING EDGES |  | 15 INFORMAL PLAY / SEATING FEATURES |  | 20 PLAY SURFACING |
|  | PLAY SURFACING | | | | | | | | |

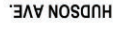


BLOCK 54

LANDSCAPE DESIGN



FRIEDEL STREET



25

Evaluation of Request for Financing
Hunters Point Shipyard Blocks 52 & 54, 151 and 351 Friedell St.

July 16, 2021

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

Evaluation of Request for Financing
Hunters Point Shipyard Blocks 52 & 54, 151 and 351 Friedell St.

July 16, 2021

Attachment I: Sources and Uses

MOHCD Proforma - Permanent Financing Sources Uses of Funds

Application Date: 6/2/21
 Project Name: Hunters Point Shipyard Blocks 52&54
 Project Address: 151 &351 Friedell St
 Project Sponsor: Rose Community Development Corporation

Units: 112
 # Bedrooms: 217
 # Beds: n/a

SOURCES	59,200,732	7,316,068	41,042,670	1,158,147	-	-	108,717,617	Comments
			FEDERAL	Deferred dev				
		MOHCD/OOI	First Mortgage	LIHTC				

USES

ACQUISITION

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

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab	26,788,305	7,316,068	41,042,670				75,147,043	Include FF&E
Commercial Shell Construction							0	
Demolition							0	
Environmental Remediation							0	
Crash/Improvements/Landscaping							0	
Offsite Improvements							0	
Infrastructure Improvements							0	HOPE SF/OOI costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes	1,813,059						1,813,059	
GC Overhead & Profit	3,005,882						3,005,882	
GC General Conditions	961,724						961,724	
Sub-total Construction Costs	32,568,970	7,316,068	41,042,670	0	0	0	80,927,708	
Design Contingency (remove at DD)	2,818,014						2,818,014	9 months of escalation not Design contingency
Bid Contingency (remove at bid)	2,254,411						2,254,411	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Rev)	1,502,941						1,502,941	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency	4,375,154						4,375,154	5% new construction /
Sub-total Construction Contingencies	10,950,520	0	0	0	0	0	10,950,520	
TOTAL CONSTRUCTION COSTS	43,519,490	7,316,068	41,042,670	0	0	0	91,878,228	

Construction
line item costs
as a % of hard
costs
2.2%
3.7%
1.2%
3.5%
2.8%
1.9%
5.4%

SOFT COSTS

Architecture & Design

Architect design fees	3,440,509						3,440,509	See MOHCD A&E Fee Guidelines: http://alhmohcd.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	3,440,509	0	0	0	0	0	3,440,509	
Other Third Party design consultants (not included under Architect contract)							0	Consultants not covered under architect contract, name consultant type and contract amount
Total Architecture & Design	3,440,509	0	0	0	0	0	3,440,509	

Engineering & Environmental Studies

Survey	40,000						40,000	
Geotechnical studies	92,500						92,500	
Phase I & II Reports	70,000						70,000	
CEQA / Environmental Review consultants	133,500						133,500	
NEPA / TIE Review							0	
CNA/PNA (rehab only)							0	
Other environmental consultants	154,000						154,000	ENGO - Super structure Special Inspections & sitco (Scaffolding)
Total Engineering & Environmental Studies	490,000	0	0	0	0	0	490,000	

Financing Costs

Construction Financing Costs								
Construction Loan Origination Fee	550,000						550,000	Bridge loan & lender origination
Construction Loan Interest	3,073,798						3,073,798	
Title & Recording	15,000						15,000	
CDLAC & CDAC fees	5,000						5,000	
Bond Issuer Fees	293,600						293,600	
Other Bond Cost of Issuance							0	
Other Lender Costs (specify)	81,250						81,250	Appraisal PCR/PCNA & Seismic, Underwriting and inspection costs, insurance review, flood zoning, credit reports, lender inspection
Sub-total Const. Financing Costs	4,008,638	0	0	0	0	0	4,008,638	
Permanent Financing Costs	487,999	0	0	0	0	0	487,999	
Permanent Loan Origination Fee							0	
Credit Enhance. & Appl. Fee							0	
Title & Recording	80,000						80,000	
Sub-total Perm. Financing Costs	567,999	0	0	0	0	0	567,999	
Total Financing Costs	4,576,637	0	0	0	0	0	4,576,637	

Legal Costs

Borrower Legal fees	350,000						350,000	
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel							0	
Other Legal (specify)							0	
Total Legal Costs	350,000	0	0	0	0	0	350,000	

Other Development Costs

Appraisal	10,000						10,000	
Market Study	10,000						10,000	
Insurance	1,102,503						1,102,503	
Property Taxes							0	
Accounting / Audit							0	
Organizational Costs	5,000						5,000	
Entitlement / Permit Fees	770,000						770,000	
Marketing / Rent-up	169,601						169,601	
Furnishings	224,000						224,000	\$2,000/unit. See MOHCD UW Guidelines on: http://alhmohcd.org/documents-reports-and-forms
PGE / Utility Fees	35,000						35,000	
TCAC App / Alloc / Monitor Fees	77,920						77,920	
Financial Consultant fees	82,500						82,500	Novogradac + Rudinbrosen and Consulting lines
Construction Management fees / Owner's Rep	138,500						138,500	
Security during Construction							0	
Relocation							0	
Section 3 MBE coordinator	25,000						25,000	
Expeditor	75,000						75,000	
Vibration & adjacent property monitoring	475,000						475,000	
Total Other Development Costs	3,200,023	0	0	0	0	0	3,200,023	

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,205,717						1,205,717	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	13,262,886	0	0	0	0	0	13,262,886	10.8%

RESERVES

Operating Reserves	398,356						398,356	
Replacement Reserves							0	
Tenant Improvements Reserves							0	
Other (specify)							0	
Other (specify)							0	
TOTAL RESERVES	398,356	0	0	0	0	0	398,356	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	2,020,000						2,020,000	
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)				1,158,147			1,158,147	
Development Consultant Fees							0	
Other (specify)							0	
TOTAL DEVELOPER COSTS	2,020,000	0	0	1,158,147	0	0	3,178,147	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	528,578	65,322	366,452	10,341	0	0	970,693	
Development Cost/Unit as % of TDC by Source	54.5%	6.7%	37.8%	1.1%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	
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Construction Cost (inc Const Contingency)/Unit By Source

Construction Cost (inc Const Contingency)/Unit By Source	388,567	65,322	366,452	0	0	0	820,341	
Construction Cost (inc Const Contingency)/SF	262.48	44.13	247.54	0.00	0.00	0.00	554.14	

Possible non-eligible GO Bond/COP Amount:

Possible non-eligible GO Bond/COP Amount:	28,770,264
City Subsidy/Unit	528,578

Tax Credit Equity Pricing:

Tax Credit Equity Pricing:	0.960
Construction Bond Amount:	56,533,161
Construction Loan Term (in months):	24 months
Construction Loan Interest Rate (as %):	3.25%

Evaluation of Request for Financing
Hunters Point Shipyard Blocks 52 & 54, 151 and 351 Friedell St.

July 16, 2021

Attachment J: Additional Predevelopment Budget

Application Date: 6/2/21 # Units: 112
 Project Name: Hunters Point Shipyard Blocks 52&54 # Bedrooms: 217
 Project Address: 151 8351 Friedell St n/a
 Project Sponsor: Rose Community Development Corporation

SOURCES	3,650,000	751,605	-	-	-	-	-	Total Sources	4,401,605	Comments
USES	Name of Sources: MOHCD/OCIT									

ACQUISITION

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

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab								0	Include FF&E
Commercial Shell Construction								0	
Demolition								0	
Environmental Remediation								0	
Onsight Improvements/Landscaping								0	
Offsite Improvements								0	
Infrastructure Improvements								0	HOPE SF/OCIT 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	0	0	0	
Design Contingency (remove at DD)								0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)								0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)								0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency								0	5% new construction / 15% rehab
Sub-total Construction Contingencies	0	0	0	0	0	0	0	0	
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0	0	0	

Construction line item costs as a % of hard costs

SOFT COSTS**Architecture & Design**

Architect design fees	2,140,000	15,000						2,155,000	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	2,140,000	15,000	0	0	0	0	0	2,155,000	
Other Third Party design consultants (not included under Architect contract)		688,277						688,277	MEPF Design Build
Total Architecture & Design	2,140,000	688,277	0	0	0	0	0	2,823,277	

Engineering & Environmental Studies

Survey	40,000							40,000	
Geotechnical studies	60,000							60,000	
Phase I & II Reports	70,000							70,000	
CEQA / Environmental Review consultants								0	
NEPA / 106 Review								0	
CNA/PNA (rehab only)								0	
Other environmental consultants	20,000							20,000	Name consultants & contract amounts
Total Engineering & Environmental Studies	180,000	0	0	0	0	0	0	180,000	

Financing Costs

Construction Financing Costs									
Construction Loan Origination Fee	100,000							100,000	
Construction Loan Interest								0	
Title & Recording	15,000							15,000	
CDLAC & CDIAAC fees	5,000							5,000	
Bond Issuer Fees	5,000							5,000	
Other Bond Cost of Issuance								0	
Other Lender Costs (specify)								0	
Sub-total Const. Financing Costs	125,000	0	0	0	0	0	0	125,000	

Permanent Financing Costs									
Permanent Loan Origination Fee	10,000							10,000	
Credit Enhance. & Appl. Fee								0	
Title & Recording								0	
Sub-total Perm. Financing Costs	10,000	0	0	0	0	0	0	10,000	
Total Financing Costs	135,000	0	0	0	0	0	0	135,000	

Legal Costs

Borrower Legal fees	125,000							125,000	
Land Use / CEQA Attorney fees								0	
Tax Credit Counsel								0	
Bond Counsel								0	
Construction Lender Counsel								0	
Permanent Lender Counsel								0	
Other Legal (specify)								0	
Total Legal Costs	125,000	0	0	0	0	0	0	125,000	

Other Development Costs

Appraisal	10,000							10,000	
Market Study	10,000							10,000	
Insurance								0	
Property Taxes								0	
Accounting / Audit								0	
Organizational Costs	5,000							5,000	
Entitlement / Permit Fees	500,000							500,000	
Marketing / Rent-up								0	
Furnishings								0	
PGE / Utility Fees	5,000							5,000	
TCAC App / Alloc / Monitor Fees	32,000							32,000	
Financial Consultant fees								0	
Construction Management fees / Owner's Rep	40,000							40,000	
Security during Construction								0	
Relocation								0	
Other (specify)								0	
Other (specify)								0	
Other (specify)								0	
Total Other Development Costs	602,000	0	0	0	0	0	0	602,000	

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	318,000	68,328	0	0	0	0	0	386,328	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	3,500,000	751,605	0	0	0	0	0	4,251,605	

Total Soft Cost Contingency as % of Total Soft Costs 10.6%

RESERVES

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

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	150,000							150,000	
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	
Other (specify)								0	
TOTAL DEVELOPER COSTS	150,000	0	0	0	0	0	0	150,000	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	32,589	6,711	0	0	0	0	0	39,300	
Development Cost/Unit as % of TDC by Source	82.9%	17.1%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

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

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

Construction Cost (inc Const Contingency)/SF

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

City Subsidy/Unit	5,000
	32,589

Tax Credit Equity Pricing:

Construction Bond Amount:	0.00
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Construction Loan Term (in months):

	0 months
--	----------

Construction Loan Interest Rate (as %):

	0.00%
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Evaluation of Request for Financing
Hunters Point Shipyard Blocks 52 & 54, 151 and 351 Friedell St.

July 16, 2021

Attachment K: 1st Year Operating Budget

MOHCD Proforma - Year 1 Operating Budget

Application Date: 6/2/2021 Project Name: Hunters Point Shipyard Blocks 52&54
 Total # Units: 112 Project Address: 151 &351 Friedell St
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2024 Project Sponsor: Rose Community Development Corporation

INCOME	Total	Comments
Residential - Tenant Rents	1,760,916	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	3,203	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	1,764,119	
Vacancy Loss - Residential - Tenant Rents	(88,046)	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	1,676,073	PUPA: 14,965

OPERATING EXPENSES

Management		
Management Fee	69,888	1st Year to be set according to HUD schedule.
Asset Management Fee	25,124	Asset management fee from Operating fee policy
Sub-total Management Expenses	95,012	PUPA: 848
Salaries/Benefits		
Office Salaries	127,000	
Manager's Salary	82,300	
Health Insurance and Other Benefits	0	
Other Salaries/Benefits	0	
Administrative Rent-Free Unit	16,260	
Sub-total Salaries/Benefits	225,560	PUPA: 2,014
Administration		
Advertising and Marketing	5,600	
Office Expenses	0	
Office Rent	0	
Legal Expense - Property	20,000	
Audit Expense	45,000	
Bookkeeping/Accounting Services	0	
Bad Debts	0	
Miscellaneous	0	
Sub-total Administration Expenses	70,600	PUPA: 630
Utilities		
Electricity	224,000	INCLUDES ALL UTILITIES NEED BREAKOUT FROM JSCO
Water	0	
Gas	0	
Sewer	0	
Sub-total Utilities	224,000	PUPA: 2,000
Taxes and Licenses		
Real Estate Taxes	0	
Payroll Taxes	74,884	
Miscellaneous Taxes, Licenses and Permits	0	
Sub-total Taxes and Licenses	74,884	PUPA: 669
Insurance		
Property and Liability Insurance	123,500	
Fidelity Bond Insurance	0	
Worker's Compensation	0	
Director's & Officers' Liability Insurance	0	
Sub-total Insurance	123,500	PUPA: 1,103
Maintenance & Repair		
Payroll	83,200	
Supplies	0	
Contracts	0	
Garbage and Trash Removal	0	
Security Payroll/Contract	159,520	Maintenance & Security
HVAC Repairs and Maintenance	20,000	Includes Elevators
Vehicle and Maintenance Equipment Operation and Repairs	0	
Miscellaneous Operating and Maintenance Expenses	71,680	Ground maintenance
Sub-total Maintenance & Repair Expenses	334,400	PUPA: 2,986
Supportive Services	10,000	Reserve
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL OPERATING EXPENSES	1,157,956	PUPA: 10,339

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.
Bond Monitoring Fee	0		
Replacement Reserve Deposit	44,800	\$400 Per unit	
Operating Reserve Deposit	0		
Other Required Reserve 1 Deposit	0		
Other Required Reserve 2 Deposit	0		
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	59,800	PUPA: 534	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	1,217,756	PUPA: 10,873	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	458,317	PUPA: 4,092	

DEBT SERVICE/MUST PAY PAYMENTS (Third debt/ amortized loans)

Hard Debt - First Lender	375,670	First Mortgage	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	N/A	OCII	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	375,670	PUPA: 3,354	

CASH FLOW (NOI minus DEBT SERVICE)

CASH FLOW (NOI minus DEBT SERVICE)	82,647	
USES OF CASH FLOW BELOW (This row also shows DISCR.)	1.22	
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
Reserve for Asset Mgt fee (uncommon in new projects, see policy)	0	
Partnership Management Fee (see policy for limits)	25,124	2nd
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	ord
Other Payments	0	
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	0	Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)	0	Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	26,262	Def. Develop. Fee split: 50% Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	56,386	PUPA: 503

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	26,261	
Residual Receipts Calculation		
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?
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):
% of Residual Receipts available for distribution to soft debt lenders if	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. rects	\$59,200,732	99.75%
MOHCD/OCII - Ground Lease Value or Land Acq. Cost	Ground Lease Value	\$150,000	0.25%
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	26,261	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	26,261	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

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

REMAINDER (Should be zero unless there are distributions below)

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

Evaluation of Request for Financing
Hunters Point Shipyard Blocks 52 & 54, 151 and 351 Friedell St.

July 16, 2021

Attachment L: 20-year Operating Proforma

Hunters Point Shipyard Blocks 2 & 4

Total # Units: 112

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
INCOME																				
Deferred Developer Fee Earned in Year	26,262	26,509	26,555	26,388	25,995	25,363	24,477	23,323	21,886	20,150	18,097	15,711	12,874	9,865	-	-	-	-	-	-
Developer Fee Remaining Balance	1,131,885	1,105,376	1,078,821	1,052,433	1,026,438	1,001,075	976,598	953,275	931,389	911,239	893,142	877,431	864,457	854,592	854,592	854,592	854,592	854,592	854,592	854,592
% annual increase																				

Attachment 3_SBE Consultants
Hunters Point Shipyard Block 52 and 54

Professional Consultant List

Discipline	Consultant	SBE	SBE	SBE	SF-SBE	For Informational Purposes Only		
						MBE	WBE	Ethnicity*
Acoustic Consultant	CSDA Design Group	\$24,500	\$24,500	\$24,500	\$0	\$0	\$0	
Architect	Mithun Solomon (association with Kerman	\$1,288,365	\$1,288,365	\$1,288,365	\$1,288,365	\$0	\$1,288,365	
Associate Architect	Kerman Morris Architects LLP	\$702,635	\$702,635	\$702,635	\$702,635	\$0	\$702,635	
Building Maintenance	Sitco	\$26,500	\$26,500	\$26,500	\$0	\$0	\$0	
Civil Engineer	KPFF	\$60,000	\$0	\$0	\$0	\$0	\$0	
Energy Modeling	STOK LLC	\$35,400	\$35,400	\$35,400	\$35,400	\$0	\$0	
Green Point Rater	STOK LLC	\$41,000	\$41,000	\$41,000	\$41,000	\$0	\$0	
Landscape Architect	Mithun Solomon	\$105,625	\$0	\$0	\$0	\$0	\$0	
Lighting Designer	Weller Design	\$69,240	\$69,240	\$69,240	\$69,240	\$0	\$69,240	
Low Voltage: D/B	Engineering 350	\$74,400	\$74,400	\$74,400	\$74,400	\$0	\$0	
MEP Engineer: D/B	Engineering 350	\$184,100	\$184,100	\$184,100	\$184,100	\$0	\$0	
Structural Engineer	Mar Structural Design	\$195,000	\$195,000	\$195,000	\$0	\$195,000	\$0	Asian Pac
Subconsultant management	Mithun Solomon	\$146,628	\$0	\$0	\$0	\$0	\$0	
Waterproofing Consultant	Steelhead Engineers	\$53,500	\$0	\$0	\$0	\$0	\$0	
Total Fees		\$3,006,893	\$2,641,140	\$2,395,140	\$2,395,140	\$195,000	\$2,060,240	
% of Total Fees			87.8%		79.7%	6.5%	68.5%	

* Ethnicity and/or gender data was taken from third-party sources and presented for informational purposes only. Such data have not been verified.

Memo Attachment 4: Consultant Biographies

KERMAN MORRIS ARCHITECTS LLP (Associate Architect)

Established in 1994, Kerman Morris Architects is a small, woman-owned business recognized by the City and County of San Francisco as a Green Business. The firm brings a deep commitment to excellence in design and creating responsive, well-crafted places for living and working. Our practice specializes in a range of residential developments, including infill housing, affordable housing, custom homes, and mixed-use projects as well as developing projects themselves.

Weller Design Architectural Lighting (WDAL) (Architectural Lighting)

Weller Design Architectural Lighting is a woman-owned business with over 20 years of expertise to both residential and commercial lighting projects. The LEED certified team has experience which encompasses architectural lighting and construction management as well as electrical engineering. It is this understanding of the built environment that allows us to have a unique and efficient approach to each project.

MAR STRUCTURAL DESIGN (Structural Engineer)

The minority firm was founded in 2008 to provide collaborative and innovative engineering solutions for the built environment. MAR Structural Design is a mission driven firm on the forefront of performance based seismic and sustainable design.

STOK LLC (Sustainability Consultant)

Stok is a small business and integrated service driven consultancy that focuses on enhancing the occupant experience, optimizing resources efficiency, embedding resiliency, and minimizing environmental impacts. As a team of interdisciplinary experts in the built environment, Stok ensures real estate owners and occupiers invest wisely. We are committed to a radically better world for all.

ENGINEER 350

Is small business and collaborative, interdisciplinary firm of innovative building services engineers and consultants. As the party responsible for energy modeling in the early stages of design Engineering 350 seeks to communicate concepts and facilitate understanding of the interplay of daylight, solar radiation, thermal comfort, ventilation, and acoustics. Engineer 350 understands that early collaboration with the owner, the architect, the wider design team, and the community leads to successful and enduring buildings and to communities that are valued by all stakeholders.

CSDA DESIGN GROUP

CSDA's mission is to advance the wellbeing of team and community. CSDA believes collaborating is the process of working together and building a cohesive team. It focuses on sharing knowledge and experience, learning together, gaining consensus, and working toward a collective vision with mutual ownership of outcomes. They listen carefully to understand each client's goals and challenges. They collaborate with stakeholders to define a shared vision. They are then able to create thoughtful, inspiring, innovative, cost-effective and sustainable solutions.