

SYNERGY COMMUNITY DEVELOPMENT CORPORATION

600 Corporate Pointe, Suite 215 | Culver City, CA 90230 | bill@synergycdc.org

May 1, 2026

Mr. Mike Noce
Housing Manager
City of South San Francisco
Economic and Community Development Department
PO Box 711
South San Francisco, CA 94083-0711

Re: Synergy Community Development Corporation, Introduction in connection with the Metropolitan Hotel (220 Linden Avenue) Acquisition and Preservation

Dear Mr. Noce,

Thank you for inviting Synergy to introduce ourselves more fully to the City of South San Francisco in advance of the May 13, 2026 City Council meeting. We are honored to partner with the City on the preservation of the Metropolitan Hotel, one of South San Francisco's two designated historic properties, and home to some of the most economically vulnerable residents in your community. This letter is intended as a concise introduction to who Synergy is, what our principals have built elsewhere, and why this site, in this city, sits squarely within our mission.

About Synergy

Synergy Community Development Corporation is a California 501(c)(3) nonprofit affordable housing developer headquartered in Culver City. Our mission is to provide safe, affordable housing that enhances and enriches the lives of seniors and families, particularly residents whose incomes leave them most exposed to displacement. Synergy is not a transactional developer. We acquire, rehabilitate, and hold our properties for the long term, partnering with proven operators and remaining accountable to the residents and the cities that host our buildings.

Our Stewardship Philosophy

In our experience, stewardship is a critical aspect of any ownership of affordable housing. We approach every project as a five-way win, designing the deal structure so that residents, the surrounding community, local government, state and federal agencies, and our lenders and investors all benefit at the same time. Each stakeholder has unique interests and concerns, and our work is to bring those various interests together around a common set of objectives, building the plan around the commonality. When that intersection is correctly designed, profit becomes the byproduct of alignment rather than the objective, and the deal generates value for everyone because the structure was designed that way. The Metropolitan Hotel preservation is a textbook five-way alignment: existing residents retain deeply affordable homes, the City keeps a historic asset in service to its lowest income community, federal and state tax-credit capital is matched to deeply affordable rents for a full 55-year compliance term, and lender and investor capital is matched to a project with strong long-term operating fundamentals.

Track Record

Synergy as an entity currently holds an interest in more than 3,360 low-income housing units across California and Texas. Our team carries over 70 years of combined experience in affordable

housing finance, development, and asset management, and Synergy has structured more than \$900 million of cumulative financing across 9% LIHTC, tax-exempt bond, historic tax credit, USDA Rural Development, and HUD-insured executions.

Synergy's principal, Bill Rice, has, in his personal career to date, originated and closed 61 affordable housing developments comprising 4,081 low-income residential units across California, Texas, New Mexico, Arizona, Washington, and Oregon, over a 30-year career. Mr. Rice's executions include the first two HUD 223(f) Pilot Program transactions in the nation, the first California Naturally Occurring Affordable Housing pilot conversion of market-rate housing to permanent workforce housing, and HUD 221(d)(4) and CAL-HFA HUD-Risk Share executions under the State's New-Issuance Bond Program. These were transactions where the operating playbook had to be written for the first time, and that is precisely the experience the Metropolitan Hotel preservation will draw upon.

Vitor Faroni leads development for Synergy on the Metropolitan Hotel transaction and has been involved in more than 20 multifamily affordable housing transactions structured across 4% and 9% LIHTC, conventional, and historic tax credit executions. Full Synergy team biographies and a description of the federal, state, and local affordable housing programs in which Synergy is active are appended in the attached Capability Statement.

Why the Metropolitan Hotel and Why South San Francisco

The Metropolitan Hotel matches our practice precisely. The property qualifies as "at-risk" under CTCAC Section 10325(g)(4), because the federal HOME Investment Partnerships Program funding embedded in the original 1998 financing triggers the regulation, and the underlying Rent Regulatory Agreement expires within the five-year at-risk scoring window in April 2031. Without intervention, the affordability could lapse. Synergy's plan converts the existing 68 single-room occupancy units, most of which currently share communal bathrooms, into 40 fully self-contained homes, each with its own private bathroom, at a deeply affordable 40% AMI weighted average using income averaging, with individual units serving households between 30% and 80% AMI. We are working with Mike Rovner Construction as our general contractor, one of California's premier multifamily renovation firms, with deep experience in adaptive reuse and code-compliance rehabilitation of mid-rise residential buildings.

Commitment to the Existing Residents

We recognize the weight of South San Francisco's SRO stock, the community trust embodied in the City's Conversion Ordinance protections under Municipal Code Chapter 8.90, and the responsibility we are accepting in stepping into ownership of this building. Our renovation plan is phased section-by-section to minimize displacement, the underwriting model includes a \$400,000 dedicated relocation budget, and we are working with the City to implement a live/work framework that allows current residents to remain on-site or to return to their renovated units after rehabilitation. This is the same resident-first construction philosophy Synergy applies on every property we acquire.

Transaction Status and the City's Partnership

The transaction is well capitalized and on schedule. The acquisition closing is targeted for June 2026 with senior debt and the City's bridge financing in place, the 9% LIHTC application will follow in CTCAC's July 21, 2026 Round 2 cycle, and the tax-credit closing is expected in February or March of 2027. The City of South San Francisco's \$3.115 million permanent loan commitment is the cornerstone of our local capital stack, and the supporting analysis previously delivered to your office, including the March 20, 2026 Executive Summary, the April 16, 2026 CTCAC Timeline

Memo, and the v10 underwriting model, together describes the full transaction architecture in detail.

Vitor Faroni and I would be honored to attend the May 13 Council meeting in person and to answer any questions from staff or councilmembers in advance. Thank you again for the partnership, and for the heads-up that allowed us to put this introduction together in time for the staff report.

Sincerely,

Bill Rice

President

Synergy Community Development Corporation

bill@synergycdc.org

cc: Ms. Nell Selander, Director of Economic and Community Development, City of South San Francisco

Mr. Pierce Abrahamson, City of South San Francisco

Mr. Vitor Faroni, Synergy Community Development Corporation



Statement of Qualifications and Biographies

Synergy Community Development Corp. a 501(c)3 non-profit is committed to helping non-profit and for-profit developers to provide safe, affordable housing while enhancing and enriching the lives of seniors and families. As one of the Industry's most experienced and trusted development teams we are experts in the analysis, acquisition and rehabilitation of affordable apartment communities.

- **Company Specialty:** Acquisition/Construction or Rehabilitation of Workforce Housing & Affordable Multifamily Apartment Buildings **including properties financed by HUD, USDA, State Agency programs including CAL-HFA & HCD, Work Force Housing and low-income housing tax credits (LIHTC).** All developments financed in California have taken advantage of the State's real estate tax abate for non-profit Managing General Partners.
 - **Team:** **Bill Rice (President) specializes in Acquisitions, Applications, Finance and Equity team and Innovative Structuring. Vitor Faroni leads Development for Synergy on the firm's active pipeline. Donald Herrman, CPA, and Carmen Johnston serve as fellow consultants. (See attached Biographies)**
 - **Affordable Housing Experience:** Collectively, the Team has over 80 years of finance, management, real estate, construction supervision and development experience.
 - **Deal Structures:** The Team has vast knowledge and experience with HUD preservation including HUD 202, HUD 811, HUD 236 programs, USDA RD 538 and 515, and structures including but not limited to tax-exempt debt, private placement debt, tax-credit equity, HOME funds, MHP funds, and Housing Trust Funds. The Team closed the first two HUD 223(f) Pilot Program deals in the nation as well as HUD 221(d)(4) and CAL-HFA HUD-Risk Share debt, New-Issuance Bond Program tax-exempt debt. Additionally the team closed the first California Pilot NOAH transaction (Naturally Occurring Affordable Housing) for a market rate to Workforce Housing transaction.
 - **Property Construction or Renovations:** Synergy views the scope of work on each individual property based on findings during the due diligence period. We pride ourselves on our ability to work with our family and seniors to avoid disruption of their daily lives.
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We work hand-in-hand with our construction team to avoid any displacement or relocation of our families and seniors during the rehabilitation transition. Synergy's concentrated efforts are on:

- Improve the quality of living for the residents and the surrounding community
- Lower long term operating expenses through a detailed analysis of long term project costs and capital expenditure upgrades
- Increase unit amenities such as cabinets with an integrated microwave range hood, and or solid surface countertops and energy efficient appliances to attract high
- Focus on energy-efficient components that have the benefit of lowering operating expenses over the long term to increase debt sizing and operating cash flow
- Assist with working with architects, engineering and contractors to design and build a successful multifamily development
- Community space needs analysis for appropriate amenities such as computer room & recreation areas for working class residents
- Significant security camera recording system and or potential property wide wi-fi for residences to enhance leasing and safety, while working effectively with local police and fire to build community goodwill.

Biographies

William E. Rice

Mr. Rice is the President of Synergy. His duties include the analysis, sourcing, structuring, financing, and closing of workforce housing and affordable housing developments.

In the past 30 years Mr. Rice has originated and closed 61 apartment developments with 4,081 low-income residential units in California, Texas, New Mexico, Arizona, Washington, and Oregon. These financings have included a combination of structured tax-exempt debt, private placement debt, tax-credit equity, HOME funds, city redevelopment funds; voter approved housing loans and/or federal HUD debt.

Mr. Rice was a founding principal an affordable housing development and construction company. Prior to that experience, Mr. Rice worked for two separate tax credit syndication firms in the acquisition and underwriting departments. He was responsible for the re-syndication and redevelopment efforts of a large national REIT of affordable housing. He has been active in the affordable housing industry since 1996.

Mr. Rice earned his degree in politics from Occidental College with a minor in economics.

Donald G. Herrman, CPA

Prior to consulting with Mr. Rice, Mr. Herrman had over 30 years of senior executive management experience as Chief Financial Officer and Chief Operating Officer at both privately owned and publicly traded real estate companies. Mr. Herrman's roles included evaluating, creating, financing, managing, and acquiring and selling over \$1.5 billion of multiple residential, industrial, and commercial real estate portfolios primarily in the western United States. Mr. Herrman's responsibilities also included overseeing the accounting, tax, legal, human resources, and information technology functions at those companies.

As Chief Financial Officer at an a privately owned affordable housing company, Mr. Herrman oversaw the accounting, tax, and legal functions for several private developers and their related entities.

As Chief Operating Officer of Fountain Glen Properties, a privately owned real estate company specializing in the development and management of multi-family communities operated as age restricted apartments for seniors over the age of 55, Mr. Herrman directed and managed the property operation, construction, and development

functions. He also evaluated new markets, financing opportunities, and new real estate investments.

Mr. Herrman began his career with Kenneth Leventhal and Company. A national CPA firm which specialized in the real estate industry and which subsequently merged with Ernst & Young. Mr. Herrman is a Certified Public Accountant in the State of California.

Mr. Herrman graduated magna cum laude from California State Polytechnic University Pomona with a Business Administration degree, majoring in Accounting.

Carmen Johnston

Ms. Johnston has a broad range of affordable housing experience, which includes closing multiple transactions and loan conversions for previous developers, including the first two HUD 223F PILOT transactions in the nation Ms. Johnston also helped collaborate on some of the HUD 223F Pilot construction draw protocols, which are currently used. Ms. Johnston handles due diligence, construction draws, and syndication capital contributions, cost certification, asset management and CTCAC place in service applications for low-income housing projects. Ms. Johnston has also worked with several government agencies and lending banks, in regards to financing and subsidy, as well as, vendors, contractors and accountants on projects. Prior to her current role, Ms. Johnston brings over 19 years of Real Estate Banking and Construction experience to the group.

Vitor Faroni

Mr. Faroni leads Development for Synergy. His responsibilities span site selection, due diligence, financial structuring, equity placement, entitlement, and post-closing asset management across Synergy's California and Hawaii pipeline. His current Synergy assignments include the Metropolitan Hotel preservation in South San Francisco and additional active developments across California and Hawaii. Mr. Faroni has been involved in more than 20 multifamily affordable housing transactions, structured across 4% and 9% Low-Income Housing Tax Credits, conventional financings, and historic tax credit executions. He works closely with agency staff at CTCAC, CDLAC, HUD, USDA Rural Development, and city and county housing departments throughout the firm's geographic footprint.