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

125 Mason Street
$5,800,00 PASS Loan (acquisition to perm)
$1,000,000 Bridge Loan (predevelopment)

Evaluation of Request for:	Bridge loan and PASS Loan for Permanent Loan Refinancing and Predevelopment Costs for Acquisition and Rehabilitation of 125 Mason Street
Loan Committee Date:	March 3, 2023
Prepared By:	William Wilcox, Bond Program Manager
Sources and Amounts of New Funds Recommended:	$5,800,000 PASS and $1,000,000 in Condo Conversion Funds (bridge loan)
Applicant/Sponsor(s) Name:	Tenderloin Neighborhood Development Corporation

EXECUTIVE SUMMARY

Sponsor Information:

Project Name: 125 Mason St		Sponsor(s):	Tenderloin Neighborhood Development Corporation
Project Address (w/ cross St):	125 Mason Street (btwn Ellis and Eddy), 94102	Ultimate Borrower Entity:	TBD

Project Summary:

TNDC is requesting financing to acquire an existing family apartment building currently, located at 125 Mason Street (Site), owned by Mason Street Affordable Housing, L.P., on land owned by Glide Economic Development Corporation (GEDC). Constructed in 2008, the property was originally developed by GEDC and Millennium Partners to satisfy Millennium's inclusionary housing requirement for another project. Millennium is no longer involved in the development. While GEDC was originally related to the larger entity of Glide Church nominally but not legally, both boards lost overlapping members, and support for GEDC from Glide Church ended five or more years ago. The property is now in foreclosure and the current note holder has posted a Notice of Foreclosure Sale for March 9, 2023. GEDC and TNDC are seeking to use the MOHCD commitment to illustrate to the lender significant progress toward curing the Notice of Default and is making a request to the lender to extend the foreclosure date to allow time for the transaction to close. MOHCD has committed to closing on the loan by March 31, 2023 to provide funds for the acquisition.

125 Mason Street Apartments provides 81 units for low-income families with rents restricted at 60% HUD AMI (Project). The unit mix consists of 1-, 2-, 3- and 4-bedroom units. During the past four years of operation under the current owner/operator (GEDC), rents were not increased and income did not keep up with rising operating costs. The property fell into arrears starting in May of 2020 with the lender which is culminating in the recent foreclosure notice. TNDC is seeking a Bridge loan and PASS loan to pay off existing debt including default interest and fees. TNDC will either acquire the Project from GEDC directly or purchase at the foreclosure sale – depending on timing and structure considerations. The bridge loan will be set at 0% interest for a maximum of a 4-year period. TNDC's bridge loan request includes $400,000 for immediate repairs based on issues identified in the January 2023 Capital Needs Assessment. After the acquisition, The PASS will be structured as interest-only until the Project stabilizes after the planned 9% re-syndication, at which time the bridge loan portion will be paid down. At that time, the PASS portion will convert to a 40-year fully amortizing loan with hard annual debt payments. This is a slightly different structure than what is contemplated in the PASS regulations, which have separate construction interest only and permanent amortizing loan structures outlined instead of the construction to permanent loan structure planned for this transaction/ Thus the Project is also seeking a PASS regulations waiver from the MOHCD Director. TNDC would apply for 9% tax credits in the second round of 2024, close in Q2 2025, complete rehabilitation in 2026, and stabilize/convert to permanent financing in Q4 2026. MOHCD has committed to putting this Project in the 2024 9% queue for the San Francisco geographic region for $2.5 million in annual credits.

The current long-time property manager, John Stewart Company will stay on and is currently recertifying tenants to confirm incomes, which will be relevant to the re-syndication.

Project Description:

Construction Type:	Type I, steel reinforced concrete	Project Type:	Acquisition
Number of Stories:	14	Lot Size (acres and sf):	7,000 sf (0.18 acres)
Number of Units:	81	Architect:	TBD
Total Residential Area:	129,567 sf	General Contractor:	TBD
Total Commercial Area:	0 sf	Property Manager:	John Stewart Company

Total Building Area:	129,567 sf (including 11,810 basement)	Supervisor and District:	Sup. Dean Preston, D5
Land Owner:	TNDC		
Total Development Cost (TDC)	$29,547,775	Total Acquisition Cost:	$5,438,127
TDC/unit:	$364,787	TDC less land cost/unit:	$300,880 (estimated)
Loan Amount Requested:	$5,398,787	Request Amount / unit:	$77,778
HOME Funds?	No	Parking?	14 stalls in below grade garage not offered to residents (provid revenue)

PRINCIPAL DEVELOPMENT ISSUES

- Timing of Closing: The Project has a March 9, 2023 foreclosure sale date, as set by the current lender/receiver. TNDC and MOHCD originally anticipated a March 31, 2023 closing date and this transaction closing will need to be expedited in order to meet this revised deadline. TNDC and MOHCD are mitigating this in two ways: 1) both parties are working with GEDC and their counsel to illustrate to the lender/receiver the timeline required to close by March 31, 2023 and hopefully will extend the sale date to accommodate this closing schedule, and 2) TNDC may alternatively purchase the property directly at foreclosure through a sponsor loan, which would be taken out by PASS funds within 30 days. ***See Section 1.1 for additional information.***
- Capital Needs / Near-Term and Long-Term: The Project exhausted all replacement and operating reserves on account of a fire sprinkler flood incident in 2021 (see Section 1.1 below) and since then, the project has not been able to complete any outstanding critical repairs (unrelated to the flood). This has created the current immediate needs and exacerbated longer term capital needs. ***See Section 4.3 for additional information.***
- Acquisition of 149 Mason: Throughout the negotiations with GEDC over acquisition of 125 Mason, TNDC has pursued the acquisition of GEDC-owned 149 Mason as well. Ownership of this property, which is 100% supported by LOSP and houses formerly homeless households, would present TNDC with opportunities to share staff and other costs across properties. However, given the foreclosure sale, GEDC and TNDC may not come to terms on the acquisition of 149 Mason and may determine that operating 125 Mason as a standalone project is not financially feasible. If so, the proposed acquisition may not proceed. ***See Sections 4.1 and 7.2 for additional information.***
- Ability for Project to Support Refinanced Debt: The property defaulted on its permanent loan largely because rents were not increased since 2019 and did not keep pace with rising operating expenses and the annual required debt service. Rent increases to the new AMI schedule will be phased in over a five-year period to ensure that the project can support the PASS debt at stabilization, and to not unduly burden existing households. These increases comply with MOHCD's annual rent increase policies and the restrictions on the property. TNDC has requested MOHCD re-underwrite the PASS loan at conversion to account for operating expenses and rents at that time. MOHCD will assess whether the hard debt is supportable depending on the ability of TNDC to raise rents to meet planned net operating income and PASS debt service. ***See Sections 1.1 and 7.2 for additional information.***

SOURCES AND USES SUMMARY

Predevelopment/Acquisition

Sources	Amount	Per Unit	Terms	Status
MOHCD PASS Loan	$5,800,000	$71,605	40 yrs. @ 2.6% / Hard Debt, 4 year interest only during rehab	Committed
MOHCD Bridge Loan	$1,000,000	$12,346	0% for 4 years (in for construction but paid off at permanent conversion)	Committed
Total	**$6,300,000**	**$83,951**		

Permanent Period

Permanent Sources	Amount	Per Unit	Terms	Status
MOHCD PASS Loan	$5,800,000	$71,605	40 yrs. @ 2.6% / Hard Debt, 4 year interest only during rehab	Committed
AHP (FHLB of Atlanta)	$500,000	6,173	55 years 3% interest, deferred	Uncommitted
9% Tax Credit Equity	$22,950,688	$287,008	15 yrs.	Uncommitted
Total	**$29,547,775**	**$364,787**		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	$5,438,127	$67,137	$42
Hard Costs	$15,309,403	$189,005	$118
Soft Costs	$6,046,491	$74,648	$47
Reserves	$553,754	$6,836	$4
Developer Fee	$2,200,000	$27,160	$17
Total	$29,547,775	$364,787	$228

1. BACKGROUND

1.1. Project History Leading to This Request.

Glide Economic Development Corporation (GEDC) developed 125 Mason and has owned the property since it was originally placed in service in 2008. GEDC developed the property with Millennium Partners, who subsidized the project as part of the inclusionary requirement for a market rate residential development. (Millennium Tower). The Planning Code, Notice of Special Restrictions and Inclusionary Procedures Manual govern the income, rent and other restrictions for 125 Mason. Additionally, MOHCD was the bond issuer on the original development but provided no soft debt., The Bond Regulatory Agreement limits rents to be affordable to households at 60% of the MOHCD Area Median Income (AMI).

GEDC has employed the John Stewart Company (JSCo) as the property management agent. In 2018, GEDC approached TNDC to acquire both 125 Mason Street and the neighboring 149 Mason, a 56-unit affordable development that opened in 2010; however, for a variety of factors, both parties were not able to reach an agreement on acquisition terms. In 2021, the 125 Mason Street property suffered significant water damage from a fire sprinkler-related issue, where the building experienced a major flooding event when the top floor 8" main fire sprinkler pipe burst. The flooding caused significant damage to many units, common areas and equipment, including one elevator. While insurance paid for much of the repair cost, additional staff time, maintenance efforts, and most impactfully property insurance increased operating costs. Property insurance increased from $84,000 a year in 2020 to $223,000 in 2021 after the flooding incident. Subsequently the property began to default on debt payments due to the property not implementing rent increases, in part because of COVID related restrictions in 2020, and additional loss of income from vacancies related to the flood. Prior to the flood and COVID, the property had healthy replacement and operating reserves.

The default on the loan payments culminated in the lender recording a Notice of Default in October 2022 and publishing a foreclosure notice (Notice of Trustee Sale) with a public auction date of March 9, 2023. After foreclosure the TCAC and Bond Regulatory Agreement rents will no longer be in effect and only the higher rents (60 AMI HUD) from the Notice of Special Restrictions (NSR), recorded by Planning to satisfy the inclusionary requirements, will remain in effect. The minimum price is $5,020,260, which includes the remaining principal of the loan and the lender's related costs. The estimated acquisition price of $5,249,387 is based on acquiring directly from GEDC which includes some additional legal and per diem fees on the loan. At foreclosure another investor could purchase the property at auction, which poses the risk of poor management and negative experiences for tenants. Direct acquisition from GEDC would reduce risks from acquiring at the foreclosure sale, though negotiations with GEDC are ongoing and have currently stalled.

To mitigate risks posed by the upcoming foreclosure sale, TNDC has secured a line of credit from Bank of America and will be able to make a Sponsor loan to the acquisition entity for this Project to purchase 125 Mason at the foreclosure sale if the lender/receiver is not willing to extend the sale date. The PASS loan would then take out this Sponsor loan within 30 days. This option would decrease fees/reimbursables paid to GEDC but has risk of a non-experienced owner purchasing at the foreclosure auction. Alternatively, a purchase at or after foreclosure sale could also lead to a lower negotiated sales price from the lender, though that is not ensured. TNDC would not purchase if the acquisition price rose above the amount of PASS that could be supported

In Fall 2022, GEDC reapproached TNDC about acquiring 125 Mason and 149 Mason. TNDC commenced financial and physical due diligence on the property in December 2022 and January 2023 with the intent to acquire both. TNDC worked with lenders, including MOHCD, on feasible refinancing options for the permanent loan in default. TNDC submit applications materials to be approved for a PASS loan for the refinancing. The $5.8 million PASS loan will be structured as an interest-only loan during the bridge period (2023 – 2026) until the project stabilizes in 2026 after the planned re-syndication and the PASS bridge converts to a fully amortizing 40 year permanent loan. These PASS funds will cover acquisition and closing costs.

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

N/A- PASS is over the counter for eligible projects.

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

1.3.1. <u>Borrower.</u> TNDC is the loan applicant but intends to create a Limited Liability Corporation (LLC) to manage a yet-to-be formed Limited Partnership (LP) which will be the borrower. The LLC will be formed once purchase contract is signed and the PASS loan has been approved. The LLC will be an affiliate of TNDC. TNDC was formed more than 44 years ago with the purpose of acquiring properties and removing them permanently from the speculative market. Over the years, TNDC expanded to develop new buildings as well, strengthen its in-house property management capacity and added Tenant and Community Services. TNDC's portfolio includes more than 5,000 units across a portfolio of 44 buildings.

1.3.2. <u>Demographics of Board of Directors, Staff and People Served.</u>
TNDC Board demographics: 2 or more races: 2 members//13%; 4 members/25% Asian; 3 members/19% Hispanic/Latino-Non-white; 6 members/38% White-Non-Hispanic/Non-Latino; 1 member/6% White-Hispanic/Latino.

Demographic	Number of Board Members	Percent
2 or more races	2 members	13%
Asian	4 members	25%
Hispanic/Latino-Non-white	3 members	19%
White-Non-Hispanic/Non-Latino	6 members	38%
White-Hispanic/Latino	1 member	6%

TNDC staff currently consists of 433 employees, the majority of which are female. 127 are Asian, 105 Hispanic or Latino, 115 Black or African American, 50 are White, 12 are Native Hawaiian or Other Pacific Islander, one is American Indian or Alaska Native, 16 are Two or More Races and 6 did not wish to self-identify.

Demographic	Number of Staff Members
Asian	127
Hispanic or Latino	105
Black or African American	115
White	50
Native Hawaiian or Other Pacific Islander	12
American Indian or Alaska Native	1
Two or More Races	16
Did not wish to self-identify	6

1.3.3. Racial Equity Vision.

TNDC in their racial equity work recognizes that structural racism and related issues, including mass incarceration and fractured social support systems, have led to substandard housing conditions and homelessness for many people in San Francisco. TNDC acknowledges that these issues disproportionately affect communities of color. TNDC has stated they are aligned with the City on its racial equity framework. Our Racial Justice Police Conduct Task Force and Committee on Equity both endeavor to facilitate transformative dialogues on race and support proactive policies, practices, attitudes, and actions that produce equitable power. This framework is also echoed in TNDC's Theory of Change, which contains the guiding principles for their approach. (See Attachment M.)

TNDC has noted the need to remove structural barriers to improve effective marketing, and therefore effective housing. TNDC structures their own marketing on the acknowledgement that federal, state, and local marketing requirements have been put in place intending to address structural racism – and that these processes are not achieving their intended outcome, at the rate that will create the change that is needed now. TNDC is committed to implementing MOHCD's Housing Preferences as an important step in the direction of addressing these issues. TNDC remains interested in exploring new approaches to addressing structural racism and is open to trying new methods to better serve the communities that often lack access to affordable housing.

1.3.4 Relevant Experience.

TNDC has extensive experience in acquisition/rehabilitation projects in addition to new construction. TNDC operates more than 5,000 units across a portfolio of 44 buildings. Some recent relevant examples of acquisition/rehab project include:

- Ambassador/Ritz Re-syndication: 4%/9% Hybrid Scattered Site project including the comprehensive rehabilitation and historic preservation of 98 units at the Ritz Hotel and 134 units at the Ambassador Hotel. Both projects involved complex seismic upgrades and replacement of major building systems. This project is anticipated to complete in 2023.
- 270 Turk Street: This was an acquisition and rehabilitation of an 86-unit existing rent-controlled market rate building in the Tenderloin. TNDC acquired it via a SF HAF acquisition and predevelopment loan and completed a moderate rehabilitation of the building. This project was completed in 2020.
- Clementina Towers: Acquisition and rehabilitation of 276 units of former SFHA housing units across two high-rise buildings. Project leveraged 4% tax credit equity, MOHCD funds, and permanent debt for the financing plan.
- 350 Ellis Street: Acquisition and rehabilitation of 96 units of former SFHA housing units in a single high-rise building. Project leveraged 4% tax credit equity, MOHCD funds, and permanent debt for the financing plan.
- Rosa Parks Apartments: Acquisition and rehabilitation of 203 units of former SFHA housing units in a single high-rise building. Project leveraged 4% tax credit equity, MOHCD funds, and permanent debt for the financing plan.

1.3.5 Project Management Capacity.

TNDC's Housing Development department has developed, owned, and managed over 4,275 units, with another 443 units under construction and 521 units in predevelopment (5,239 units total). The TNDC development team has grown to an 18-person team with the structure and expertise to manage risk and create opportunity on complex development sites. Housing Development staff consists of a housing director, 3 associate directors, 3 senior project managers, 5 project managers, 4 assistant project managers, a project analyst, and an intern. TNDC's experience includes all major affordable housing financing sources on both challenging tenant-occupied rehabilitation and new construction on tight, infill sites. In its 40 years of experience providing housing for some of San Francisco's most vulnerable residents, TNDC has developed a deep knowledge of the development and operations of supportive housing projects.

1.3.6 Past Performance.

TNDC does not have any properties in default across its current portfolio or in their history. For projects operating at a deficit TNDC uses cash flow from other projects, particularly those with strong Section 8 contracts, to cross subsidize across their portfolio and ensure operations are not disrupted. Simultaneously TNDC seeks to refinance or reposition properties with additional subsidies in order to address any operating deficits. Other operating deficit reduction solutions include increased operating subsidies, pressing for increase in and/or swifter City agency referrals, leasing SRO's without wait lists, increase rent collection from tenants, increase rent limits, and to reduce operating costs in utilities, insurance, staffing.

1.3.7 City audits/performance plans.

MOHCD has not issued TNDC any material audit findings in recent history. If any audit findings were found, TNDC has addressed them.

TNDC has encountered significant challenges and delays on 78 Haight, where failure to come to an agreement with neighboring property owners is putting the property at risk of returning their 9% tax credit allocation along with a major delay to construction start.

1.3.8 Marketing/lease-up/operations.

MOHCD lease up and marketing team noted that delays in the 1990 Folsom lease up were largely construction related and not due to TNDC/MEDA (joint partner in that transaction). Overall the lease up was a success – though MOHCD noted that TNDC should work to better communicate between development and property management staff when lease up starts. MOHCD appreciated TNDC staff ongoing engagement throughout the process.

TNDC's properties are leased up through MOHCD's DAHLIA system and the Department of Homelessness and Supportive Housing's Coordinated Entry System. TNDC has extensive experience complying with DAHLIA and all other marketing requirements.

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

Site Description	
Zoning:	Downtown General, C-3-G
Maximum units allowed by current zoning (N/A if rehab):	N/A
Number of units added or removed (rehab only, if applicable):	Rehab only
Seismic (if applicable):	Seismic Zone 4; PML is not applicable given the 2008 construction completion date for the building and the fact that it conforms with current seismic code.
Soil type:	Stable, suitable for existing improvements
Environmental Review:	Received approvals for the original construction, completed in 2008.
Adjacent uses (North):	Several mid-rise, mixed-use residential and commercial buildings, including 149 Mason Street, a GEDC-owned high-rise property immediately to the north.
Adjacent uses (South):	Mid-rise, mixed-use buildings, a hotel, and TNDC's Ambassador Hotel affordable housing property.
Adjacent uses (East):	Mid-rise, mixed use buildings.
Adjacent uses (West):	Mostly residential buildings at the rear of the building.
Neighborhood Amenities within 0.5 miles:	Trader Joe's, Harvest Urban Market, Saint Anthony's Dining Room and Social Services, Westfield San Francisco Centre, San Francisco Public Library Main Branch, Civic Center Park, City College of San Francisco Civic Center, San Francisco State College of Extended Learning, Tenderloin Health Services, Glide Memorial Church, First Presbyterian Church of San Francisco, Saint Boniface Catholic Church, Chabad of SF, Islamic Society of San Francisco.
Public Transportation within 0.5 miles:	BART and Muni Metro Civic Center/UN Plaza and Powell Street stations, Multiple SFMTA bus, light rail, streetcar, and cable car lines including E, F, J, K, L, M, N, T, 2, 3, 5, 5R, 6, 7, 7X 8, 8AX, 8 BX, 9R, 12, 14, 14R, 19, 27, 31, 38, 38R, 45.
Article 34:	Exempt
Article 38:	Project is located in the Article 38 Zone and must comply. The project was originally designed and constructed to meet Article 38 requirements.
Accessibility:	The Project was originally constructed as fully accessible to persons with disabilities. In order to achieve the required TCAC accessibility requirements per the current regulations in anticipation of the 9% re-syndication, several

	unit bathrooms and kitchens will have to be reconfigured to meet these requirements.
Green Building:	Project will meet minimum TCAC requirements for energy and green certifications.
Recycled Water:	Exempt
Storm Water Management:	Project stormwater control/management plan completed at original construction. No additional work anticipated as part of planned re-syndication/rehab.

2.1. Description.

The existing structure covers all the site with the exception of approximately 1,200 sf of the 13,674 sf lot. The 9- and 14-story structures are built atop a basement garage, tenant storage and equipment rooms. The ground floor contains two residential units, residential lobby, Property Management offices, community room, trash compactor/collection room and utility rooms.

2.2. Zoning.

The property is currently zoned C-3-G to which the building complies. No changes to the building envelope or use is contemplated.

2.3. Probable Maximum Loss.

A PML was not required nor calculated when the structural design was completed. The building was designed and constructed to the building code in effect in 2007 and can be assumed to be meet an SEL of less than 20%. However, individual building characteristics can impact a building's performance in a seismic event. Consequently, TNDC is having another structural engineer review the as-built plans to verify. TNDC has requested a PML and expects to provide that before the end of February.

2.4. Local/Federal Environmental Review.

These required reviews were conducted at the time of the original financing. TNDC has received a Phase I for the project that will be shared with MOHCD.

2.5. Environmental Issues.

A Phase I was conducted in February 2023. No major issues were reported, other than the fact that the Site was formerly occupied by a dry-cleaning service before it was razed and 125 Mason was constructed. Presumably, a vapor mitigation system was installed at the time of construction to remediate this issue; however the Phase I consultant recommended air sample testing to be certain that there are no vapor issues on-site. TNDC will contract for and complete this testing, by March.

- Phase I/II Site Assessment Status and Results. There are no issues related to hazardous materials (lead and asbestos), and the Phase I recommends additional air sampling to ensure the previous dry-cleaning site is not adversely impacting air and environmental quality at 125 Mason.

2.6. Adjacent uses and neighborhood amenities.

The site and adjacent uses are fully built out. The main entrance faces onto Mason Street. Immediately to the north is 149 Mason, another GEDC-developed property. To the west and south are older mixed-use properties.

2.7. Green Building.

The design for the TCAC rehab will meet or exceed TCAC requirements.

3. COMMUNITY SUPPORT

TNDC has more than 40 years of experience working in the Tenderloin Neighborhood as developer and tenant and community organizer. It is seen by most neighborhood residents as a resource and provider of affordable and safe housing.

3.1. Prior Outreach.

Outreach to residents has been postponed until the Purchase and Sale Agreement (PSA) between seller and TNDC (or affiliate) is signed and City lender approval received.

3.2. Future Outreach.

Residents will be informed of the transfer by letter jointly signed by TNDC (or an affiliate) and property manager John Stewart Co. The process of paying rents will remain unchanged. We expect that the transition will be seamless for residents. TNDC and JSCo will schedule an “introduction meeting” just prior to or shortly after the acquisition. As the design work starts for the tax credit rehab, TNDC will schedule resident meetings to learn how the building works and doesn’t work for them, explain any relocation or construction-caused disruption, present a rough schedule and answer any questions.

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

The property considered for purchase with City funding is an existing affordable housing development financed in part by equity from the sale of low-income housing tax credits. Thus, this property is exempt from Prop I.

4. DEVELOPMENT PLAN

4.1 Site Control.

A Limited Partnership, controlled by GEDC and their tax credit limited partner, is the current owner of the land and improvements. The tax credit limited partner, AEGON, has agreed to exit the LP and GEDC would subsequently dissolve the LP and sell TNDC the land and improvements instead of selling solely the LP interest. As part of this transaction, GEDC will eliminate the ground lease between GEDC and the LP so that the property is owned fee simple. AEGON’s successful and timely exiting of the partnership, which will be scheduled once a purchase agreement is signed, is a condition of TNDC’s closing on this transaction.

Negotiations with GEDC to purchase 125 Mason are ongoing, and LP exit would occur after the negotiations conclude but before the sale of 125 Mason closes. Acquisition of 149 Mason would occur by June 1, 2023. Currently negotiations with GEDC are at an impasse but TNDC continues to try to move the negotiations forward.

Alternatively, TNDC will purchase 125 Mason directly at foreclosure from the bondholder on March 9 and PASS would take out the sponsor loan within 30 days. Acquisition of 149 Mason would be contingent on GEDC's willingness to restart negotiations.

An acquisition by MOHCD and ground lease back to TNDC was not pursued due to the lack of soft debt available to use for the acquisition. Long term affordability will be preserved by the Declaration of Restrictions imposed with the PASS debt, which sits above the Deeds of Trust on title and survives foreclosure. Given this, a ground lease is not needed to ensure long-term affordability.

4.1.1. Proposed Property Ownership Structure:

TNDC is establishing a Limited Liability Corporation to be the buyer and owner of the property. Once the project applies for the 9% tax credits, TNDC will form a new limited partnership.

4.2. Proposed Design.

The existing building includes 81 units, which all exceed the CTCAC minimum size requirements.

UNIT TYPES	Avg Unit SF - This Project	*CTCAC-Required Minimum SF*
1 BR	655	*450*
2 BR	982 - 1092	*700*
3 BR	1459 - 1501	*900*
The 4 BR	1626	*1100*

4.3. Proposed Rehab Scope.

There are many capital needs identified on the medium/long-term horizon by the January 2023 Capital Needs Assessment that will need to be addressed comprehensively. TNDC is approaching these needs in two ways: 1) for the near-term needs, TNDC has estimated the necessary costs with support from consultants and a General Contractor and is recapitalizing reserves as part of the PASS bridge loan to handle these needs and maintain a fund for additional needs prior to the 2025 rehab; all reserves will be fully capitalized at re-syndication, and 2) TNDC will re-syndicate the project utilizing 9% credits to finance the comprehensive rehabilitation.

TNDC further explored the issues with a site walkthrough conducted by Paulett Taggart Architects and D&H Construction, also in January. The overall plan is to meet the long term capital needs and institute risk mitigation measures to ensure future incidents can be preemptively addressed. This would include preventing floods from the sprinkler system, which occurred in 2021 causing significant damage and led to the property insurance increases. The eventual scope of work anticipated for the proposed rehabilitation includes exterior and interior repainting, children's playground cushion replacement, accessibility upgrades to common areas and units, addition of ADA residential units, upgrades to the video and door control security, electrifying the building by replacing the gas-fired hot water boilers for space and domestic hot water heating, replacement of windows with broken seals (small percentage of total), and reconfiguration of sprinkler heads to recessed models.

Immediate Needs: $400,000 - Immediate needs that have already been identified will be handled using funds from the bridge predevelopment loan that will be reimbursed by tax credit equity at permanent loan conversion. The immediate needs include:

- Generator Repair
- Security System Repair, Spot Replacement of Cameras
- Addition of Cages to Sprinkler Heads (short-term fix before heads are recessed at re-syndication)

Replacement Reserves: The replacement reserve will also be replenished as it was completely depleted due to the 2021 flood damage and lack of rental income. The reserve will be initially capitalized at $80,000 with deposits of $400 per unit per year going forward.

Long Term Needs: $15M - Long term needs will be handled comprehensively as part of the 9% re-syndication. Currently the re-syndication budget includes hard costs equivalent to about $190k per unit. This includes contingencies and General Contractor overhead and general conditions. This budget should be sufficient to fully handle the property's long-term capital needs. Some of the long-term capital needs already identified include:

- Recessing of the fire sprinkler heads
- Replacement of windows that have broken seals
- Reconfiguration of some unit bathrooms and kitchens to ensure that the project can meet current TCAC ADA unit requirements
- Electrification of the property's domestic hot water system
- Fire alarm system replacement
- Exterior stucco repairs and painting
- Common area/hallway flooring replacement (eliminate carpet and replace with hard surface at end of useful life
- In-unit upgrades
- Heating system replacement

4.4. Construction Supervisor/Construction Representative's Evaluation

Construction Representative Robin Wang reviewed and found the costs to be reasonable for this project. See comparison chart in the attachments. Total Development Costs and Construction Costs per square foot and per unit were lower than the average for fifteen other projects compared to at various stages of the development cycle (predevelopment, under construction, and completed). Rehabilitation projects are challenging to compare due to broadly varying scopes. However, the construction representative worked to choose projects that were as similar as possible.

4.5. Commercial Space. None

4.6. Interim Use. N/A

4.7. Infrastructure.

4.8. The property is adequately served by all necessary utilities and no additional infrastructure is anticipated for the future TCAC rehab.

4.9. Communications Wiring and Internet Access.

4.10. The existing communications wiring allow access control of the front entrance, visitor communication to residents and the front desk. Internet access is provided for site staff and for residents to subscribe to.

4.11. Public Art Component. N/A

4.12. Marketing, Occupancy, and Lease-Up:

Under the Inclusionary Program requirements, each individual unit must be advertised and leased-up at turnover via the MOHCD DAHLIA system – with a new lottery each time for each individual unit. TNDC has noted that this required process could lead to a higher vacancy rate than 5% to account for the additional time for this process. Because of the PASS debt on the project, a single waitlist for the project will be created via DAHLIA which TNDC can lease from. TNDC is confident in the standard 5% annual vacancy rate given this type of marketing plan.

The property is for families with no other population requirements. A recent market study from 555 Larkin was used to confirm rents were viable for neighborhood.

There are no specific preference requirements from the NSR or PASS funds, so the typical MOHCD marketing plan requirements will apply.

4.13. Relocation.

No relocation will occur at initial acquisition and PASS loan closing. Relocation will be anticipated as part of the planned 9% re-syndication rehab. TNDC has not yet hired a relocation consultant or drafted an initial relocation plan. TNDC will handle this as part of the predevelopment phase of the 9% re-syndication post acquisition and will follow all rules and regulations associated with all applicable relocation laws.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	**Name**	**SBE/LBE**	**Outstanding Procurement Issues**
Architect	TBD; TNDC will follow required procurement procedures	TBD	TBD
General Contractor	TBD; TNDC will follow required procurement procedures	TBD	TBD
Owner's Rep/Construction Manager	TBD; TNDC will follow required procurement procedures	TBD	TBD
Financial Consultant	CHPC	N	N
Legal	Gubb & Barshay	N	N
Property Manager	John Stewart Company	N	N
Services Provider	Sponsor (TNDC); prior to TNDC acquisition there was no social services but this will be added as required by the 9% resyndication	N	N

5.1. Procurement Plan.

TNDC will follow Contract Management Division's (CMD) recent guidelines for procurement of design, professional consultants and contractors as predevelopment and urgent repairs occur. Procurement for TCAC-funded rehab will follow CMD procurement guidelines and target the hiring goals established by CMD. A full procurement plan will be produced before the construction loan closing of the 9% rehab, as noted in Attachment A.

5.2. Opportunities for BIPOC-Led Organizations.

TNDC will offer opportunities to BIPOC-lead vendors when seeking professional services, suppliers and contractors. TNDC is expanding vendor lists and will follow CMD's newest contracting guidelines.

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:

Only previous 2005 bond issuance and inclusionary requirement.

6.2. Disbursement Status.

Not applicable for this project.

6.3. Fulfillment of Loan Conditions.

Not applicable for this Project; New funding request.

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative

Predevelopment costs associated with the 9% re-syndication are estimated at approximately $1,000,000. TNDC has requested that a separate bridge loan at 0% interest for a 3 year period for these funds. By not using PASS for this portion of the loan MOHCD preserves the valuable long-term low cost debt, since PASS once paid down is no longer an available resource due to the structure of the underlying General Obligation bonds. MOHCD providing these predevelopment bridge funds reduces the overall project cost compared to using private predevelopment debt, which now has interest rates as high as 6%.

The $5.8M PASS amount will also be interest only at approximately 2.6% interest for that period to cover the cost of acquisition. The PASS funds then will convert to a fully amortizing 40-year loan at the permanent loan conversion after re-syndication. Since this is a slightly different PASS structure than what is contemplated in the current PASS regulations, as part of this loan evaluation TNDC is also seeking a PASS regulations waiver from the MOHCD Director. The existing regulations separately contemplate an interest only construction loan or a 40 year fully amortizing permanent loan. This transaction will combine the two uses, which is allowable under the relevant Administrative Code sections and the underlying bond issuances. This structure has already been approved by the City Attorney’s Office.

6.4.2. Predevelopment Uses Evaluation

Loan proceeds will be used for acquisition--closing and title costs, legal fees, transfer tax, property taxes, appraisal, acquisition legal costs and fees, title and escrow—and to pay off the existing debt. Additionally, proceeds will be used to recapitalize the operating, replacement and debt service reserves. Proceeds will also be used to upgrade the security and communications system to allow access control and security monitoring from 149 Mason Street if that property is acquired by TNDC. Also, proceeds will be used for design team fees and permit fees.

Predevelopment Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Acquisition Cost is based on appraisal	Y	Acquisition Cost is $67,137/unit based on current estimates. Total of $5,398,757 includes $110,000 in closing costs and $39,730 in transder tax. $5,249,387 is to acquire the property.
Holding costs are reasonable	Y	Limited because MOHCD bridge loan and ongoing operations
Architecture and Engineering Fees are within standards	Y	$300,000 in total between architect and subconsultants
Consultant and legal fees are reasonable	Y	$25,000 in legal and $50,000 for financial consultant
Entitlement fees are accurately estimated	Y	$75,000 currently estimated
Construction Management Fees are within standards	Y	$30,000, includes actual construction during predevelopment so is in line
Developer Fee is within standards	Y	No fee paid during predevelopment
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 9.5%

6.5. Proposed Permanent Financing

6.5.1. Permanent Sources Evaluation Narrative:

The Sponsor proposes to use the following sources to permanently finance the Project:

- PASS Permanent mortgage ($5.8MM): This is comprised of a Market Rate, Below Market Rate and Deferred loan tranche. The Market Rate and Below Market Rate tranches are senior must-pay debt, while payment on the Deferred tranche is deferred until maturity of the loan after 40 years. The current amount may be adjusted depending on final closing budget. The loan has a 40 year term and 40 year amortization. MOHCD has offered to TNDC the opportunity to refinance the PASS loan at Year 25 to ensure that the remaining principal balance at that point can be restructured and paid over the remainder of the term, up to a maximum term of 55 years across the original and refinanced term.

- 9% Low Income Housing Tax Credit Equity ($23 million): MOHCD has committed to the project $2.5 million in annual 9% credits via the

San Francisco geographic set-aside in 2024 or 2025 depending on the duration of the predevelopment period and need for readiness. Based on conservative equity pricing of $.93, TNDC estimates approximately $23 million in equity. TNDC has not yet broached this project with potential investors.

6.5.4 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Hard Cost per unit is within standards	Y	$189k/unit, is average for comparable rehabs
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 15%
Architecture and Engineering Fees are within standards	Y	Yes, $1.2m in total for all
Construction Management Fees are within standards	Y	$125,000 budgeted a lower than 3 years of $57,600 max annual fee that comes out to $172,800
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: $1,100,000 At risk fee: $1,100,000 Deferred fee: $0 GP equity: N/A 9% does not allow Commercial fee: N/A Total fee: $2,200,000
Consultant and legal fees are reasonable	Y	Yes, $245,000 in total
Entitlement fees are accurately estimated	Y	Yes, $375,000
Construction Loan interest is appropriately sized	Y	Yes, estimated based on 7% interest
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)	Y	$1,000 per unit, capitalized up front since existing reserves have been depleted. CNA recommended $69,730 ($861/unit). But MOHCD standard is $1,000

6.5.5 Developer Fee Evaluation:
The milestones for the payment of the developer fee to the sponsor are specified below. The fee structure follows the underwriting guidelines for rehab projects where the projects has not been previously syndicated. Staff supports the developer fee schedule below because this is the first time the project will be syndicated by TNDC and the project will require significantly more risk and development expertise than a portfolio resyndication otherwise would. Developer fee to be paid out only from tax credit equity and not from PASS funds.

Total Developer Fee:	$2,200,000	
Project Management Fee Paid to Date:	$0	
Amount of Remaining Project Management Fee:	$1,100,000	
Amount of Fee at Risk (the “At Risk Fee”):	$1,100,000	
Amount of Fee Deferred (the “Deferred Fee”):	$0	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage
Construction close	$770,000	70%
50% Construction Completion	$150,000	13.5%
Project close-out	$180,000	16.5%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		
100% lease up and draft cost certification	$200,000	20%
Permanent conversion	$500,000	50%
Project close-out	$400,000	30%

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

7.1. Annual Operating Budget.

- The Project does not have any project-based subsidy. There are currently thirteen (13) tenant-based Section 8 voucher holders at the property who are long-term tenants. This subsidy is not being included in the project underwriting per normal practice by MOHCD. TNDC will leverage the vouchers by increasing rents that can be absorbed by the vouchers. This will provide a buffer if TNDC is not able to reduce operating expenses by acquiring 149 Mason.
- TNDC’s proposed operating budget is $16,398 Per Unit Per Annum (PUPA) including services costs. This budget was derived from property historical expenses provided by GEDC and TNDC expenses from similar, comparable properties. This is higher than the average for similar non-homeless projects in the 70-90 unit range in the Tenderloin and surrounding neighborhoods, which comes out to an average of $15,161 PUPA, though two of the six comparable properties had higher PUPA Operating Expenses than the proposed for 125 Mason. This could likely be explained by the spike in insurance costs.
- TNDC plans to lower operating costs over time through the following methods:

- Sharing the general manager and assistant managers with 125 and 149 Mason.
- Substantially reducing the front desk staffing at 125 Mason and monitoring security and controlling building ingress and egress through the front desk at 149 Mason
- Institute insurance risk reduction strategies—such as installing cages over exposed fire sprinkler heads—which over time will reduce the building's insurance claims and result in a reduced insurance premium
- Reduce water (and sewer) charges by installing low flow faucets aerators, shower heads and toilets.

7.2. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	Y	Yes, projected to stay positive through year 23 at minimum
Vacancy rate is based on project's historical actuals	Y	Vacancy rate is 5%
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 2.5%. Per agreement with TNDC increases of 3.6% until target rents are hit in 2031. MOHCD agreed on this increase schedule to reach the higher targeted AMI's to sustain cash flow for operating and debt service.
Annual Operating Expense escalation is based on project's historical actuals	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are $16,398 per unit, this is is higher than the average for similar non-homeless projects in the 70-90 unit range in the Tenderloin and surrounding neighborhoods, which comes out to an average of $15,161 PUPA, though two of the six comparable properties had higher PUPA Operating Expenses than the proposed for 125 Mason. This could likely be explained by the spike in insurance costs.
Property Management Fee is at allowable HUD Maximum	TBD	Total Property Management Fee is $64,071 or $66 PUPM

Property Management staffing level is reasonable per comparables	Y	First year budget is based on current staffing is 1 FTE General Manager, 1 FTE Asst Manager, 1 FTE Maintenance worker and 1 FTE Custodian, which will be continued until 149 Mason is acquired. This would remain if 149 was not acquired. Proposed staffing: 0.5 FTE Senior Property Manager (PM) 0.5 FTE Assistant PM 0.0 FTE Front Desk Coverage .5 FTE Maintenance Manager .5 FTE Maintenance Supervisor *Please note that the above staffing plan assumes a shared staffing model between 125 Mason and 149 Mason. Full front desk coverage will be provided until 149 Mason is acquired. After which, desk clerk coverage will be managed remotely from the 149 desk clerk station.*
Asset Management and Partnership Management Fees meet standards	Y and N/A	Annual AM Fee is $25,990/yr. LP AM Fee $5,000/yr. GP PMF Fee is $26,000/yr. (meets MOHCD max for 2025 year 1 of operations)
Replacement Reserve Deposits meet or exceed HCD minimum standards	Y	Replacement Reserves deposits are $400 per unit per year

7.3. <u>Capital Needs Assessment & Replacement Reserve Analysis.</u>

TNDC commissioned a CNA in January 2023. As stated in the report, “Overall, the development is in good condition” however “the property has substantive capital needs anticipated in the coming years.” It identified $108,000 in Immediate/Critical Repair Needs and an additional $5,168,000 in capital needs over the next 20 years. This is $65,135 per unit. At this time the replacement reserves have been exhausted. Some of the long-term capital needs already identified include:

- Recessing of the fire sprinkler heads
- Replacement of windows that have broken seals
- Reconfiguration of some unit bathrooms and kitchens to ensure that the project can meet current TCAC ADA unit requirements
- Electrification of the property’s domestic hot water system

- Fire alarm system replacement
- Exterior stucco repairs and painting
- Common area/hallway flooring replacement (eliminate carpet and replace with hard surface at end of useful life
- In-unit upgrades
- Heating system replacement

7.5. Income Restrictions for All Sources.

The bond regulatory agreement previously set all units at 60% MOHCD AMI. However, with foreclosure the bond regulatory agreement is wiped off title and those restrictions will no longer be valid. The Notice of Special Restrictions (NSR) recorded due to the inclusionary requirement sets all units at 60% AMI HUD. The below AMI schedule was negotiated to keep maximum affordability while adjusting rents to meet debt service needs to support a PASS loan for acquisition. If foreclosure does not occur, to facilitate the Project's long-term feasibility, the affordability restrictions from the Bond Regulatory Agreement are proposed to be increased so that 35% of the units (28 units) will be at 60% MOHCD AMI, 9% of the units (7 units) will be at 70% of MOHCD AMI and the remaining 56% (45 units) will be at 80% MOHCD AMI. These rents are below what is currently restricted under the Inclusionary Program (60 AMI HUD).

UNIT SIZE	**PROPOSED MAXIMUM INCOME LEVEL**			
NON-LOTTERY	**No. of Units**		**MOHCD**	**HCD**
1 BR	16		60%	
1 BR	6		80%	
2 BR	12		60%	
2 BR	7		70%	
2 BR	14		80%	
3 BR	20		80%	
4 BR	5		80%	
Sub-Total	**80**			
TOTAL	**80**			
PROJECT AVERAGE			**72.125%**	

7.6. MOHCD Restrictions.

Unit Size	**No. of Units**	**Maximum Income Level**
1 BR	28	60%
2 BR	7	70%
3 BR	45	80%
4 BR	5	80%

8. SUPPORT SERVICES

8.1. Services Plan.

Services will continue to be shared between 125 Mason and 149 Mason. A partial FTE social worker will be provided after the building rehab to comply with the TCAC 9% requirement. As of the moment, TNDC is assuming 10 hrs. per week during the school year for after school programs and 84 hours per year of instructor led classes.

Currently, no services are provided at 125 Mason, so this proposed services plan will provide an additional resource to tenants. Services Budget.

The services budget is currently estimated at $20,000 a year from cash flow. A more detailed budget will be established as part of the TCAC application in 2024.

8.2. HSH Assessment of Service Plan and Budget.

8.3. N/A. There are no LOSP units within this Project.

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan – Bridge Loan	
Loan Amount:	41,000,000
Loan Term:	3 years
Loan Maturity Date:	2026
Loan Repayment Type:	Full repayment from construction loan or tax credit equity
Loan Interest Rate:	Bridge loan: 0%
Date Loan Committee approves prior expenses can be paid:	10/1/2023 to account for initial due diligence

Financial Description of Proposed PASS Loan	
Loan Amount:	$5,800,000 • $3,532,200 Market Rate PASS • $1,948,800 Below Market Rate PASS • $319,000 Deferred PASS
Loan Term:	PASS 3 year interest only at 2.6%, 40 years permanent period fully amortizing for PASS
Loan Maturity Date:	2066 (40 years after permanent financing conversion)
Loan Repayment Type:	PASS: Hard debt, fully amortizing after 3 year interest only period
Loan Interest Rate:	Bridge loan: 0% PASS: 2.6% blended • Market Rate: 3.87289% • Below Market Rate: 0.95763% • Deferred: 0.95763%
Date Loan Committee approves prior expenses can be paid:	10/1/2023 to account for initial due diligence

9.2. Recommended Loan Conditions

1. TNDC to successfully sign a Purchase and Sale Agreement or acquire 125 Mason either directly from GEDC or directly from the lender via foreclosure sale or other negotiation.

2. If TNDC doesn't get 149 Mason, have them come back to provide updated analysis. Spell out under what conditions we would allow them to move forward with just 125 Mason.

3. If the purchase of 125 Mason happens at foreclosure, TNDC will not pay more than the appraised value.

4. TNDC to apply for 9% tax credits no later than Round 2 of 2024 with financing schedule to permanent convert within three years of bridge and PASS loan closing.

5. TNDC will complete an approved relocation plan before applying for 9% tax credits.

6. TNDC to work with MOHCD to more evenly distribute 60 AMI MOHCD units across the unit mix in new AMI restrictions.

7. TNDC will work with MOHCD to reevaluate operating budget to bring it more in line with average annual budgets for projects with similar tenant populations.

8. MOHCD will approve the final scope of work for the rehab and adjust the 9% credit allocation accordingly.

9. TNDC will apply for the Federal Home Loan Bank of Atlanta's Affordable Housing Program (AHP).

10. TNDC to provide justification for management fee under HUD guidelines.

10. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

[ ] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

___________________________________ Date: ____________________
Eric D. Shaw, Director
Mayor's Office of Housing

[ ] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

___________________________________ Date: ____________________
Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

[ ] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

___________________________________ Date: ____________________
Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

[ ] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

___________________________________ Date: ____________________
Anna Van Degna, Director
Controller's Office of Public Finance

[ ] APPROVE. [ ] DISAPPROVE. [ ] TAKE NO ACTION.

NOT APPLICABLE Date: N/A
Tonia Lediju, Director
Housing Authority of the City and County of San Francisco

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

Request for Pass Loan and Predevelopment Bridge Loan for 125 Mason

Ely, Lydia (MYR) <lydia.ely@sfgov.org>
Fri 3/3/2023 12:36 PM
To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>
Cc: Shaw, Eric (MYR) <eric.shaw@sfgov.org>

Hi Vanessa-
I approve the subject request on behalf of MOHCD.
Thank you,
Lydia

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

125 Mason

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

Fri 3/3/2023 12:46 PM

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

Cc: Ely, Lydia (MYR) <lydia.ely@sfgov.org>;Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

I support TNDC request for up to $5,800,000 in PASS loans and a predevelopment bridge loan of $1MM from Condo Conversion Funds for the acquisition and rehabilitation of 81 units of housing for families at 125 Mason.

Salvador

Salvador Menjivar
Director of Housing
Pronouns: He/Him
San Francisco Department of Homelessness and Supportive Housing
salvador.menjivar1**@sfgov.org** **|** 415-308-2843

Learn: [dhsh.sfgov.org]hsh.sfgov.org | Follow: @SF_HSH | Like: @SanFranciscoHSH

Request for Pass Loan and Predevelopment Bridge Loan for 125 Mason

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

Fri 3/3/2023 12:09 PM

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

Cc: Ely, Lydia (MYR) <lydia.ely@sfgov.org>;Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>

Hi Vanessa-
I approve the subject request on behalf of OCII.
Thanks-
Elizabeth

OCII office of COMMUNITY INVESTMENT and INFRASTRUCTURE

Elizabeth Colomello
Housing Program Manager

One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
415.749-2488, Cell 415.407-1908
www.sfocii.org

REQUEST FOR PASS LOAN AND PREDEVELOPMENT BRIDGE LOAN FOR 125 MASON

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

Fri 3/3/2023 12:09 PM

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

Approve

Bridget Katz
Development Finance Specialist, Office of Public Finance
Controller's Office | City & County of San Francisco
Office Phone: (415) 554-6240
Cell Phone: (858) 442-7059
E-mail: bridget.katz@sfgov.org

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	N/A	
1	Acquisition/Predev Financing Commitment	3/23	
2.	Site Acquisition	3/23	
3.	Development Team Selection		
a.	Architect	4/23	
b.	General Contractor	4/23	
c.	Owner's Representative	4/23	
	Procurement Plan Approved	4/23	
e.	Property Manager	3/23	Sponsor will contract with current property manager John Stewart
f.	Service Provider	N/A	Sponsor is service provider
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	8/23	Design 7/23 Est 8/23
b.	Submittal of Design Development & Cost Estimate	9/23	
c.	Submittal of 50% CD Set & Cost Estimate	11/23	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	12/23	Design 11/23 Est 12/23
5.	Commercial Space		
a.	Commercial Space Plan Submission	NA	
b.	LOI/s Executed	NA	
6.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	N/A	Rehab
b.	CEQA Environ Review Submission	NA	
c.	NEPA Environ Review Submission	NA	
d.	CUP/PUD/Variances Submission	NA	
7.	PUC/PG&E		
a.	Temp Power Application Submission	NA	

b.	Perm Power Application Submission	NA	
8.	Permits		
a.	Building / Site Permit Application Submitted	1/24	
b.	Addendum #1 Submitted	NA	
c.	Addendum #2 Submitted	NA	
9.	Request for Bids Issued	11/24	
10.	Service Plan Submission		
a.	Preliminary	NA	
b.	Final	NA	
11.	Additional City Financing		
a.	Preliminary Gap Financing Application	N/A	
b.	Gap Financing Application	N/A	
12.	Other Financing		
a.	HCD Application	NA	
b.	Construction Financing RFP	11/24	
c.	AHP Application	5/25	
d.	CDLAC Application	N/A	
e.	TCAC Application	7/1/24	
f.	Other Financing Application	N/A	
13.	Closing		
a.	Construction Loan Closing	4/25	
b.	Conversion of Construction Loan to Permanent Financing	8/26	
14.	Construction		
a.	Notice to Proceed	4/25	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	4/26	
15.	Marketing/Rent-up		
a.	Marketing Plan Submission	N/A	Occupied Rehab
b.	Commence Marketing	N/A	Occupied Rehab
c.	95% Occupancy	7/26	
16.	Cost Certification/8609	10/26	
17.	Close Out MOH/OCII Loan(s)	N/A	PASS Permanent Loan

Attachment B: Borrower Org Chart

Tenderloin Neighborhood Development Corporation is the applicant and may be the borrower. If time permits after a loan commitment, TNDC will form an LLC and a limited partnership. The entities have yet to be formed nor names approved by the State. A limited partnership will be formed with a TNDC entity as a general partner before the tax credit transaction occurs.

Attachment C: Development Staff Resumes

Chris Cummings (Director of Housing Development)

Chris Cummings joined TNDC in October 2013 as Project Manager. In his role as Project Manager, Chris led the development of multiple projects, both new construction and rehab, from concept through completion. After being promoted to Associate, then Interim, Director of Housing Development, Chris directly supervises staff, including Associate Directors, and oversees development activities for Housing Development's portfolio of 16 projects totaling ~$1.0B in construction costs. In his previous role at Diamond and Associates, Chris managed proformas, schedules, and project teams for developments representing 268 units. Prior to that role, at On-Site Insight, he oversaw all aspects of the company's green/energy consulting arm, including energy audits, managing client relations and business development, and leading a team of consultants. Chris earned a Bachelor of Arts in Architectural Studies and Spanish from College of the Holy Cross and a Master's in City Planning, with a concentration in public-private development, from University of Pennsylvania.

Thomas Lauderbach (Associate Director of Housing Development)

Tom Lauderbach joined TNDC in March 2014. His career in affordable housing spans more than 30 years. He has worked for several San Francisco Bay Area nonprofit housing developers and for more than a decade as a real estate development consultant to nonprofit organizations. He has been responsible for all aspects of development—feasibility, acquisition, entitlements, financing, design and construction administration—and managed new construction and occupied rehabilitation projects with budgets from $400,000 to $35,000,000. He has experience with 4% and 9% low income housing tax credits, AHP, local and various state financing programs. Tom has a Bachelor of Science degree from the University of California Berkeley.

Patrick Zak

Patrick Zak Consulting, Inc. ("PZCI") was established in 2002 to provide financial consulting and project management services for the development of affordable housing. Patrick Zak, Principal, has worked in the affordable housing sector for over twenty-five years with direct experience as a lender, in local government, and as a developer. While experienced in most aspects of affordable housing, PZCI has particular expertise in the following areas:

Delegated Underwriting Services and Market Analyses

PZCI has provided delegated underwriting services and market analyses for over 150 tax credit projects. Typical services include reviewing and providing an assessment of the development team, site, improvements, social services, and market factors (including rent, capture rate, demand and supply analyses). In addition, Patrick Zak previously worked as a loan officer at the Low Income Housing Fund and as a Development Specialist at the San Francisco Redevelopment Agency. Mr. Zak was responsible for underwriting a wide variety of affordable housing developments at both agencies.

Project Management and Development Consulting Services

PZCI has worked as the project manager and development consultant on numerous affordable housing developments. Services provided include:

- Site evaluation;
- Identification and selection of other development team members and consultants (e.g., architects, attorneys, contractors, accountants, etc.);
- Assistance obtaining local approvals including zoning, design review and building permits;
- Coordination and provision of due diligence materials and third party reports (e.g., appraisals, market studies, pest inspection reports, etc.);
- Project management during construction including tracking and reviewing construction draws;
- Project close-out including assistance meeting requirements to convert from construction to permanent financing.

Tax-Exempt Bond and Tax Credit Financing
Tax-exempt bond and tax credit financing are the cornerstones of affordable housing finance. PZCI works with developers to determine which sources of financing best fit a project's needs. Mr. Zak's experience includes the following:
- Initial feasibility analysis;
- Preparation of financial projections;
- Identification and negotiation with underwriters, lenders and tax credit investors (including the review and negotiation of loan and partnership documents);
- Preparation of applications for private activity bonds and tax credits;
- Assistance with obtaining appropriate credit enhancement mechanisms;
- Structuring tax credit syndications to maximize benefits to the developer.

Conventional and Non-conventional Debt
Conventional and non-conventional debt are typically needed, either individually or combined, to finance affordable housing projects. Mr. Zak's experience in this arena includes:
- Local government financing (tax increment, HOME, CDBG, etc.);
- HUD programs;
- State programs;
- Non-conventional debt, including acquisition and interim financing;
- Conventional debt, including construction and permanent financing.

Preservation of At-Risk Housing and Public Housing Redevelopment
PZCI has developed particular expertise with the preservation of at-risk housing and the redevelopment of public housing – two areas of affordable housing that have received more focus in recent years. Specific services including:
- Preparation of HUD Mark-Up-To-Market applications;
- Structuring IRP applications.
- Securing HUD prepayment and other approvals;
- Preparation of HOPE VI applications;
- Working with tenants and tenant groups to secure their support of redevelopment activities

TNDC Developer Resume
The Tenderloin Neighborhood Development Corporation (TNDC) provides services for more than 4,700 low-income residents in six San Francisco neighborhoods, building community and promoting equitable access to opportunity and resources. Founded in 1981, TNDC now employs 410 people, some who live in TNDC affordable housing

buildings. In addition to housing development, TNDC focuses on community organizing, urban food growth and land use, and its after-school program with the idea that everyone should have good quality housing and good quality of life in the city they love.

Housing Development:
TNDC has developed 41 buildings with eleven more currently in the pipeline. These developments provide over 3,700 affordable homes to the San Francisco community. TNDC's experience includes all the major financing sources used in the production of low-income housing as well as challenging tenant-occupied rehabilitations and new construction on tight, in-fill sites in San Francisco. In its 37 years of providing housing for the poorest of San Francisco's residents, TNDC has developed an acute knowledge of the development, operations and services needs of supportive housing projects. In addition, TNDC considers itself a community development organization as well and is experienced in community-building in the neighborhoods in which it works.

TNDC's Housing Development department creates high-quality, permanently affordable housing for low- income individuals, families, and seniors. Our team of seventeen development professionals is responsible for managing the acquisition, finance, design development and construction of affordable rental housing projects. TNDC expects to grow its portfolio to more than 5,500 homes in the coming 5 years.

TNDC has completed numerous other 100% affordable developments of at least 75 units funded by LIHTC, including:

• Eddy & Taylor, 113 units of family housing, with 30 units for formerly homeless families and 5 for adults with developmental disabilities or exiting long-term care institutions. 5,360 square feet of community serving retail.
• Willie B. Kennedy Apartments, 98 units of senior housing, 20 units for formerly homeless seniors.
• Ellis Gardens, RAD project, 96 units of housing for seniors and adults with disabilities.
• Sala Burton Manor, RAD project, 89 units of housing for seniors and adults with disabilities.

TNDC also has three new construction developments. These are:
1. 1990 Folsom Street, 143 units of family housing, with 36 units of Section 8 housing through HOPE SF; 9,000 square feet of community serving commercial Request for Approval of Loan Forgiveness and PASS Financing May 21, 2021 Ambassador Ritz Scattered Sites Hybrid Page 42 of 53 space and 5,000 square feet of affordable childcare space. Construction is complete and currently in the lease-up period.
2. 555 Larkin (formerly known as 500 Turk Street), 108 units of family housing, with 27 units of Section 8 housing through HOPE SF and 2,600 square feet of ground floor commercial space. Under Construction.
3. 681 Florida Street, 130 units of family housing, with 39 units for formerly homeless families and individuals; 9,250 square feet of community serving commercial space. Under Construction.

Property Management:
Since its inception, TNDC has been managing affordable housing to the highest standard of quality, care and compliance. TNDC's Property Management Department is comprised of more

than 200 employees and manages the 41 buildings housing 4,700 residents as well as 42 commercial spaces totaling over 215,000 square feet. We use our award-winning approach to create safe and secure environments while operating as efficiently as possible. A key element of our management practice is that building management staff
work closely with the building's on-site support services staff to ensure residents retain their housing. TNDC knows that collaboration, through regular meetings between management and services, not only keeps people in their homes, but also reduces vacancy rates, increases rent receipts, and decreases property damage. Management and services jointly coordinate activities and events that bring residents and staff together, thus engendering a community atmosphere with the building.

The TNDC Property Management department has extensive experience managing complex regulatory and compliance requirements of the various local, state and federal agencies. Property Management staff has worked with and is knowledgeable about funding sources such as Low Income Housing Tax Credits (LIHTC), CDBG, HOME, San Francisco Mayor's Office of Housing, San Francisco Redevelopment Agency, California Department of Housing and Community Development, California Housing Finance Agency Mental Health Services Act, Federal Home Loan Bank Affordable Housing Program, and Housing Opportunities for Persons With AIDS (HOPWA). In addition, Property Management has experience working with many rental and operating subsidies such as the City of San Francisco Local Operating Subsidy Program, San Francisco Housing Authority and HUD Project-Based Voucher Section 8, McKinney Shelter Plus Care, CALHFA Mental Health Services Act, San Francisco Department of Public Health, and the San Francisco Human Services Agency.

In addition, TNDC has a Property Supervisor dedicated to managing our retail spaces in coordination with our contracted commercial property management agent Ventura Partners.

Supportive Services
Since 1996, TNDC's Tenant and Community Services social workers have been providing culturally responsive support services to its tenants. TNDC's tenant services team, made up of 35 social workers, understand the service needs of low-income seniors and the formerly homeless. Our unique approach to supportive housing combines safe, affordable home environments with free, voluntary, on-site, culturally relevant, and confidential services. TNDC tenant services has over 23 years of experience serving diverse populations within TNDC's housing portfolio, including over 2,000 units that serve formerly homeless seniors. Our social workers meet with more than 2,000 TNDC tenants annually to provide one-on-one individualized support services. These services include, for example: Intakes and Assessments, Case Management, Supportive Counselling, Individualized Service Planning, Crisis Intervention, Mediation, Housing Stabilization and Eviction Prevention.
TNDC values equity and believes that equal access to resources and services is a cornerstone to social justice and remains wholly committed to delivering high quality services to all its tenants.

TNDC's Tenant Services and Property Management staff work closely together to promote the growth and development of supportive communities. Social Workers use an integrated model of services to achieve the following goals:

• Assist tenants in the stabilization and maintenance of housing.
• Provide tenants with ongoing individualized support services that promote the

development and growth of their self-esteem, independence, and self-sufficiency.
• Assist tenants to retain their housing by providing housing retention and eviction prevention support services.
• Promote the growth and development of safe and supportive communities through the organization and facilitation of community events, activities and informational workshops.

Supporting the overall health and well-being of the community is of high priority for TNDC. In addition to individualized services, TNDC Social Workers support the growth and development of a safe and supportive community through community events and activities.

Attachment D: Asset Management Evaluation of Project Sponsor

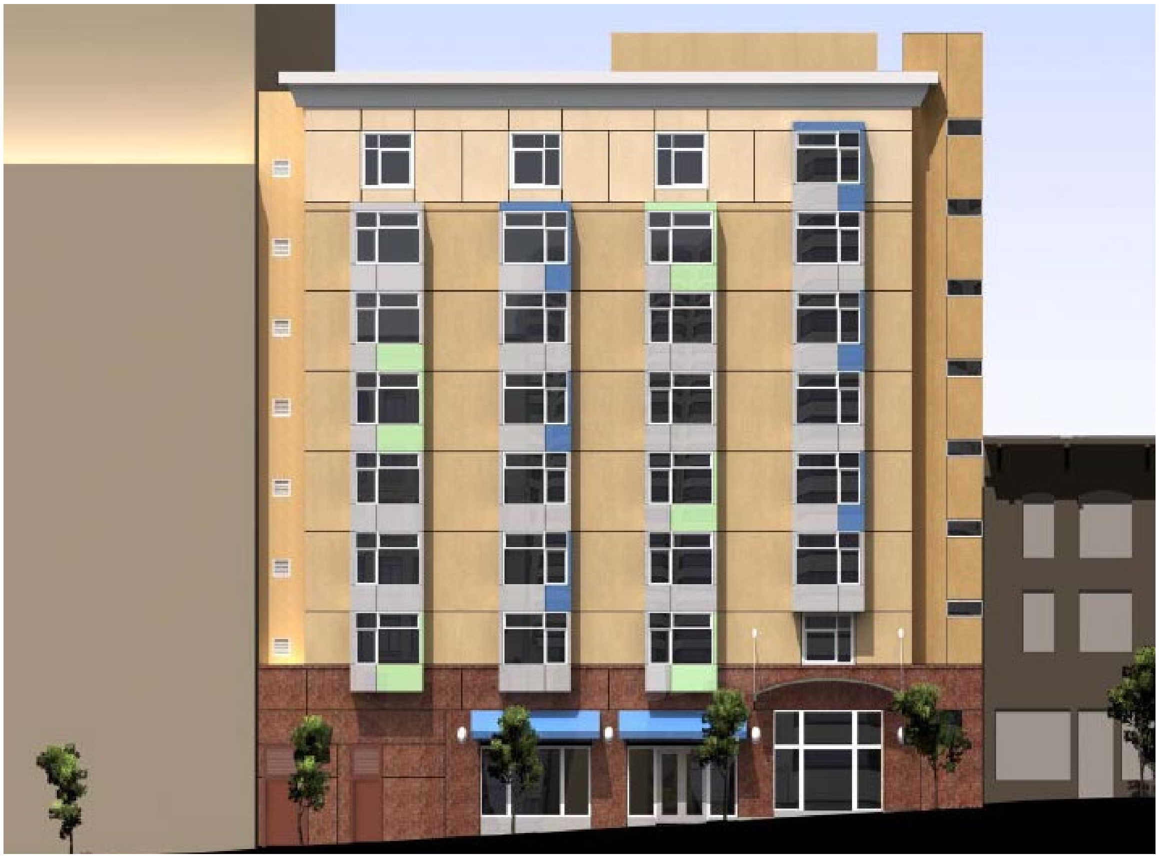
TNDC has 40 projects in its portfolio, with additional projects in the pipeline. The average units per project ranges from 75-100. There are three full-time employees. The department is headed by the Director of Asset Management with two Asset Managers reporting to the Director. Each of the three employees in the Asset Management Department have a set number of projects in the portfolio. Each is responsible for developing asset management plans for each property, as well as managing the needs and requests of the partner and/or lender in each of the properties, examining opportunities related to the rental structure/operating subsidies, and developing, when necessary, partner exit strategies and/or resyndication and refinancing strategies for those projects that are approaching Year 15. Members of the Asset Management Department work closely with other TNDC departments. Each project in development in the Housing Development Department has a multidisciplinary “interdepartmental team” to help inform rehab or new construction scopes in which one or more members of asset management participates. Additionally, TNDC has a Recapitalization Workgroup, in which all members of the Asset Management Department attend in order to update senior staff members and the Housing Development Department about asset management plans, partner exit strategies and other asset management related activities, challenges and opportunities.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

N/A

Attachment F: Site Map with amenities

Attachment G: Elevations and Floor Plans



See as built plans from original construction attached.

PLANNING DEPT. CASE NO. 2006.0413X
PLANNING COMMISSION SUBMISSION
FOR AUGUST 10, 2006

SUBMITTED BY HKIT ARCHITECTS

TABLE OF CONTENTS

MASON STREET HOUSING PROPOSAL

149 MASON STREET, SAN FRANCISCO, CALIFORNIA

GLIDE ECONOMIC DEVELOPMENT CORPORATION

Hardison Komatsu Ivelich & Tucker

PROJECT DATA

Address	149 Mason Street, San Francisco, 94102
Block / Lot	331 / 2
Zoning District	C-3-G
Height & Bulk District	130-F
Allowable F.A.R.	6.0 to 1.0
Site Area	6,332.37 Square Feet, in a mostly rectangular parcel with one irregular edge on the south side.
Current Use of Site	Surface parking lot, paved in asphalt.
Proposed Building	8 Stories + Basement Mid-rise, Type 1, concrete frame structure Height: 85 Feet Gross Area: 37,789 Square Feet (per code section 102.9) Proposed F.A.R.: 5.97 to 1.0 Residential Units: 8 Studios per floor on floors 2-8, 56 Units Total Ground Floor Retail (Cafe) with street frontage Administrative and Social Service Offices on the ground floor
Open Space	2, 685 Square Feet provided in common-use deck and balconies (2, 681 Sq. Ft. required if all open space is provided in common.)
Automobile Parking	None required or provided.
Loading	No off-street loading required or provided.
Bicycle Parking	27 spaces required, 27 Class 1 spaces provided in the basement, with elevator access.
Building Amenities	Lounge with kitchen and restrooms at the ground floor Large landscaped courtyard deck at the second floor Large common-use balconies at floors 3 through 8 Supportive Social Services for the residents

PROJECT DESCRIPTION

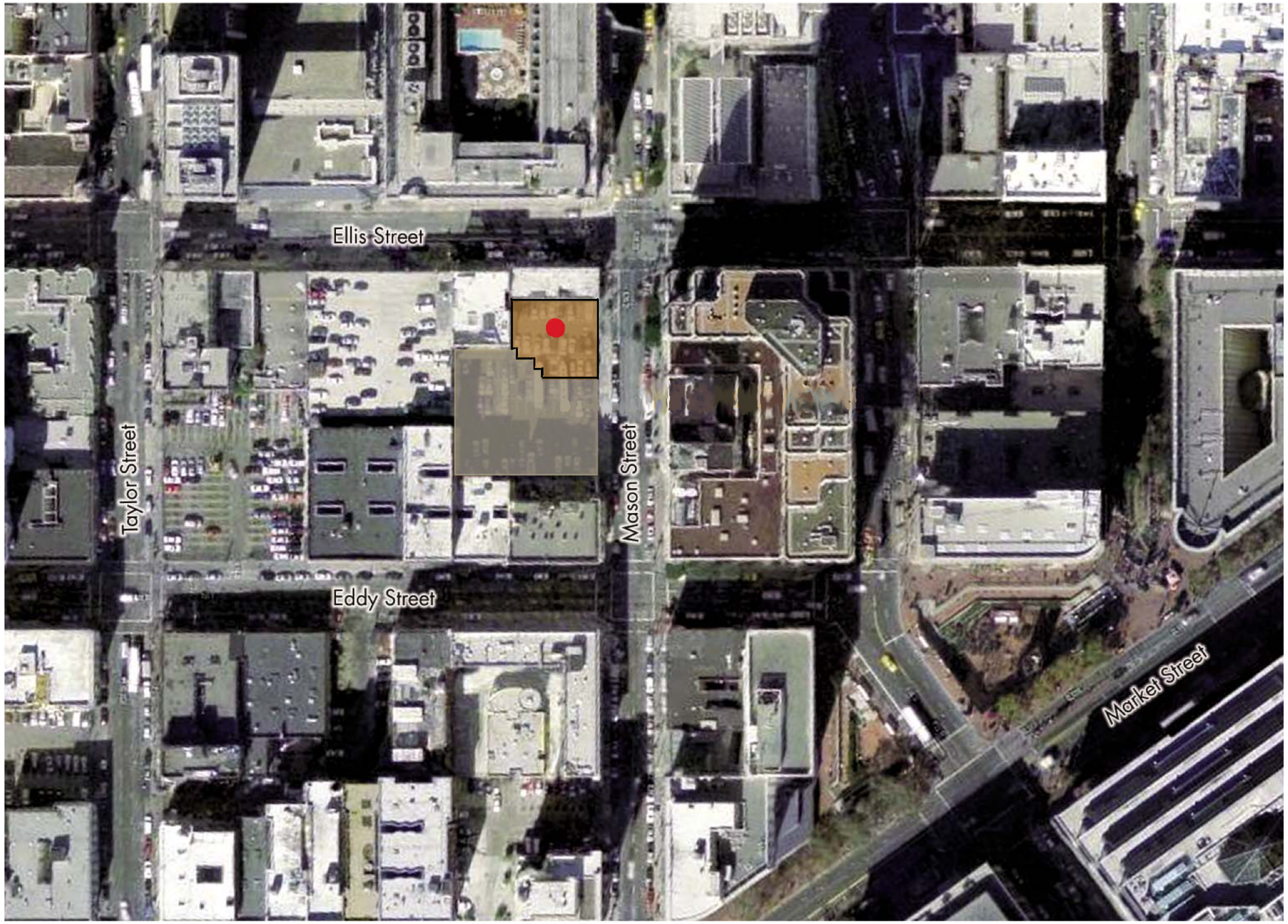
The proposed Mason Street Housing project provides 56 residential units for formerly homeless individuals within the dense downtown Tenderloin district. Along with affordable rental housing, the project provides common amenities, open spaces and supportive social services for the residents. There is also a small commercial space for a cafe on the ground floor, to animate and enrich the street frontage. The eight-story building plus basement is a mid-rise, Type 1, concrete frame structure. It is well below the allowable building height and bulk limits and its massing mediates between the smaller and larger structures around it, both existing and proposed.

Given the relatively small area of the site, the ground floor utilizes the maximum footprint to accommodate the desired program elements and required building services. The basement level contains the bicycle parking, storage, building maintenance, mechanical and electrical rooms. The typical floor plan (levels 2-8) is a simple rectangle with double-loaded corridors and studio units that face either the street or an interior court. A generous elevator lobby on each floor also leads to the large landscaped deck on the second floor and to the large open balconies on floors 3 through 8. The elevator lobbies on floors 5-8 have large north-facing windows that are above the roof of the adjacent building at the corner and are made possible by an air-rights agreement. These windows bring in plenty of daylight to the lobbies and interior corridors, as well as enlivening the north facade of the building, which would otherwise be blank.

The exterior design of the building is a simple mass that continues the definition of the street edge and is enhanced by rectangular bay windows of multi-colored metal planels and operable windows on the street side. A richly colored stone cladding at the base complements the adjacent brick building in the corner and provides a handsome and durable finish at pedestrian level. The exit stair towers are recessed at both ends of the building, to provide massing relief and articulation between adjacent buildings, both existing and proposed. A strong cornice caps the top of the building's main mass on the public (street) side. The more private, interior side of the building facing west is simpler in massing and clad mostly in cement plaster, for economy. The units on this side face the heavily landscaped courtyard deck.

The development team intends to utilize sustainable or "green" building technologies and materials to the extent possible within the budget. A highly energy-efficient radiant hydronic system will be used to heat the dwelling units. Most of the spaces, including all the units, will have operable windows for natural ventilation and also extensive use of daylight. The resident lounge will have skylights for natural daylight. Most interior finishes wil be made from rapidly renewable resources and/or with high recycled content. Indoor air quality will be increased by the use of materials with low VOC emissions. Energy efficient equipment, appliances and light fixtures will be used throughout the building.

Founded by the Reverend Cecil Williams and others, the Glide Economic Development Corporation is also developing a taller building for affordable family housing, immediately to the south of this site. Together the 2 structures will replace the existing urban void created by the surface parking lots with much-needed affordable rental housing for families and homeless individuals. The residents of both buildings will also have access to the additional social services, training and spiritual community provided by Glide Memorial Church, located nearby in the same neighborhood.

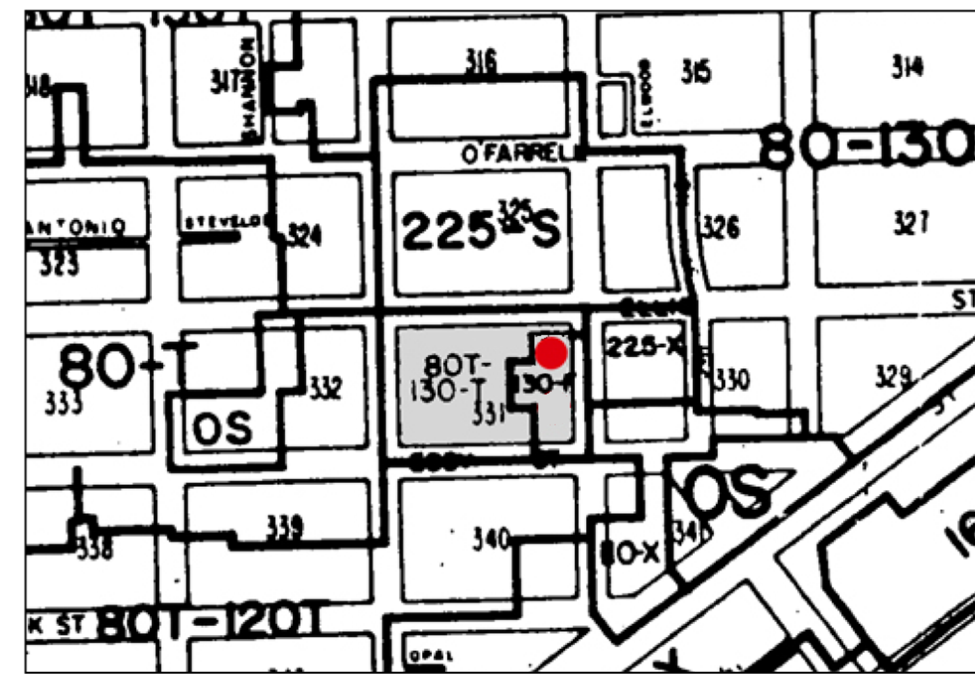


SITE AERIAL

ZONING DISTRICTS MAP

COMMERCIAL DISTRICTS
C-2 C-3-O C-3-R C-3-G C-3-S C-M

NORTH



HEIGHT AND BULK DISTRICTS

OS OPEN SPACE DISTRICT

NUMBERS ARE HEIGHT LIMITS IN FEET

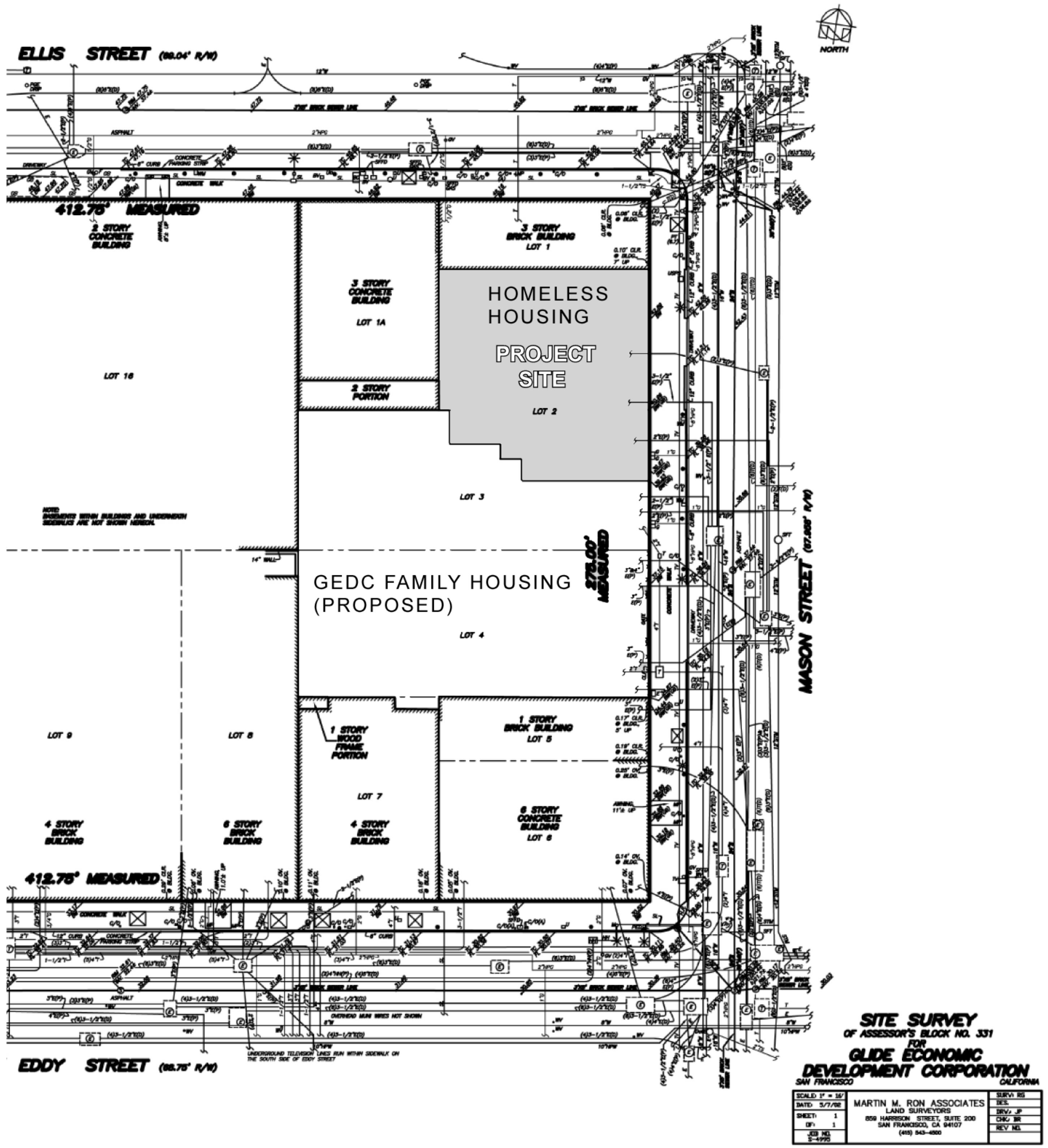
LETTER SYMBOLS REFER TO BULK LIMITS IN CITY PLANNING CODE SEC. 270.

00-Z-1

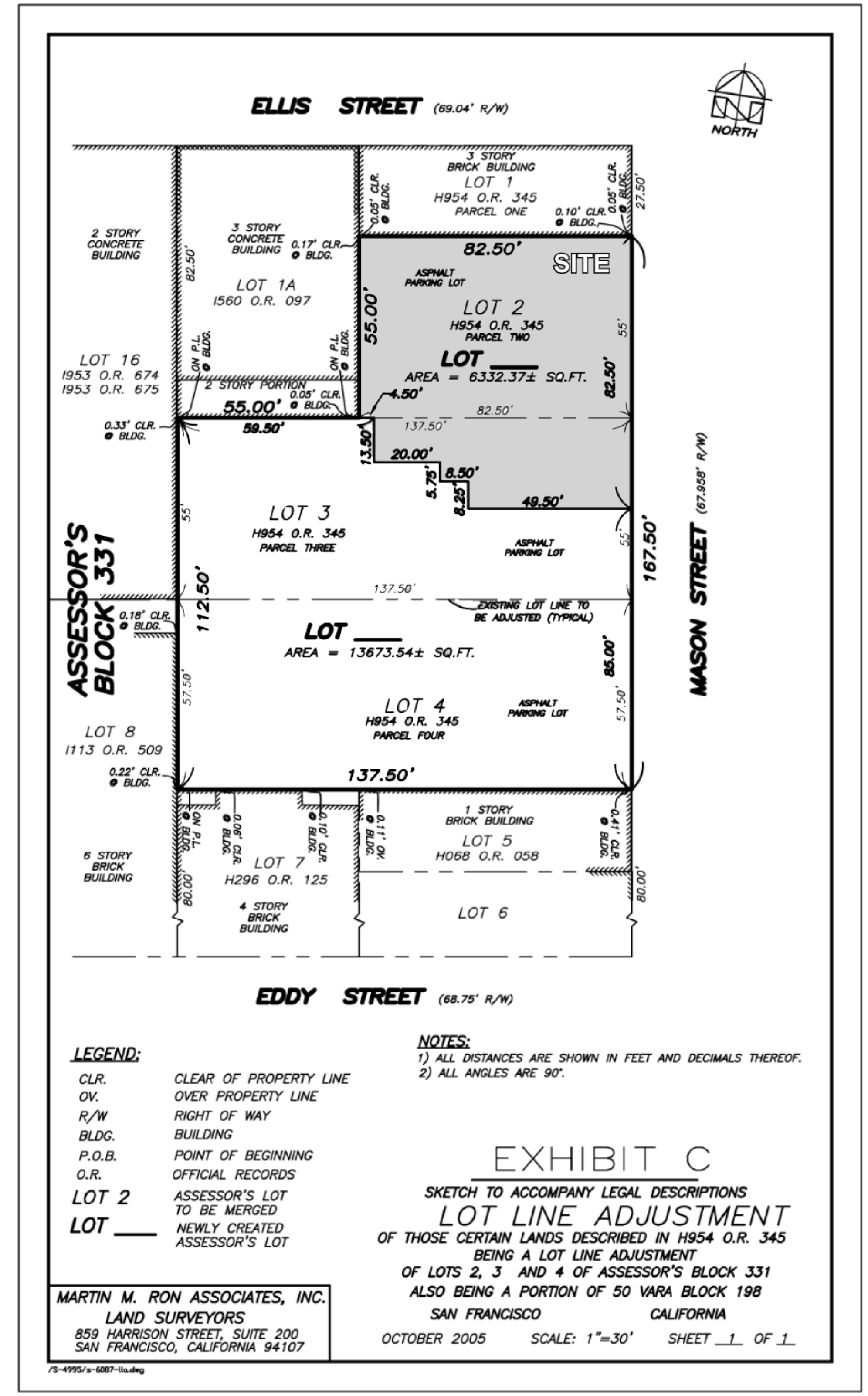
SUFFIX NUMBERS IDENTIFY DISTRICTS IN WHICH SPECIAL REGULATIONS APPLY. SEE CITY PLANNING CODE SECS. 263 AND FOLLOWING

NORTH

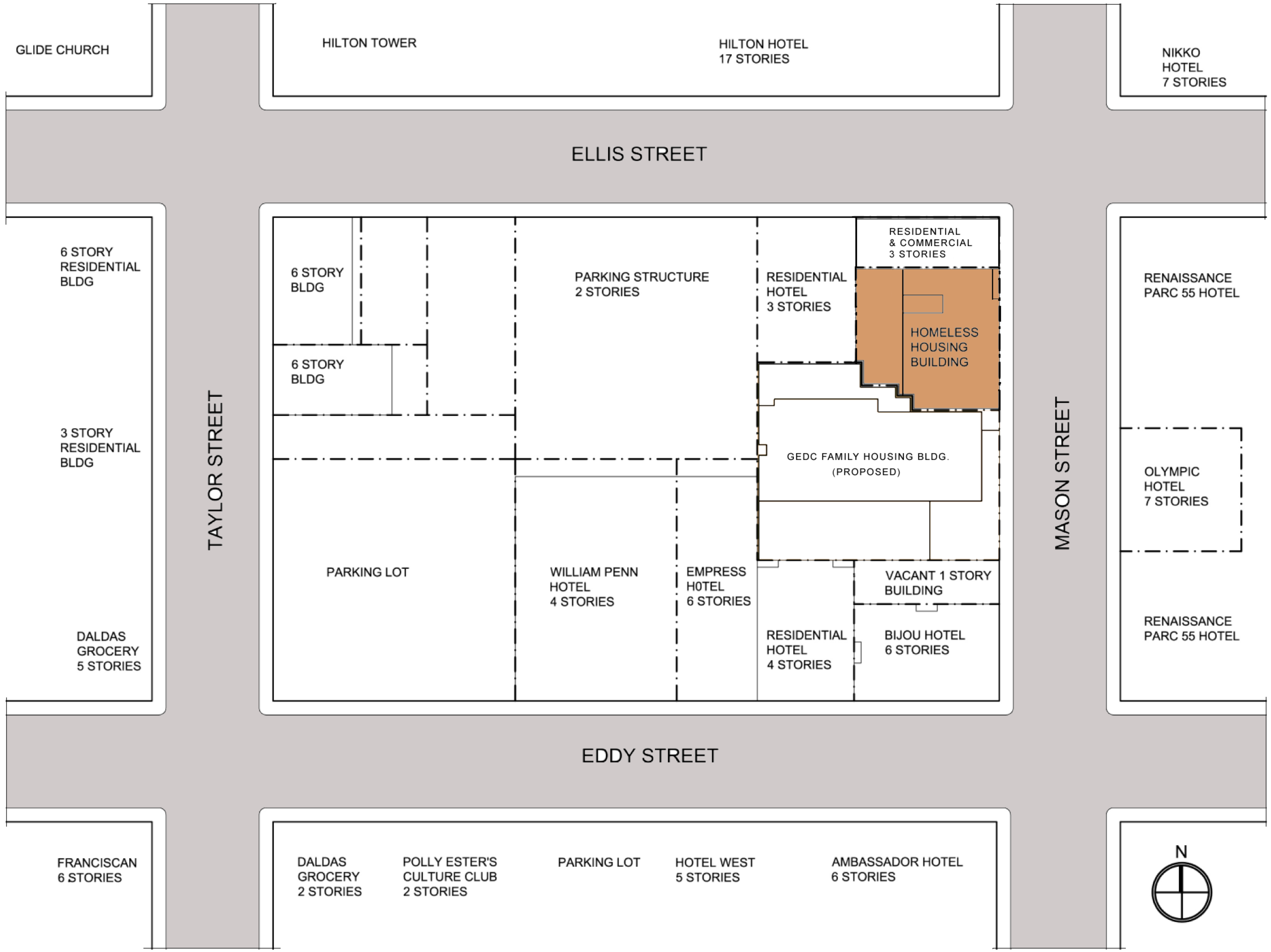
SITE AERIAL AND ZONING MAPS



SITE SURVEY



PLAT WITH LOT LINE ADJUSTMENT



MASON STREET HOUSING
San Francisco, California
Glide Economic Development Corporation

SITE PLAN

Hardison Komatsu Ivelich & Tucker

MASON STREET HOUSING
San Francisco, California
Glide Economic Development Corporation

PHOTOS OF EXISTING SITE

MASON STREET HOUSING
San Francisco, California
Glide Economic Development Corporation

PHOTOMONTAGE OF SITE WITH PROPOSED BUILDING

MASON STREET HOUSING
San Francisco, California
Glide Economic Development Corporation

PHOTOMONTAGE OF SITE WITH PROPOSED BUILDING

NORTH ELEVATION (ELLIS ST.)

EAST ELEVATION (MASON ST.)

MASON STREET HOUSING
San Francisco, California
Glide Economic Development Corporation

COLOR BUILDING ELEVATIONS

Attachment H: Comparison of City Investment in Other Housing Developments

REHABILITATION COST COMPARISON (25 Units and Larger or Scattered)

Updated 2/17/2023

PROJECTS COMPLETED						Square Footage	DEVELOPMENT COSTS					
Project Name	**Address**	**Contract Date**	**Population Type**	**# of Units**	**# of BR[1]**	**Total**	**Acq. Cost[3]**	**Constr. Cost[4]**	**Soft Cost[5]**	**Local Subsidy[6]**	**Total Dev. Cost**	**Comments**
Alemany Apartments	951 Ellsworth	Nov-19	Family	150	340	137,652	51,008,000	$ 69,106,493	$ 25,518,895	$ 3,828,778	$ 145,633,388	RAD Phase II - significant rehab
Gran Oriente	106 South Park	Dec-21	Senior	24	24							3 Story over basement, SRO major rehab & seismic
Park View	102 South Park	Jan-22	Senior	39	39	32,049	$ 21,050,000	$ 22,906,291	$ 12,946,956	$ 10,300,000	$ 56,903,247	4 Story partial basement, SRO modest rehab & seismic
Hotel Madrid	22 South Park	Dec-21	Senior	44	44							3 Story over basement, SRO modest rehab & seismic
Bernal Dwellings	3138 Kamille Court	Oct-21	Family	160	391	170,280	$ 41,929,181	50,124,996	$ 21,330,207	0	$ 113,384,384	RAD Phase IV - significant rehab large site, 2 story townhomes
Hayes Valley South	401 Rose	Dec-21	Family	110	236	132,658	$ 35,344,033	$ 45,312,032	$ 19,355,350	$ 7,207,832	$ 100,011,415	RAD Phase IV - significant rehab large site, 2 story townhomes
Hayes Valley North	650 - 667 Linden	Jul-22	Family	84	211	100,376	$ 30,387,921	$ 42,248,048	$ 19,517,405	$ 8,854,288	$ 92,153,374	RAD Phase IV - significant rehab large site, 3 story tnhms (predev LE 4/20)
Completed Projects:	***Average:***			87	184	***114,603***	***$ 35,943,827***	***$ 45,939,572***	***$ 19,733,763***	***$ 7,547,725***	***$ 72,583,687***	

PROJECTS UNDER CONSTRUCTION						Square Footage	DEVELOPMENT COSTS					
Project Name	**Address**	**Compl. Date**	**Population Type**	**# of Units**	**# of BR[1]**	**Total**	**Acq. Cost[3]**	**Constr. Cost[4]**	**Soft Cost[5]**	**Local Subsidy[6]**	**Total Dev. Cost**	**Comments**
Throughline (3 sites)	777 Bdwy, 1204 Mason, 1525 Grant	Sep-23	Mixed	88	88	49,870	$ -	$ 22,753,459	$ 8,470,608	$ 13,519,791	$ 31,224,067	Bayside: 3+ 1- pkg; Consorcia: 4+ prtl. bsmt; Tower: 3+ prtl. bsmt (9/28/21)
SFHA Scatterred Sites - 5 sites	200 Randolph St.,2006 Great Highway	Jun-23	Family	70	67	68,915	$ 17,592,500	$ 43,470,283	$ 17,140,072	$ 31,377,832	$ 78,202,855	5 Scattered Sites various ages, types and size properties
Ambassador / Ritz	55 Mason & 216 Eddy Streets	Jun-23	Sr. Disabled	186	186	102,109	$ 30,841,633	$ 41,100,938	$ 24,215,585	$ 1,424,514	$ 96,158,156	2 bldgs 4-6 story SRO significant rehab (MOHCD app 5/26/20)
San Cristina	1000 Market Street	Aug-23	Senior	58	58	34,500	$ 17,400,000	$ 16,918,502	$ 18,862,448	$ 2,566,506	$ 52,508,176	4 story, type III UMB (TCAC App 5/20/21)
Mariposa Gardens	2425 Mariposa	Sep-23	Family	63	150	56,163	$ -	$ 8,875,320			$ 8,875,320	3 Buildings, 3-4 stories plus 59 pkg Community Rm Playground
Under Construction:	***Average:***			***93***	***110***	***62,311***	***13,166,827***	***26,623,700***	***17,172,178***	***12,222,161***	***53,393,715***	

PROJECTS IN PREDEVELOPMENT						Square Footage	DEVELOPMENT COSTS					
Project Name	**Address**	**Start Date (anticipated)**	**Population Type**	**# of Units**	**# of BR[1]**	**Total**	**Acq. Cost[3]**	**Constr. Cost[4]**	**Soft Cost[5]**	**Local Subsidy[6]**	**Total Dev. Cost**	**Comments**
480 Eddy Street - Yosemite		Mar-23	Mixed	32	32	20,178	$ 5,619,999	$ 15,166,293	$ 9,429,056	$ 1,800,000	$ 30,215,348	6 story masonry and steel bldg., significant rehab with seismic
Dunleavy Plaza	36 Hoff St		Family	49	81	29,000	$ -	$ 1,669,405			$ 1,669,405	4 story wood framed 49 units + 22 parking
The Knox	241 6th Street	Mar-23	SRO	140	140	54,450	$ 11,550,000	$ 12,375,137	$ 9,385,429	$ 8,072,019	$ 33,310,566	8 story Type I SRO constructed 1994 (May 21 Eval data)
In Predevelopment	***Average:***			***74***	***84***	***34,543***	***5,723,333***	***9,736,945***	***9,407,243***	***4,936,010***	***21,731,773***	
ALL PROJECTS	***Average:***			***85***	***126***	***70,486***	***$ 18,277,996***	***$ 27,433,406***	***$ 15,437,728***	***$ 8,235,298***	***$ 49,236,392***	
125 Mason	**125 Mason**	**Jul-23**	**Family**	**81**	**170**	**130,000**	**$ 5,400,000**	**$ 15,000,000**			**$ 30,000,000**	**Major systems and finishes**

PROJECTS COMPLETED		Construction Costs			Total Dev Costs by Unit / Bed / SF			Subsidy
Project Name	**Contract Date**	**Const/unit**	**Const/Bedroom**	**Const / SF**	**Gross TDC / unit**	**TDC/Bedroom**	**Gross TDC/sq.ft[7]**	**Subsidy / unit**
Alemany Apartments	Nov-19	$ 460,710	$ 203,254	$ 502	$ 970,889	$ 428,333	$ 1,058	$ 25,525
Gran Oriente, Park View, Madrid								
Park View		$ 954,429	$ 954,429	$ 715	$ 2,370,969	$ 2,370,969	$ 1,776	$ 429,167
Hotel Madrid								
Bernal Dwellings		$ 313,281	$ 128,197	$ 294	$ 708,652	$ 289,986	$ 666	
Hayes Valley South		$ 411,928	$ 192,000	$ 342	$ 909,195	$ 423,777	$ 754	$ 65,526
Hayes Valley North		$ 502,953	$ 200,228	$ 421	$ 1,097,064	$ 436,746	$ 918	$ 105,408
Completed Projects:	***Average:***	***$ 528,660***	***$ 335,622***	***$ 455***	***$ 1,211,354***	***$ 789,962***	***$ 1,034***	***$ 156,407***

PROJECTS UNDER CONSTRUCTION		Construction Costs			Total Dev Costs by Unit / Bed / SF			Subsidy
Project Name	**Contract Date**	**Const/unit**	**Const/Bedroom**	**Const / SF**	**Gross TDC / unit**	**TDC/Bedroom**	**Gross TDC/sq.ft[7]**	**Subsidy / unit**
Throughline (3 sites)	Jun-22	$ 258,562	$ 258,562	$ 456	$ 354,819	$ 354,819	$ 626	$ 354,819
SFHA Scatterred Sites	Feb-22	$ 621,004	$ 648,810	$ 631	$ 1,117,184	$ 1,167,207	$ 1,135	$ 1,117,184
Ambassador / Ritz	Jan-22	$ 220,973	$ 220,973	$ 403	$ 516,979	$ 516,979	$ 942	$ 516,979
San Cristina		$ 291,698	$ 291,698	$ 490	$ 905,313	$ 905,313	$ 1,522	$ 905,313
Mariposa Gardens		$ 140,878	$ 59,169	$ 158	$ 140,878	$ 59,169	$ 158	$ 140,878
Under Construction:	***Average:***	***$ 306,623***	***$ 295,842***	***$ 428***	***$ 607,035***	***$ 600,697***	***$ 877***	***$ 607,035***

PROJECTS IN PREDEVELOPMENT		Construction Costs			Total Dev Costs by Unit / Bed / SF			Subsidy
Project Name	**Start Date (anticipated)**	**Const/unit**	**Const/Bedroom**	**Const / SF**	**Gross TDC / unit**	**TDC/Bedroom**	**Gross TDC/sq.ft[7]**	**Subsidy /unit**
480 Eddy Street- Yosemite	Apr-21	$ 473,947	$ 473,947	$ 752	$ 944,230	$ 944,230	$ 1,497	$ 56,250
Dunleavy Pl. 36 Hoff Street		$ 34,069	$ 20,610	$ 58	$ 34,069	$ 20,610	$ 58	$ -
The Knox	Mar-23	$ 88,394	$ 88,394	$ 227	$ 237,933	$ 237,933	$ 612	$ 57,657
In Predevelopment	***Average:***	***$ 198,803***	***$ 194,317***	***$ 345***	***$ 405,411***	***$ 400,924***	***$ 722***	***$ 37,969***
All Projects:	***AVERAGE***	***$ 344,696***	***$ 275,260***	***$ 409***	***$ 741,266***	***$ 597,195***	***$ 878***	***$ 267,137***
	Jul-23	**$ 185,185.19**	**$ 88,235**	**$ 115**	**$ 370,370**	**$ 176,470.59**	**$ 231**	**$ -**

Attachment I: Predevelopment Budget

Application Date: 2/10/23 **# Units:** 81
Project Name: 125 Mason ***# Bedrooms:*** 170
Project Address: 125 Mason Street **# Beds:**
Project Sponsor: Tenderloin Neighborhood Development Corporation

Don't forget to fill in D135:D138!

					Total Sources	Comments	
SOURCES	5,800,000	1,000,000	-	-	6,800,000		
Name of Sources:	MOHCD (PASS)	MOHCD Bridge					
USES							
ACQUISITION							
Acquisition cost or value	5,249,387				5,249,387	Estimate provided by Gary Downs	
Legal / Closing costs / Broker's Fee	110,000				110,000	Closing, title, borrower legal, City legal	
Holding Costs					0		
Transfer Tax	39,370				39,370		
TOTAL ACQUISITION	**5,398,757**	**0**	**0**	**0**	**5,398,757**		
CONSTRUCTION (HARD COSTS)							
Unit Construction/Rehab		400,000			400,000	Include FF&E	
Commercial Shell Construction					0		
Demolition					0		
Environmental Remediation					0		
Onsight Improvements/Landscaping					0		Construction line item costs as a % of hard costs
Offsite Improvements					0		
Infrastructure Improvements					0	HOPE SF/OCII costs for streets etc.	
Parking					0		
GC Bond Premium/GC Insurance/GC Taxes					0		0.0%
GC Overhead & Profit					0		0.0%
CG General Conditions					0		0.0%
Sub-total Construction Costs	*0*	*400,000*	*0*	*0*	*400,000*		
Design Contingency (remove at DD)					0	$45MM+	0.0%
Bid Contingency (remove at bid)					0	$45MM+	0.0%
Plan Check Contingency (remove/reduce during Plan Review)					0	$45MM+	0.0%
Hard Cost Construction Contingency					0	5% new construction / 15% rehab	0.0%
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*		
TOTAL CONSTRUCTION COSTS	**0**	**400,000**	**0**	**0**	**400,000**		
SOFT COSTS							
Architecture & Design							
Architect design fees	0	250,000			250,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)		50,000			50,000		
Architect Construction Admin					0		
Reimbursables					0		
Additional Services					0		
Sub-total Architect Contract	*0*	*300,000*	*0*	*0*	*300,000*		
Other Third Party design consultants (not included under Architect contract)	0				0		
Total Architecture & Design	**0**	**300,000**	**0**	**0**	**300,000**		
Engineering & Environmental Studies							
Survey	20,000				20,000		
Geotechnical studies	15,000				15,000		
Phase I & II Reports	25,000				25,000		
CEQA / Environmental Review consultants					0		
NEPA / 106 Review					0		
CNA/PNA (rehab only)					0		
Other environmental consultants					0	Name consultants & contract amounts	
Total Engineering & Environmental Studies	**60,000**	**0**	**0**	**0**	**60,000**		
Financing Costs							
Construction Financing Costs							
Construction Loan Origination Fee					0		
Construction Loan Interest					0		
Title & Recording					0		
CDLAC & CDIAC fees					0		
Bond Issuer Fees					0		
Other Bond Cost of Issuance					0		
Other Lender Costs (specify)					0		
Sub-total Const. Financing Costs	*0*	*0*	*0*	*0*	*0*		
Permanent Financing Costs							
Permanent Loan Origination Fee					0		
Credit Enhance. & Appl. Fee					0		
Title & Recording					0		
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*		
Total Financing Costs	**0**	**0**	**0**	**0**	**0**		
Legal Costs							
Borrower Legal fees	25,000				25,000	Borrower Predev Legal	
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	**25,000**	**0**	**0**	**0**	**25,000**		
Other Development Costs							
Appraisal	15,000				15,000		
Market Study	15,000				15,000		
* Insurance					0		
* Property Taxes	7,500				7,500		
Accounting / Audit					0		
* Organizational Costs					0		
Entitlement / Permit Fees		75,000			75,000		
* Marketing / Rent-up					0		
* Furnishings					0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees					0		
TCAC App / Alloc / Monitor Fees					0		
* Financial Consultant fees		50,000			50,000		
Construction Management fees / Owner's Rep		30,000			30,000		
Security during Construction					0		
* Relocation					0		
PASS Loan Fee	81,250				81,250		
Other (specify)					0		Total Soft Cost Contingency as % of Total Soft Costs
Other (specify)					0		
Total Other Development Costs	**118,750**	**155,000**	**0**	**0**	**273,750**		
Soft Cost Contingency							
Contingency (Arch, Eng, Fin, Legal & Other Dev)	17,493	45,000	0	0	62,493	Large contingency given on-going negotiations re purchase price	9.5%
TOTAL SOFT COSTS	**221,243**	**500,000**	**0**	**0**	**721,243**		
RESERVES							
* Operating Reserves		100,000			100,000		
Replacement Reserves	80,000				80,000	9.49%	
* Tenant Improvements Reserves					0		
Debt Service Reserve	100,000				100,000		
Other (specify)					0		
Other (specify)					0		
TOTAL RESERVES	**180,000**	**100,000**	**0**	**0**	**280,000**		
DEVELOPER COSTS							
Developer Fee - Cash-out Paid at Milestones					0		
Developer Fee - Cash-out At Risk					0		
Commercial Developer Fee							
Developer Fee - GP Equity (also show as source)							
Developer Fee - Deferred (also show as source)					0		
Development Consultant Fees					0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)					0		
TOTAL DEVELOPER COSTS	**0**	**0**	**0**	**0**	**0**		
TOTAL DEVELOPMENT COST	**5,800,000**	**1,000,000**	**0**	**0**	**6,800,000**		
Development Cost/Unit by Source	71,605	12,346	0	0	83,951		
Development Cost/Unit as % of TDC by Source	85.3%	14.7%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	64,807	0	0	0	64,807		
Construction Cost (inc Const Contingency)/Unit By Source	0	4,938	0	0	4,938		
Construction Cost (inc Const Contingency)/SF	0.00	3.09	0.00	0.00	3.09		

**Possible non-eligible GO Bond/COP Amount:* *7,500*
City Subsidy/Unit 71,605

Tax Credit Equity Pricing: 0.93
Construction Bond Amount: **Fill in with value or 'N/A' if not applicable.**
Construction Loan Term (in months): 17 months
Construction Loan Interest Rate (as %): 7.00%

Attachment J: Development Budget

Application Date:	2/10/23	**# Units:**	81
Project Name:	125 Mason	***# Bedrooms:***	170
Project Address:	125 Mason Street	**# Beds:**	
Project Sponsor:	Tenderloin Neighborhood Development Corporation		

Don't forget to fill in D135:D138!

	MOHCD/OCII	TC Equity	AHP	GP Equity		Total Sources	Comments	Construction line item costs as a % of hard costs
SOURCES	5,800,000	23,247,675	500,000	100	-	29,547,775		
Name of Sources:	MOHCD/OCII	TC Equity	AHP	GP Equity				
USES								
ACQUISITION								
Acquisition cost or value	5,249,387					5,249,387		
Legal / Closing costs / Broker's Fee	110,000					110,000		
Holding Costs						0		
Transfer Tax	39,370	39,370				78,740	*Two transfers - acq and tc resynd*	
TOTAL ACQUISITION	**5,398,757**	**39,370**	**0**	**0**	**0**	**5,438,127**		
CONSTRUCTION (HARD COSTS)								
* Unit Construction/Rehab		9,773,754	500,000			10,273,754	Includes 3% GC contingency, $75k NIC	
* Commercial Shell Construction						0		
* Demolition						0		
Environmental Remediation						0		
* Onsight Improvements/Landscaping						0		
* Offsite Improvements						0		
* Infrastructure Improvements						0		
Parking						0		
GC Bond Premium/GC Insurance/GC Taxes		597,000				597,000		**5.0%**
GC Overhead & Profit		597,000				597,000		**5.0%**
CG General Conditions		400,000				400,000		**3.4%**
Sub-total Construction Costs	*0*	*11,367,754*	*500,000*	*0*	*0*	*11,867,754*		
Design Contingency (remove at DD)		593,388				593,388	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**5.0%**
Bid Contingency (remove at bid)		593,388				593,388	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**5.0%**
Plan Check Contingency (remove/reduce during Plan Review)		474,710				474,710	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**4.0%**
Hard Cost Construction Contingency		1,780,163				1,780,163	5% new construction / 15% rehab	**15.0%**
Sub-total Construction Contingencies	*0*	*3,441,649*	*0*	*0*	*0*	*3,441,649*		
TOTAL CONSTRUCTION COSTS	**0**	**14,809,403**	**500,000**	**0**	**0**	**15,309,403**		
SOFT COSTS								
Architecture & Design								
Architect design fees		707,565				707,565		
Design Subconsultants to the Architect (incl. Fees)						0		
Architect Construction Admin		105,000				105,000		
Reimbursables		5,000				5,000		
Additional Services		75,000				75,000		
Sub-total Architect Contract	*0*	*892,565*	*0*	*0*	*0*	*892,565*		
Other Third Party design consultants (not included under Architect contract)		262,500				262,500	Green, PNA, Data, acoustic, waterproofing, security, exterior, commissioning	
Total Architecture & Design	**0**	**1,155,065**	**0**	**0**	**0**	**1,155,065**		
Engineering & Environmental Studies								
Survey	20,000					20,000		
Geotechnical studies	15,000					15,000		
Phase I & II Reports	25,000					25,000		
CEQA / Environmental Review consultants						0		
NEPA / 106 Review						0		
CNA/PNA (rehab only)						0		
Other environmental consultants						0	Name consultants & contract amounts	
Total Engineering & Environmental Studies	**60,000**	**0**	**0**	**0**	**0**	**60,000**		
Financing Costs								
Construction Financing Costs								
Construction Loan Origination Fee		186,905				186,905		
Construction Loan Interest		1,471,878				1,471,878		
Title & Recording		35,000				35,000		
CDLAC & CDIAC fees						0		
Bond Issuer Fees						0		
Other Bond Cost of Issuance						0		
Construction Lender Inspection		15,000				15,000		
Sub-total Const. Financing Costs	*0*	*1,708,783*	*0*	*0*	*0*	*1,708,783*		
Permanent Financing Costs								
Permanent Loan Origination Fee						0		
Credit Enhance. & Appl. Fee						0		
Title & Recording		35,000				35,000		
Sub-total Perm. Financing Costs	*0*	*35,000*	*0*	*0*	*0*	*35,000*		
Total Financing Costs	**0**	**1,743,783**	**0**	**0**	**0**	**1,743,783**		
Legal Costs								
Borrower Legal fees	25,000	34,900		100		60,000		
Land Use / CEQA Attorney fees						0		
Tax Credit Counsel		75,000				75,000		
Bond Counsel						0		
Construction Lender Counsel		25,000				25,000		
Permanent Lender Counsel						0		
* Other Legal (specify)						0		
Total Legal Costs	**25,000**	**134,900**	**0**	**100**	**0**	**160,000**		
Other Development Costs								
Appraisal	15,000					15,000		
Market Study	15,000					15,000		
* Insurance		270,488				270,488	Liability and builder's risk	
* Property Taxes	7,500	7,500				15,000		
Accounting / Audit		25,000				25,000		
* Organizational Costs		15,000				15,000		
Entitlement / Permit Fees		375,000				375,000		
* Marketing / Rent-up		160,000				160,000		
* Furnishings		160,000				160,000	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees						0		
TCAC App / Alloc / Monitor Fees		25,000				25,000		
* Financial Consultant fees		85,000				85,000		
Construction Management fees / Owner's Rep		125,000				125,000		
Security during Construction						0		
* Relocation		835,000				835,000		
Net Operating Loss		230,987				230,987		
PASS Loan Fee	81,250					81,250		
Other (specify)						0		
Total Other Development Costs	**118,750**	**2,313,975**	**0**	**0**	**0**	**2,432,725**		Total Soft Cost Contingency as % of Total Soft Costs
Soft Cost Contingency								
Contingency (Arch, Eng, Fin, Legal & Other Dev)	17,493	477,425	0	0	0	494,918		**8.9%**
TOTAL SOFT COSTS	**221,243**	**5,825,148**	**0**	**100**	**0**	**6,046,491**		
RESERVES								
* Operating Reserves		373,754				373,754		
Replacement Reserves	80,000					80,000		
* Tenant Improvements Reserves						0		
* Debt Service Reserve	100,000					100,000		
* Other (specify)						0		
* Other (specify)						0		
TOTAL RESERVES	**180,000**	**373,754**	**0**	**0**	**0**	**553,754**		
DEVELOPER COSTS								
Developer Fee - Cash-out Paid at Milestones		1,100,000				1,100,000		
Developer Fee - Cash-out At Risk		1,100,000				1,100,000		
Commercial Developer Fee						0		
Developer Fee - GP Equity (also show as source)						0		
Developer Fee - Deferred (also show as source)						0		
Development Consultant Fees						0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)						0		
TOTAL DEVELOPER COSTS	**0**	**2,200,000**	**0**	**0**	**0**	**2,200,000**		
TOTAL DEVELOPMENT COST	**5,800,000**	**23,247,675**	**500,000**	**100**	**0**	**29,547,775**		
Development Cost/Unit by Source	71,605	287,008	6,173	1	0	364,787		
Development Cost/Unit as % of TDC by Source	19.6%	78.7%	1.7%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	64,807	0	0	0	0	64,807		
Construction Cost (inc Const Contingency)/Unit By Source	0	182,832	6,173	0	0	189,005		
Construction Cost (inc Const Contingency)/SF	0.00	114.30	3.86	0.00	0.00	118.16		

**Possible non-eligible GO Bond/COP Amount:*	*107,500*	
City Subsidy/Unit	71,605	
Tax Credit Equity Pricing:	0.930	
Construction Bond Amount:		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Term (in months):	17 months	
Construction Loan Interest Rate (as %):	7.00%	

Attachment K: 1st Year Operating Budget

Application Date:	**2/10/2023**	**Project Name:**	**125 Mason**
Total # Units:	**81**	**Project Address:**	**125 Mason Street**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	**2023**	**Project Sponsor:**	**Tenderloin Neighborhood Development Corporation**

Correct errors noted in Col N!

INCOME	Total	Comments
Residential - Tenant Rents	1,684,699	Links from 'Existing Proj - Rent Info' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	Links from 'Existing Proj - Rent Info' 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		
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	9,000	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)		
Gross Potential Income	**1,693,700**	
Vacancy Loss - Residential - Tenant Rents	(84,235)	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	**1,609,465**	***PUPA: 19,870***

OPERATING EXPENSES

Management	Total	Comments
Management Fee	64,071	
Asset Management Fee	23,500	
Sub-total Management Expenses	**87,571**	***PUPA: 1,081***

Salaries/Benefits	Total	Comments
Office Salaries	5,000	
Manager's Salary	65,000	
Health Insurance and Other Benefits	74,551	$50,437 for Health and other benefits and $24,114 for 403 B
Other Salaries/Benefits	45,000	Desk Clerk
Administrative Rent-Free Unit		N/A rent for unit not included in income
Sub-total Salaries/Benefits	**189,551**	***PUPA: 2,340***

Administration	Total	Comments
Advertising and Marketing	2,500	
Office Expenses	33,129	
Office Rent		
Legal Expense - Property	5,000	
Audit Expense	13,500	
Bookkeeping/Accounting Services	15,000	
Bad Debts	7,500	
Miscellaneous	7,000	$5,000 tech support, $1,000 prof fees, $1,000 training
Sub-total Administration Expenses	**83,629**	***PUPA: 1,032***

Utilities	Total	Comments
Electricity	65,000	
Water	170,000	
Gas	45,000	
Sewer		
Sub-total Utilities	**280,000**	***PUPA: 3,457***

Taxes and Licenses	Total	Comments
Real Estate Taxes	10,000	
Payroll Taxes	26,546	
Miscellaneous Taxes, Licenses and Permits		
Sub-total Taxes and Licenses	**36,546**	***PUPA: 451***

Insurance	Total	Comments
Property and Liability Insurance	265,000	Most recent insurance for property is roughly $300,000 given flood damage
Fidelity Bond Insurance		
Worker's Compensation	35,000	
Director's & Officers' Liability Insurance		
Sub-total Insurance	**300,000**	***PUPA: 3,704***

Maintenance & Repair	Total	Comments
Payroll	116,720	$46,000 for Janitor, $70,720 for maintenance payroll
Supplies	25,500	$23,000 repair materials maint, $2,500 staff work clothes
Contracts	58,500	$6,500 exterminating, $4,000 life safety, $10,000 fire systems, $26,000 maintenance,
Garbage and Trash Removal	67,500	
Security Payroll/Contract		
HVAC Repairs and Maintenance	15,000	
Vehicle and Maintenance Equipment Operation and Repairs	800	
Miscellaneous Operating and Maintenance Expenses	9,500	$2,500 Carpet cleaning and replace, $5,000 appliance repair, $2,000 furnishings
Sub-total Maintenance & Repair Expenses	**293,520**	***PUPA: 3,624***

Supportive Services	20,000	
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES ***1,290,817*** ***PUPA: 15,936***

Reserves/Ground Lease Base Rent/Bond Fees	Total	Comments	
Ground Lease Base Rent	0		Provide additional comments here, if needed.
Bond Monitoring Fee	5,000	PASS servicing and moniroting fees	
Replacement Reserve Deposit	32,400		
Operating Reserve Deposit			
Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit			
Required Reserve Deposit/s, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**37,400**	***PUPA: 462***	

			Min DSCR:	1.09
			Mortgage Rate:	5.00%
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**1,328,217**	***PUPA: 16,398***	Term (Years):	30
			Supportable 1st Mortgage Pmt:	258,025
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**281,248**	***PUPA: 3,472***	Supportable 1st Mortgage Amt:	$4,005,448
			Proposed 1st Mortgage Amt:	$5,800,000

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)	Total	Comments	
Hard Debt - First Lender	233,383	MOHCD PASS	Bridge loan debt service amount = $188,300
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	0		Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0		Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0		Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL HARD DEBT SERVICE	**233,383**	***PUPA: 2,881***	

CASH FLOW (NOI minus DEBT SERVICE) **47,865**

USES OF CASH FLOW BELOW (This row also shows DSCR.) ***1.21***

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL	Total	Comments	
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000		
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)			Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		Def. Develop. Fee split: 0%	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	**5,000**	***PUPA: 62***	

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) **42,865**

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**No**	Project has MOHCD ground lease?	**No**
Will Project Defer Developer Fee?	**No**		
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	100%		
% of Residual Receipts available for distribution to **soft debt lenders** in	0%		

Soft Debt Lenders with Residual Receipts Obligations	*(Select lender name/program from drop down)*	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects		0.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Acquisition Cost	$5,249,387	100.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Total	Comments
MOHCD Residual Receipts Amount Due	0	0% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	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 repymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE **42,865**

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Total	Comments
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)	**42,865**	
Owner Distributions/Incentive Management Fee	42,865	100% of Borrower share of 100% of residual receipts
Other Distributions/Uses	0	
Final Balance (should be zero)	**0**	

Attachment L: 20-year Operating Proforma

125 Mason

Total # Units: ***81***

	% annual increase	Year 1 2023 Total	Year 2 2024 Total	Year 3 2025 Total	Year 4 2026 Total	Year 5 2027 Total	Year 6 2028 Total	Year 7 2029 Total	Year 8 2030 Total	Year 9 2031 Total	Year 10 2032 Total	Year 11 2033 Total	Year 12 2034 Total	Year 13 2035 Total	Year 14 2036 Total	Year 15 2037 Total	Year 16 2038 Total	Year 17 2039 Total	Year 18 2040 Total	Year 19 2041 Total	Year 20 2042 Total
INCOME																					
Residential - Tenant Rents	3.6%	1,684,699	1,745,349	1,808,181	1,873,276	1,940,714	2,010,579	2,082,960	2,157,947	2,235,633	2,291,524	2,348,812	2,407,532	2,467,720	2,529,413	2,592,649	2,657,465	2,723,901	2,791,999	2,861,799	2,933,344
Residential - Tenant Assistance Payments (Non-LOSP)	2.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Space	2.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Potential Income		**1,693,700**	**1,754,529**	**1,817,545**	**1,882,827**	**1,950,456**	**2,020,516**	**2,093,096**	**2,168,285**	**2,246,178**	**2,302,280**	**2,359,783**	**2,418,723**	**2,479,135**	**2,541,056**	**2,604,524**	**2,669,578**	**2,736,257**	**2,804,601**	**2,874,653**	**2,946,456**
Vacancy Loss - Residential - Tenant Rents	n/a	(84,235)	(87,267)	(90,409)	(93,664)	(97,036)	(100,529)	(104,148)	(107,897)	(111,782)	(114,576)	(117,441)	(120,377)	(123,386)	(126,471)	(129,632)	(132,873)	(136,195)	(139,600)	(143,090)	(146,667)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME		**1,609,465**	**1,667,261**	**1,727,136**	**1,789,163**	**1,853,420**	**1,919,987**	**1,988,948**	**2,060,388**	**2,134,396**	**2,187,703**	**2,242,342**	**2,298,346**	**2,355,749**	**2,414,585**	**2,474,892**	**2,536,705**	**2,600,062**	**2,665,001**	**2,731,564**	**2,799,788**
OPERATING EXPENSES																					
Management	3.0%	87,571	90,198	92,904	95,691	98,562	101,519	104,564	107,701	110,932	114,260	117,688	121,219	124,855	128,601	132,459	136,433	140,526	144,742	149,084	153,556
Salaries/Benefits	3.0%	189,551	195,238	201,095	207,127	213,341	219,742	226,334	233,124	240,118	247,321	254,741	262,383	270,254	278,362	286,713	295,314	304,174	313,299	322,698	332,379
Administration	3.0%	83,629	86,138	88,722	91,384	94,125	96,949	99,857	102,853	105,939	109,117	112,390	115,762	119,235	122,812	126,496	130,291	134,200	138,226	142,373	146,644
Utilities	3.5%	280,000	289,800	299,943	310,441	321,306	332,552	344,191	356,238	368,707	381,611	394,968	408,792	423,099	437,908	453,234	469,098	485,516	502,509	520,097	538,300
Taxes and Licenses	3.0%	36,546	37,642	38,772	39,935	41,133	42,367	43,638	44,947	46,295	47,684	49,115	50,588	52,106	53,669	55,279	56,937	58,646	60,405	62,217	64,084
Insurance	3.0%	300,000	309,000	318,270	327,818	337,653	347,782	358,216	368,962	380,031	391,432	403,175	415,270	427,728	440,560	453,777	467,390	481,412	495,854	510,730	526,052
Maintenance & Repair	3.0%	293,520	302,326	311,395	320,737	330,359	340,270	350,478	360,993	371,822	382,977	394,466	406,300	418,489	431,044	443,975	457,295	471,013	485,144	499,698	514,689
Supportive Services	3.0%	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878	27,685	28,515	29,371	30,252	31,159	32,094	33,057	34,049	35,070
Commercial Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES		**1,290,817**	**1,330,942**	**1,372,319**	**1,414,988**	**1,458,990**	**1,504,366**	**1,551,160**	**1,599,416**	**1,649,179**	**1,700,498**	**1,753,421**	**1,807,999**	**1,864,283**	**1,922,327**	**1,982,186**	**2,043,918**	**2,107,581**	**2,173,236**	**2,240,945**	**2,310,774**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)		***15,936***																			
Reserves/Ground Lease Base Rent/Bond Fees																					
Ground Lease Base Rent		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bond Monitoring Fee		5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Replacement Reserve Deposit		32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400	32,400
Operating Reserve Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 1 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposit/s, Commercial		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees		**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**	**37,400**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		**1,328,217**	**1,368,342**	**1,409,719**	**1,452,388**	**1,496,390**	**1,541,766**	**1,588,560**	**1,636,816**	**1,686,579**	**1,737,898**	**1,790,821**	**1,845,399**	**1,901,683**	**1,959,727**	**2,019,586**	**2,081,318**	**2,144,981**	**2,210,636**	**2,278,345**	**2,348,174**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)		***16,398***																			
NET OPERATING INCOME (INCOME minus OP EXPENSES)		**281,248**	**298,920**	**317,417**	**336,775**	**357,030**	**378,221**	**400,388**	**423,572**	**447,817**	**449,805**	**451,521**	**452,947**	**454,066**	**454,859**	**455,306**	**455,387**	**455,081**	**454,366**	**453,218**	**451,614**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																					
Hard Debt - First Lender		233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383	233,383
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE		**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**	**233,383**
CASH FLOW (NOI minus DEBT SERVICE)		**47,865**	**65,537**	**84,034**	**103,392**	**123,647**	**144,838**	**167,005**	**190,189**	**214,434**	**216,422**	**218,138**	**219,564**	**220,683**	**221,476**	**221,923**	**222,004**	**221,698**	**220,983**	**219,835**	**218,231**
USES OF CASH FLOW BELOW (This row also shows DSCR.)	**DSCR:**	***1.205***	***1.281***	***1.36***	***1.443***	***1.53***	***1.621***	***1.716***	***1.815***	***1.919***	***1.927***	***1.935***	***1.941***	***1.946***	***1.949***	***1.951***	***1.951***	***1.95***	***1.947***	***1.942***	***1.935***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																					
Deferred Developer Fee (Enter amt <= Max Fee from row 131)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		5,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD		**5,000**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)		**42,865**	**65,537**	**84,034**	**103,392**	**123,647**	**144,838**	**167,005**	**190,189**	**214,434**	**216,422**	**218,138**	**219,564**	**220,683**	**221,476**	**221,923**	**222,004**	**221,698**	**220,983**	**219,835**	**218,231**
Does Project have a MOHCD Residual Receipt Obligation?	**No**																				
Will Project Defer Developer Fee?	**No**																				
Residual Receipts split for all years. - Lender/Owner	**0% / 100%**																				
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Dist. Soft Debt Loans																				
MOHCD Residual Receipts Amount Due	100.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		**42,865**	**65,537**	**84,034**	**103,392**	**123,647**	**144,838**	**167,005**	**190,189**	**214,434**	**216,422**	**218,138**	**219,564**	**220,683**	**221,476**	**221,923**	**222,004**	**221,698**	**220,983**	**219,835**	**218,231**
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																					
HCD Residual Receipts Amount Due	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REMAINDER (Should be zero unless there are distributions below)		**42,865**	**65,537**	**84,034**	**103,392**	**123,647**	**144,838**	**167,005**	**190,189**	**214,434**	**216,422**	**218,138**	**219,564**	**220,683**	**221,476**	**221,923**	**222,004**	**221,698**	**220,983**	**219,835**	**218,231**
Owner Distributions/Incentive Management Fee		42,865	65,537	84,034	103,392	123,647	144,838	167,005	190,189	214,434	216,422	218,138	219,564	220,683	221,476	221,923	222,004	221,698	220,983	219,835	218,231
Other Distributions/Uses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Balance (should be zero)		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
RR Running Balance		**32,400**	**64,800**	**97,200**	**129,600**	**162,000**	**194,400**	**226,800**	**259,200**	**291,600**	**324,000**	**356,400**	**388,800**	**421,200**	**453,600**	**486,000**	**518,400**	**550,800**	**583,200**	**615,600**	**648,000**
OR Running Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Required Reserve 1 Running Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Required Reserve 2 Running Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
DEFERRED DEVELOPER FEE - RUNNING BALANCE																					
Developer Fee Starting Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Earned in Year		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer Fee Remaining Balance		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Attachment M: TNDC Racial Equity Vision

TNDC

THEORY OF CHANGE

OUR ULTIMATE GOAL

People with low incomes have equitable access to opportunity and the resources they need to thrive in their neighborhood

	HOMES	HEALTH	VOICE
STRATEGIES	We develop and provide affordable homes	We offer services to promote community health and well-being	We amplify the voice of our constituents
OUTCOMES	Affordable housing supply increases in San Francisco TNDC tenants are stably housed	TNDC tenants' health stabilizes or improves The Tenderloin has the amenities of a thriving neighborhood	TNDC tenants and Tenderloin residents are empowered and exercise consequential voice in issues that affect them Decision makers are committed to policies that benefit people with low incomes and people of color
IMPACTS	Reduction in homelessness in San Francisco Reduction in displacement of people with low incomes and people of color	Improvement in well-being of TNDC tenants and Tenderloin residents Increase in lifetime opportunity for children living in TNDC housing and children consistently engaged in TNDC programs	State and local policy decisions prioritize people with low incomes and people of

OUR OPERATING PRINCIPLES

We maintain an effective, equitable, and sustainable organization.

OUR FOCUS

We are Tenderloin-based, with a citywide scope. We focus foremost on people with the lowest incomes.

THE PROBLEM

People with low incomes struggle to live and thrive in San Francisco because of high housing costs, deeply inadequate neighborhood resources, and underlying economic and racial inequity

TENDERLOIN NEIGHBORHOOD DEVELOPMENT

OUR MISSION IS...

...to develop community and provide affordable housing and services for people with low incomes in the Tenderloin and throughout San Francisco to promote equitable access to opportunity and resources.

OUR THEORY OF CHANGE IS...

... our 'North Star', providing a direction for everyone in the organization to navigate towards.

... a roadmap of how the work that we intend to do will achieve our mission. It sets out how our proposed strategy (in the areas of homes, health and voice) will affect the people that we serve (outcomes) and the long-term change we hope to have (impact).

... our 'elevator pitch', helping us to clearly explain our strategic priorities to each other and to people outside TNDC.

... our accountability mechanism, outlining the outcomes that we want to hold ourselves accountable to and we want others to hold us accountable to.

OUR PLAN IS...

... to use the Theory of Change as one screen when deciding whether potential opportunities will help us get closer to our end-goals.

... to use the Theory of Change as a framework for measuring and evaluating our impact in the areas of homes, health and voice, for the individuals and communities that we serve.

OUR NEXT STEP IS...

... to deepen our understanding of how the work that we do leads to the outcomes that we wish to have for the people that we serve.

... to deepen our understanding of how we measure the outcomes of our work.