



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

239 Clayton St

Up to \$5,960,000 Permanent Financing Request

Evaluation of Request for:	Permanent Financing
Loan Committee Date:	May 12, 2023
Prepared By:	Sophie Rubin, Project Manager
Sources and Amounts of New Funds Recommended:	Up to \$360,000 AHF Inclusionary Small Sites Fund Up to \$4,420,000 Housing Stability Fund Up to \$1,700,000 2016 GO Bond PASS (Series 2019A) Up to \$5,960,000 total
Total Funds Committed	Up to \$5,960,000
NOFA/PROGRAM/RFP:	Small Sites Program and Preservation and Seismic Safety Program
Applicant/Sponsor(s) Name:	Mission Economic Development Agency

Applicant: MEDA Small Sites, LLC
Project Name and Address: 239 Clayton Street



Project Summary:

- Located in District 5, 239 Clayton Street is a three-story, eight unit building that consists of six 1-bedroom units, one 1-bedroom ADU and one studio ADU.
- The Project completed its acquisition and rehabilitation through the San Francisco Housing Accelerator Fund, completing a residential rehabilitation of the six existing units, a soft story retrofit, and the addition of two accessory dwelling units (ADU).
- The Project experienced construction and permitting delays adding to the cost of ADU construction; however, the addition of two street-level units provides the Project an opportunity to stabilize operation costs through economies of scale, maximizing the site's unit potential, and adding to the City's affordable housing stock.
- The Project will lease two units with direct referrals from MOHCD's Plus Housing Program, providing vital housing for our community members living with HIV/AIDS. The Project has one vacant ADU that will be leased up by the loan closing date.
- The Project is requesting up to \$4,260,000 in soft debt, with up to \$360,000 in AHF Inclusionary Small Sites funds and up to \$4,420,000 in Housing Stability Funds, and up to \$1,700,000 in 2016 GO Bond PASS (Series 2019A) funds.
- MOHCD staff is recommending Loan Committee approval for 239 Clayton Street's permanent financing, which will provide eight affordable units in the City's Haight Ashbury neighborhood and provide permanent housing for vulnerable populations including seniors and those living with HIV/AIDS.



EXECUTIVE SUMMARY

Date:	May 12, 2023
From:	Sophie Rubin, Project Manager
Evaluation of Request for:	Acquisition and Rehabilitation Funding
NOFA/Program:	2019 Acquisition and Rehabilitation Financing for Small Sites Program Properties
Applicant:	Mission Economic Development Agency
Co-Applicant:	N/A
Project Name (if any):	239 Clayton Street
Project Address (with cross street):	239 Clayton Street (between Capp and Cypress Streets)
Number of Units with Unit Mix:	8 units (1 studio, and 7 1-bedroom)
Supervisor and District	Dean Preston/District 5
Amount of SSP Funds Requested:	up to \$4,260,000
Amount of SSP Funds Recommended:	up to \$4,260,000
Amount of PASS Funds Recommended:	up to \$1,700,000
Source of Funds Recommended:	SSP: AHF Inclusionary Small Sites and Housing Stability Fund PASS: 2016 GO Bond (Series 2019A)
Type of Financing:	Permanent Financing

1. SUMMARY/BRIEF PROJECT UPDATE

Mission Economic Development Agency (“MEDA,” “MEDA Small Properties, LLC,” or the “Sponsor”) requests up to \$1,700,000 in Preservation and Seismic Safety (“PASS”) Program funding and up to \$4,260,000 in Small Sites Program (“SSP”) funding from the Mayor’s Office of Housing and Community Development (“MOHCD”) for the permanent financing of the property located at 239 Clayton Street in the Haight Ashbury neighborhood of San Francisco (the “Project”). MEDA acquired the Project after being approached by the Without Walls Community Development Corporation (“WOWCDC”), a local nonprofit helping build affordable housing in the Western Addition and Fillmore neighborhoods, to prevent the displacement of existing long-term residents. The close of escrow was December 23, 2019.

Applicant: MEDA Small Sites, LLC
 Project Name and Address: 239 Clayton Street



On December 18, 2019, MOHCD issued a soft commitment letter for the Project, which went through the San Francisco Housing Accelerator Fund (“SFHAF”) for its acquisition and rehabilitation. The project required one extension and upsize during the SFHAF period, which required an updated soft commitment letter from MOHCD, issued on December 13, 2022. The SFHAF provided approximately \$5,250,000 in acquisition and rehabilitation financing. The requested loan will pay off the existing SFHAF loan, fund replacement and operating reserves, and pay for additional closing costs. The Sponsor will record an amended Declaration of Restrictions that will permanently restrict the units for low to moderate income households for the life of the Project, surviving expiration of the Loan Term, default, foreclosure, and/or loan repayment.

Background

Built in 1909, 239 Clayton Street was a three-story, six (6) unit building with a soft story in below-average condition at the time of purchase. The rehabilitation scope included the addition of two ADUs, a soft story retrofit, life safety improvements, electrical upgrade, plumbing upgrade, and unit and common area improvements including new balconies, new windows and a new roof. The building now totals 8,513 square feet. For more on the completed rehabilitation scope, please see **Section 6.5**.

In Fall 2019, MEDA was notified that the Project was being sold under COPA. It was fully leased with longtime San Francisco residents, seniors and former educators. The property was sold to a private developer with a track record of Ellis Act evictions. WOWCDC, with the support of the Mayor, approached MEDA to acquire and rehabilitate the property with a loan from SFHAF.

The six existing households have income certified, and the new move-in household has completed the income certification. The newly-leased ADU was filled through a Plus Housing direct referral. Currently the second ADU is unoccupied. MEDA’s asset management and leasing team will provide income certification with executed leases once the tenant is approved. The vacant unit will be filled, and executed lease and income certification will be provided as a condition for closing. For closing conditions, see **Section 8.3**.

At Project acquisition, the average household AMI was 68%, and the average rent AMI was 57.6%. Current residents average 50% AMI and the average rent AMI is 67%.



Total Project Costs and Sources

	Initial Soft Commitment Amount	December 2022 Soft Commitment Amount	May 2023 Funding Request
PASS	\$1,895,000 (\$236,875/unit)	\$1,800,000 (\$225,000/unit)	Up to \$1,700,000 (\$212,500/unit)
SSP	\$3,180,000 (\$397,500/unit)	\$4,200,000 (\$425,000/unit)	Up to \$4,260,000 (\$532,500/unit)
Total Development Cost	\$5,075,000 (\$634,375/unit)	\$6,000,000 (\$750,000/unit)	Up to \$5,960,000 (\$745,000/unit)

The total development cost (“TDC”) of the Project is up to \$5,960,000 (\$745,000/unit). This is higher than the initial project cost estimates in 2019, but slightly lower than commitments provided in the December 2022 soft commitment update. Cost increases resulted primarily from permitting delays for the two ADUs, which extended the timeline and increased SFHAF loan interest. Construction cost increases due to the high inflation rates and product cost escalation in 2022 also contributed. The project is supporting slightly less PASS debt than earlier commitment, which results in an increased SSP subsidy request. However, the project does not exceed the per-unit subsidy under current SSP guidelines. While the addition of the two ADUs increased project cost, they also allow the Project to charge higher rents and stabilize operation costs through economies of scale.

Please see Appendix A for Maximum Allowable SSP Subsidy Per November 2022 Guidelines

2. PRINCIPAL DEVELOPMENT ISSUES

ADU Permit Delays. The Project created two new ADUs as part of the rehabilitation scope. The Project was anticipated to be completed within 24 months of the December 2019 acquisition date, with the existing issued ADU permit revised over-the-counter. However, pandemic conditions in 2020 did not allow for in-person review, and DBI’s permitting was backlogged and further impacted by staff turnover, resulting in the ADU permits not being approved until June 2022, significantly delaying project completion. This led to two loan extensions with the SFHAF, which included additional hard costs (post-pandemic material prices increases), operating reserves, insurance costs, fees, and interest. In total the delays cost the Project \$529,132. ADU approval delays are common with preservation projects that are adding ADUs to their rehabilitation scope of work. MEDA has two additional properties with the SFHAF that experienced ADU permitting delays and have needed loan extensions as a result. The Small Sites program will use experience gained from these projects to carefully consider projects with an ADU component moving forward.

Applicant: MEDA Small Sites, LLC
 Project Name and Address: 239 Clayton Street



Vacant Units. The Project currently has one vacant studio unit. MEDA and MOHCD have agreed that the unit will receive two Plus Housing direct referrals to expedite the lease-up process, support the Project's cash flow, and add to the number of affordable units available for direct referrals. Plus Housing is a MOHCD housing program that provides support for low-income people living with HIV. It is federally funded by Housing Opportunities for Persons with AIDS ("HOPWA") and locally by the San Francisco General Fund. The program provides a deep subsidy in which tenants pay 30% of their income towards rent and Plus Housing makes up the difference between the market rate rental amount and the tenant's contribution. Plus Housing direct referrals will be used at 239 Clayton Street upon initial occupancy and will be an ongoing referral source for the both ADUs at the project. MOHCD and the Sponsor believe that the location and size of the units make them desirable units that will be easy to fill with referrals in the future.

Tenant Rent Burden. One household is currently rent burdened. At acquisition, this household was 43.3% rent burdened. When the household income certified in November 2022, income had gone down, and the tenant is currently behind in rent. MEDA is working with the tenant to verify their income and bring the unit's rent burden to 50%, and annual rent increases will be contingent upon the unit being under the 50% rent burden threshold. Household being brought to below-50% rent burden will be a condition of loan closing.

3. BORROWER/GRANTEE PROFILE

MEDA's mission is to strengthen low- and moderate-income Latino families by promoting economic equity and social justice through asset building and community development. Inspired by and rooted in the Mission District of San Francisco, MEDA envisions generations of Latino families that are part of vibrant, diverse, proud, and forward-thinking communities in which residents own their homes and businesses and are rooted and actively engaged in the civic and political life of their neighborhoods, and the institutions that affect their lives. MEDA's integrated services include affordable housing development; policy, advocacy, and community leadership development; early learning and K-12 educational services and supports; financial capability coaching; business technical assistance; affordable housing and homeownership counseling; business and real estate lending; workforce development training and career placement; and free tax preparation. In 2022, MEDA engaged 16,814 community members via direct services and impacted 89,493 people through their health outreach work. 92% of client households are low-to-moderate-income and 85% identify as Latino.

Board of Directors

Applicant: MEDA Small Sites, LLC
Project Name and Address: 239 Clayton Street



An eleven-person Board of Directors, composed of community members, non-profit, and corporate professionals with relevant experience, governs MEDA. The Chairperson is Rafael Yaquian, Partner, Goldfarb & Lipman LLC; the Vice Chair is M. Teresa García, Family Resource Center Program Associate, First 5 San Francisco; the Treasurer is Whitney Jones, Director of Housing Development, Chinatown CDC; and the Secretary is Marco Chavarin, Senior Vice President, Financial Access Partnership Manager at Citi. Additional board members include Ed Cabrera, Regional Public Affairs Officer at the U.S. Department of Housing and Urban Development; Ysabel Duron, Founder/President of Latino Cancer Institute; Jabari Herbert, Managing Member, The Herbert Enterprises Group; Dr. Carina Marquez, Assistant Professor of Medicine at the University of California, San Francisco (UCSF); Rebeca Patino, Managing Director at First Republic Bank; and Kevin Stein, Associate Director with the California Reinvestment Coalition.

Experience of Key Staff, see **Appendix A.**

For Recent Activity, see **Appendix B.**

3.1 Asset Management Performance & Capacity. See Appendix A.

3.2 Development Experience.

In addition to MEDA's experience in commercial real estate development and management, it now has a number of residential real estate projects in its portfolio. **For more on recent activity, see Appendix B.**

	Developed	Owned
No. Projects	49	46
No. Units/Bdrms	1,281	1,248

3.3 Selection Process.

Small Sites Program Funding

A Notice of Funding Availability ("NOFA") was published on July 24, 2014 to provide acquisition and rehabilitation financing for multi-family rental buildings of 5 to 25 units. The NOFA established a fund to help stabilize buildings occupied by low- to moderate-income tenants throughout San Francisco that are particularly susceptible to market pressure resulting in property sales, evictions, and rising tenant rents.



Revised guidelines for the SSP program were published in early November 2022. While the SSP scoring rubric was not in use when the Project was underwritten in 2019, the Project would receive a score of 85 if it were underwritten today, meeting the minimum threshold of 70 points and indicating that it meets the core goals of the SSP Program, principally community stabilization and housing affordability goals.

SSP Scoring Rubric: 239 Clayton Street

Category	Points
Housing Affordability	35/35
Community Stabilization	35/35
Geographic Equity (D3)	15/30
Total	85/100

In 2023, MOHCD will reissue an updated NOFA based on the new program guidelines.

Preservation and Seismic Safety Program (PASS)

The Preservation and Seismic Safety Program (PASS) provides low-cost and long-term financing to fund seismic retrofits, as well as the acquisition, rehabilitation, and preservation of affordable multi-family housing. The Program was created to complement the City's anti-displacement and preservation strategy, including the Small Sites Program. PASS was initially funded by repurposing \$261 million in underutilized bond authority funds from the 1992 Seismic Safety Loan Program. \$72 million was funded in the first issuance of the PASS program in February 2019. The second issuance of \$103 million closed in December 2020. The third issuance is scheduled for Summer 2023. The Project is considered an eligible property under Section 2.1 of the PASS Program Regulations, and the Sponsor is considered an eligible borrower under Section 2.2 of the PASS Program Regulations.

4. SITE

4.1 Brief Site Description.

Located in the Panhandle neighborhood between Fell and Hayes Streets, 239 Clayton Street is a three-story, eight-unit building. Pre-acquisition, the Project had six (6) one-bedroom units and one garage. During rehabilitation, MEDA converted the garage into one (1) 1-bedroom unit and one (1) studio unit. Built in 1909, the Project includes a total of 8,513 square feet.



4.2 Site Characteristics.

1. Address, Lot/Block: 239 Clayton Street, San Francisco, CA 94117; 007/1211
2. Lot Square footage: 2,652 sf
3. Building age: 114 years old
4. Number of buildings: 1
5. Number of floors: 3
6. Building typology: Residential (Apartment 5-14 units)
7. Unusual characteristics (including surrounding uses): n/a
8. Recently completed rehab work: See **Section 6.5**

4.3 Article 34 Authority.

The MOHCD approval letter is pending and will be issued prior to close.

5. DEVELOPMENT PLAN

5.1 Site Control.

Purchase Price: \$3,000,000

Status of Purchase & Sale Contract: Executed

P & S Contingencies: N/A

Hard Closing Date and other deadlines: December 23, 2019

5.2 Appraisal.

239 Clayton Street was appraised by WATTS, COHN and PARTNER INC. on November 19, 2019. The value conclusions were:

Market Value As Is:	\$1,950,000
Hypothetical As Stabilized at Market Rents:	\$3,380,000
Hypothetical As Stabilized at MOHCD Restricted Rents:	\$3,230,000

5.3 Title Issues.

No title issues were identified.



5.4 Proposed Property Ownership Structure.

MEDA Small Sites, LLC owns fee title to the land and the improvements of the subject property.

5.5 Completed Rehab Scope.

At the time of purchase, the building was in below-average condition. The rehabilitation scope was determined by a CNA completed by Association Reserves on November 22, 2019 that evaluated the existing conditions, proposed to keep the building sustainable for at least 20 years, and incorporated the addition of two new ADUs.

The residential rehab included main roof repair, metal roofing replacement and both bay window and non-street-facing window replacement. The rehabilitation of the existing six (6) upstairs units included a full fire alarm upgrade, a new intercom system, a full electrical upgrade (including service upgrade), full kitchen refurbishment including new tiled floor, HVAC systems replacement, new water heaters, bathroom and plumbing replacement/repairs, interior paint, and interior hardwood floor refinish. The egress stairs were repaired and the unit's balconies were replaced, both with new pressure-treated wood.

The second category consisted of a soft story retrofit and the conversion of the garage into two (2) fully electric ADUs, one (1) studio, and one (1) one-bedroom. The common areas were updated with new mechanical and gas meter rooms, and sprinkler system on the ground floor.

1. ADU: Constructed two ADUs in the garage space.
2. Foundations/Structural: Underwent full soft story retrofit.
3. Electrical system: Upgraded electrical system.
4. Roof: Replaced/repaired roof.
5. Exterior: Repaired and painted the facade and replaced non-street-facing windows and mailboxes.
6. Flooring: Carpet removed, installed vinyl plank and ceramic tile, refinished hardwood floors.
7. Common Area: New interior stair railing and exterior wood stairs were repaired.
8. Unit Upgrades: New kitchens and bathrooms, and wall patching.
9. HVAC: Kitchen hoods, bathroom exhaust fans, and wall gas heaters all replaced
10. Other: Lead-based paint (LBP) was identified in the residential units, common areas, garages, and the building exterior. For more on LBP testing and environmental issues, please see **Appendix C, Section 1**. The project underwent



renovation, repair, and painting activities (RRP), performed as an interim control to minimize lead hazards and according to EPA standards. An Operations and Maintenance (O&M) Program will be required as a condition of this loan.

5.6 Population to Be Served

The six existing households are long-term San Francisco residents that were at a high risk of displacement at acquisition. Six tenants are retired senior educators and one household is Latinx and part of the LGBTQ community. A majority of the tenants are African American tenants. The two prospective direct referrals will be San Franciscans living from Plus Housing will be an ongoing referral source for the Project. Referred tenants will make less than 50% of AMI and will have an unsubsidized rent burden of 50% or greater.

5.7 Proposed Unit Mix & Affordability

Unit Type	Unit SF	HH Size	Acquisition (2019)				Current (2022)			
			Rent (\$)	HH Annual Income (\$)	HH AMI (%)	Rent AMI (%)	Rent Increase* (%)	New Rent (\$)	Rent AMI (%)	Rent Burden
1 BR	610	1	\$2400	\$75,996	88%	100.4%	6.1%	\$2546	95%	47.5%
1 BR	973	1	\$893	\$58,524	68%	39.2%	78.2%	\$1591	60.6%	53%
1 BR	973	1	\$549	\$55,200	64%	25.2%	67.6%	\$920	36.4%	20%
1 BR	973	1	\$1062	\$30,000	35%	46.1%	6.1%	\$1127	43.4%	TBD
1 BR	973	1	\$576	\$68,847	80%	26.3%	74.5%	\$1005	39.4%	28.7%
1 BR	973	1	\$781	\$62,784	73%	34.6%	113.3%	\$1666	63.3%	46.3%
Studio	456		N/A	N/A	N/A	N/A	N/A	\$1900	81.4%	
1 BR	642		N/A	N/A	N/A	N/A	N/A	\$2771	89.8%	39.9%
Averages	859	1	\$1044	\$58,559	68%	57.6%	57.6%	\$1719	66.8%	39.1%
Medians	973	1	\$837	\$60,654	71%	71.1%	71.1%	\$1629	62%	46.3%

The average AMI for households at the Project is 68%. The project currently has one vacancy. Except for the one new unit, other units are occupied by the tenants that occupied the units at acquisition. The Project qualifies for the SSP program with at least 66% of the Project (ie. three of four households) earning an average income at or below 80% AMI.

5.8 Marketing & Occupancy Preferences.

The Project is subject to MOHCD's marketing procedures and vacant units will be marketed according to multifamily marketing procedures. These units will be subject to the Certificate of Preference Program, the Displaced Tenant Housing



Preference Program, the Neighborhood Resident Preference, if the Project has more than five lottery units in the future, and the Live/Work in San Francisco preference. The project's two Plus Housing units will be leased through direct referrals and will not require marketing through DAHLIA.

6. FINANCING PLAN

6.1 **Sources and Uses:** see Exhibit A

SSP Funds Requested: up to \$4,260,000 (\$532,500/unit)

Leveraged Financing Amount and Terms

1. Lender MOHCD PASS Program
2. Loan Amount
 - Up to \$1,700,000 (\$212,500/unit)
 - Up to \$970,700 (\$121,338/unit) (Market-rate loan)
 - Up to \$627,300 (\$78,413/unit) (Below-rate loan)
 - Up to \$102,000 (\$12,750/unit) (Deferred loan)
3. Interest Rate
 - Market-rate loan: 5.16725%
 - Below market-rate loan: 1.38908%
 - Deferred loan: 1.38908%
4. Term 40 years
5. DCR At least 1.15 throughout the first 20 years of the Project
6. Refinancing Assumptions: Replacement and operating reserves are projected to be funded through Year 20 of the Project's lifecycle, to ensure that refinancing will not be required until at least that time. SSP Guidelines, of a 1.15 DSCR and a 10% vacancy loss assumption, have been incorporated to avoid having to refinance the Project before Year 20.

6.2 **Development Budget**

Development Budget Analysis/Comments. All fees are sized based on the November 2022 update to the SSP Guidelines.



1. Sufficiency of Reserves

Replacement Reserves: Capitalized replacement reserves in the amount of \$155,000 satisfy the SSP Guidelines that require the higher of \$2,000 per unit or the amount necessary to pay replacement costs for the next 10 years, as specified in an approved CNA.

Operating Reserves: Capitalized operating reserves in the amount of \$34,553 (25% of the first-year operating budget) are budgeted to support unanticipated operating costs for at least 20 years. This cost is in line with SSP Guidelines.

2. Developer Fee

Developer fee in the amount of \$166,000 meets the SSP guidelines of \$80,000, paid at acquisition by the SFHAF, and \$10,000 per unit and \$13,000 per ADU, payable at the end of rehabilitation, up to 5% of the total development cost (excluding developer fee).

6.3 Disbursement

Acquisition, predevelopment, and construction funds will be released at escrow in the form of a payoff of the SFHAF loan. Additionally, the MOHCD SSP loan will fund operating and replacement reserves, PASS loan fees, the remainder of MEDA's developer fee, and closing costs. Legal costs may be drawn down after the closing draw.

7. PROJECT OPERATIONS

7.1 Annual Operating Budget: see Exhibit B

7.2 Annual Operating Budget Analysis/Comments.

1. PUPY Operating Expense: (w/out reserves): \$8,815
2. Annual Reserve Deposits: \$3,200 per SSP Underwriting Guidelines of \$400/PUPY for a building with >10 units.
3. Property Taxes: The Project will qualify for the full welfare tax exemption for all units. MEDA is budgeting \$948 for direct charges and special assessments. The Welfare Tax Exemption has already been approved.
4. Surplus Cash: \$10,192 in Year 1.



5. Annual Monitoring Fees: \$5,000 (\$2,500 for loan servicing and \$2,500 for monitoring) per PASS Program Regulations.

7.3 20-year Cash Flow: see Exhibit C

1. Does Cash Flow Remain Positive for 20 years: Yes
2. Income Assumptions: 2.5% escalation per year
3. Expense Assumptions: 3.5% escalation per year
4. Replacement Reserve Analysis: Replacement reserves are funded through Year 20.
5. DSCR: DSCR starts at 1.15 in Year 1 and steadily rises, hitting its maximum DSCR in Year 20 at 1.515. The DSCR never dips below 1.15.

8. STAFF RECOMMENDATIONS

8.1 Proposed Acquisition/Rehabilitation Loan Terms.

1. Amount of SSP: up to \$4,260,000 (\$532,500/unit)
2. Amount of PASS:
 - Up to \$1,700,000 (\$212,500/unit)
 - Up to \$970,700 (\$121,338/unit) (Market-rate loan)
 - Up to \$627,300 (\$78,413/unit) (Below-rate loan)
 - Up to \$102,000 (\$12,750/unit) (Deferred loan)
3. Term: 40 years (SSP and PASS)
4. SSP Rate: 3% contingent interest in accordance with SSP Guidelines (which state that, in any given year, when the Project's cash flow is insufficient to repay all interest due, unpaid interest for that year shall be forgiven)
5. PASS Rate: 3.57271% blend, based on:
 - Market-rate loan: 5.16725%
 - Below market-rate loan: 1.38908%
 - Deferred loan: 1.38908%
6. SSP Repayment: Residual receipts
6. PASS Repayment: The market-rate and below-market rate loans require monthly payments and are fully amortizing over the term; the deferred loan requires a balloon payment at maturity.



7. SSP Priority: Subordinate to senior financing and the City's Declaration of Restrictions
8. PASS Priority: Senior, in first position, but will subordinate to the City's Declaration of Restrictions

8.2 Recommended Loan Conditions.

1. All reserve accounts must be separate interest-bearing accounts.
2. An O&M Program for management of lead-based paint must be delivered to MOHCD within 60 days of closing.

8.3 Recommended Closing Conditions

1. MEDA must provide executed leases for all vacant units prior to loan closing. Any additional costs related to a delay in lease up, extending the closing date, will be deducted from the remaining developer fee.
2. MEDA will income-certify tenant in unit 4 and ensure rent burden no greater than 50%.

Attachments:

Appendix A.	Calculation of Maximum Allowable SSP Subsidy Per Unit November 2022 SSP Guidelines
Appendix B.	Development Team
Appendix C.	Asset Management Team
Appendix D.	Recent Development Activity
Appendix E.	SFHAF Appendix
Exhibit A.	Sources and Uses
Exhibit B.	Annual Operating Budget
Exhibit C.	20-Year Cash Flow
Exhibit D.	Permanent Financing Proforma



LOAN APPROVAL RECOMMENDATION

APPROVE. DISAPPROVE.

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

Date: _____

APPROVE. DISAPPROVE.

Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

Date: _____

APPROVE. DISAPPROVE.

Salvador Menjivar, Housing Director
Department of Homelessness and Supportive Housing

Date: _____

APPROVE. DISAPPROVE.

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

Date: _____

PERMANENT FINANCING FOR 239 CLAYTON STREET

Shaw, Eric (MYR)

Fri 5/12/2023 12:16 PM

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

Approve

Eric D. Shaw

Director/ Interim Director HopeSF

Mayor's Office of Housing and Community Development

City and County of San Francisco

1 South Van Ness Avenue, 5th Floor

Request for Permanent Financing for 239 Clayton St

Kaslofsky, Thor (CII)

Tue 5/16/2023 10:10 AM

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

Cc: Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>; Shaw, Eric (MYR) <eric.shaw@sfgov.org>; Ely, Lydia (MYR) <lydia.ely@sfgov.org>

Hi Vanessa,

I approve the above request on behalf of OCII.

Thanks!

Best Regards,
Thor



Thor Kaslofsky

Executive Director

One South Van Ness Avenue, 5th Floor

San Francisco, CA 94103

415.749.2588

thor.kaslofsy@sfgov.org

www.sfocii.org

*Please note that if you are receiving this email outside of your normal working hours there is no urgent need to respond unless there is a specific request to do so.

239 Clayton Street

Menjivar, Salvador (HOM)

Mon 5/22/2023 11:35 AM

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

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

I approve Mission Economic Development Agency requests of up to \$4,260,000 in soft debt, with up to \$360,000 in AHF

Inclusionary Small Sites funding and up to \$4,420,000 in Housing Stability Funding, and up to \$1,700,000 in 2016 GO Bond PASS (Series 2019A) funds for the acquisition and renovation of 239 Clayton Street, a three-story, eight-unit building.

Best,

salvador



Salvador Menjivar
Director of Housing
Pronouns: He/Him

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

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239 Clayton Permanent Financing

Trivedi, Vishal (CON)

Fri 5/12/2023 11:45 AM

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

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

My vote: Aye

Vishal Trivedi | Financial Analyst

Office of Public Finance | City & County of San Francisco

Email | vishal.trivedi@sfgov.org



Appendix A: Calculation of Maximum Allowable SSP Subsidy Per November 2022 Guidelines

Unit type	# of units	Subsidy per unit	Subsidy total
1-br	6	\$400,000	\$2,400,000
ADU: studio	1	\$550,000	\$550,000
ADU: 1-br	1	\$600,000	\$600,000
TOTAL		\$443,750 (average)	\$3,550,000
Multiplier based on project score:		120%	120%
Maximum Subsidy under guidelines: (Project score of 85/100)		\$532,500 (average)	\$4,260,000



Appendix B: Development Team.

Jose Garcia, Program Manager, Preservation. Jose attended Cal Poly San Luis Obispo, receiving a B.A. in Business Administration with a concentration in International Business. Before joining MEDA, Jose was a Relocation Consultant for Overland, Pacific, and Cutler LLC, where he worked alongside MEDA during the rehabbing of five former public housing developments under the Rental Assistance Demonstration (RAD) program (a total of 439 units for seniors and disabled San Franciscans). Jose has been involved in 28 out of the 38 SSP buildings in different phases. Jose has managed one new construction project: 681 Florida, a 130 unit building for formerly homeless individuals and families.

Lupe Mercado, Assistant Project Manager, Preservation. Lupe has an associate's degree in accounting. Lupe has been working with MEDA for 6 years as an ABP ERAP Housing Coordinator, Financial Capability Coach, HUD Certified Housing Counselor, Leasing Specialist, and now an Assistant Project Manager. She also has 1 year of experience working with title companies and currently possesses a certificate as a HUD Certified Housing Counselor, NeighborWorks Post Purchase Education Housing Counselor, Advanced Tax Credit Specialist, Foreign Student Tax Certificate, and COA IRS ITIN.

Luis Daniel Cruz, Assistant Project Manager, Preservation. Luis (Daniel) attended the University of California, Los Angeles, where he completed his undergraduate degree in Sociology and master's degree in Urban and Regional Planning with a focus on regional and housing development. Before joining MEDA, he worked for the Los Angeles Unified School District as a primary school educator.

Michelle Rolon, Assistant Project Manager, Preservation. Michelle attended the University of California, Los Angeles, where she completed her two undergraduate degrees in Chicana/o Studies and Spanish, and a master's degree in Urban and Regional Planning with a focus in Community Economic Development and Housing. Before joining MEDA, she worked as a program manager of the Mission SRO Collaborative (MSROC), where she supported in tenant rights advocacy, community programming, and city-wide coalition building. Her work revolves around affordable housing development, multi-ethnic coalition building, and grassroots frameworks in urban planning.

Sara Lope, Construction Consultant. Sara was the MEDA Construction Manager for over two years and has now transitioned to Construction Management Consultant. She holds a B.A. in Architecture from Newschool of Architecture and Design in San Diego, and a B.A. in Construction Management from Universidad Politecnica de Burgos, Spain. Her architectural background has helped MEDA with ADU's and commercial ADA improvements, and her construction management expertise has allowed her to assist in over 26 MEDA projects.



Appendix C. Asset Management Team.

Leslie Molina, Associate Director of Asset Management (100%FTE) Leslie was hired in November 2021. She is responsible for the overall physical and financial health of MEDA's residential and commercial property portfolio. She is a real estate professional with thirty (30) years of experience in the nonprofit, affordable-housing sector, and the San Francisco conventional market. She brings a wealth of knowledge and deep understanding of organizational management, financial management and asset management. She holds industry standard certifications from the National Center for Housing Managers (NCHM) and the San Francisco Apartment Association (SFAA). In addition, Leslie holds a real estate license from the California Department of Real Estate and has been a licensed real estate agent for eighteen (18) years. She specializes in single family residence (SFR), residential and commercial condominiums, mixed-use buildings and multi-family units. Leslie has successfully managed and executed real estate strategies that exceed organizational objectives.

Emmanuel Zuniga, Senior Asset Management (100%FTE) Emmanuel Zuniga was hired November 2021. He has over seventeen (17) years of experience in Affordable Housing Property Management with different nonprofit organizations. He has managed multi-family properties that include SRO, Family, TAY units, senior housing and more. Emmanuel holds the following industry certifications from the National Center for Housing Managers: Tax Credit Specialist; Certified Occupancy Specialist; Certified Manager of Housing; Certified Manager of Maintenance; and Certified Financial Specialist. Emmanuel holds an industry designation as an Accredited Residential Manager from the Institute of Real Estate Management and an industry designation of a Registered Housing Manager from the National Center for Housing Managers.

Joe Yu, Finance Asset Manager (100% FTE) Joe was hired in April 2022. Joe is an alumnus of the University of California, Davis and holds a bachelor's degree in Economics. He has over eight (8) years of real estate experience both in property management and asset management. Throughout his real estate career, Joe has managed the operations and finances of multifamily buildings in the private and non-profit sector, including but not limited to budgeting, project management and financial analysis. Joe is currently responsible for financial reporting, budgeting, and monitoring the financial health of MEDA's assets.

Karina Parraga, Asset Manager Small Sites Operations (100% FTE) Karina earned a bachelor's degree in Interior Design at the Vicente Rocafuerte University in Ecuador. San Francisco's Mission District is where she began to understand the United States system of operations and became immersed in the community. Karina worked at La Raza Information Center and was an active member of Mujeres Unidas -- their leadership training awarded her the opportunity to become involved in the Latino community. She worked for ten years as a Property Manager at Tenderloin Neighborhood Development Corporation (TNDC), serving San Francisco's most vulnerable populations. Karina has a deep understanding of San Francisco's low-income housing



programs, Tax Credit, RAD and HUD. She is a Tax Credit Specialist and has completed courses in computer technology at City College of San Francisco and UC Berkeley.

Brittany Burrows, Asset Manager of Leasing & Compliance (100% FTE)

Brittany holds a BA degree in Criminal Justice from SFSU. She also obtains the following certifications: Tax Credit Specialist, Certified Manager of Housing, Certified Occupancy Specialist, Certified Occupancy Specialist for Public Housing, Certified Manager of Maintenance; and Certified Financial Specialist. In addition, she has a five (5) year High Rise Fire Safety Director certificate with CCSF. Brittany has over 8 years of experience working with nonprofit housing organizations in San Francisco's Tenderloin neighborhood. She is responsible for the leasing and compliance of MEDA's Small Sites Portfolio as it relates to Compliance and Regulatory obligations, which include developing standard operating procedures, compliance policies and procedures to ensure compliance with program guidelines and local, Federal/State regulatory agreements. This includes reviewing partnership agreements, financing documents, regulatory agreements, and other sources to determine ownership objectives.

Luis Cruz, Affordable Housing Leasing Admin (100% FTE)

Luis has over two (2) years of office administration experience and is currently using his administrative experience to assist the leasing efforts and income certifications for asset management. Luis' role consists of maintaining a high occupancy rate across the portfolio and responding to potential tenant interest for rental properties in-person and via digital platforms. In addition, maintaining the buildings waitlist, unit showing, answering questions, and finalizing leases. Luis also prepares potential tenant background checks, including reference letters, rental history, income verification and lease application.



Appendix D: Recent Development Activity.

	Name/Location	Status / Year Completed	Total Units
	Name/Location	Status / Year Completed	Total Units
1	380 San Jose Avenue (SSP)	Acquired 1/22/2016 Complete	4 Units
2	642 Guerrero Avenue (SSP)	Acquired 1/22/2016 Complete	4 Units
3	344 Precita Avenue (SSP)	Acquired 3/15/2016 Complete	4 Units
4	1500 Cortland Street (SSP)	Acquired 7/22/2016 Complete	4 Units
5	3840 Folsom Street (SSP)	Acquired 8/23/2016 Complete	4 Units
6	3329 20th Street (SSP)	Acquired 11/30/2016 Complete	10 Units
7	3800 Mission Street (SSP)	Acquired 2/24/2017 Complete	6 Mixed
8	269 Richland Street (SSP)	Acquired 3/10/2017 Complete	6 Units
9	63 Lapidge Street (SSP)	Acquired 4/14/2017 Complete	6 Units
10	3182 24th Street (SSP)	Acquired 5/1/2017 Const Completed	11 Mixed
11	2217 Mission Street (SSP)	Acquired 5/12/2017 Complete	9 Mixed
12	1015 Shotwell Street (SSP)	Acquired 5/12/2017 Complete	10 units
13	1411 Florida Street (SSP)	Acquired 5/24/2017 Complete	7 Units
14	19 Precita Avenue (SSP)	Acquired 6/13/2017 Complete	3 Units
15	35 Fair Avenue (SSP)	Acquired 7/7/2017 Complete	4 Units
16	3353 26th Street (SSP)	Acquired 11/20/2017 Complete	11 Mixed
17	305 San Carlos Avenue (SSP)	Acquired 10/31/2017 Complete	12 Mixed
18	60 28th Street (SSP)	Acquired 12/15/2017	6 Units

Applicant: MEDA Small Sites, LLC
 Project Name and Address: 239 Clayton Street
 21



19	3280 17th Street (SSP)	Acquired 1/3/2018 Complete	17 Mixed
20	65 Woodward Street (SSP)	Acquired 2/22/2018 Complete	6 Units
21	654 Capp Street (SSP)	Acquired 5/30/2018 Complete	7 Units
22	4830 Mission Street (SSP)	Acquired 7/25/2018 Complete	27 Mixed
23	520 Shrader Street (SSP)	Provided TA to SFHDC Acq 5/29/19 Complete	7 Units
24	3544 Taraval Street (SSP)	Acquired 9/18/2019, Complete	6 Units
25	3154 – 3158 Mission Street (SSP)	Acquired 9/20/2019 Complete	10 Mixed
26	369 3rd Avenue (SSP)	Acquired 10/31/2019 Complete	13 Mixed
27	239 Clayton Street (SSP)	Acquired 12/23/2019 In Const. with 2 ADUs	6 Units
28	3225 24th Street (SSP)	Acquired 1/21/2020 Complete	6 Units
29	2260-2262 Mission Street (SSP)	Acquired 1/31/2020 Complete	7 Mixed
30	3254-3264 23rd Street (SSP)	Acquired 2/21/2020 Complete	11 Mixed
31	1382 30th Avenue (SSP)	Acquired 6/12/2020 Complete	4 Units
32	566 Natoma Street (SSP)	Acquired 6/04/2020 Const. Completed	5 Units
33	2676 Folsom Street (SSP)	Acquired 7/23/2020 Complete	10 Units
34	1353 Stevenson Street (SSP)	Acquired 7/30/2020 Complete	7 Units
35	168 Sickles (SSP)	Provided TA to SFHDC Acq 3/22/21 complete	12 units
36	375 14th (SSP)	Provided TA to SFHDC Acq 2/15/22 In const.	14 Units
37	300 Ocean (SSP)	Acquired 8/31/2022 In Construction	8 units
38	3661 19 th Street (SSP)	Acquired 1/27/2023 In Pre-dev	12 units

Applicant:

MEDA Small Sites, LLC

Project Name and Address:

239 Clayton Street



Appendix E: SFHAF Appendix.

1. Environmental Issues/Site Suitability.

Phase I/II Site Assessment Status and Results: A Phase I Environmental Site Assessment Report, prepared by Partner Engineering and Science, Inc. on November 7, 2019, did not identify any recognized, controlled, or historical environmental conditions. The Phase I report identified environmental concerns regarding the suspected presence of asbestos-containing materials (“ACMs”) and lead-based paint (“LBP”), due to the age of the building.

Phoenix Environmental Consulting, LLC prepared an Environmental Assessment: Asbestos Survey Report on November 4, 2019. Twenty-seven bulk samples were taken from the Project to determine if asbestos was present in materials that might be impacted during renovations. The Kitchen and bathroom flooring in units 2, 4, 5, and 6 tested positive for asbestos, as well as the wallboard and joint compound in the garage area. These materials were removed following Cal-OSHA and local regulations by a licensed contractor.

Environmental Lead Detect Inc. prepared seven Lead Paint Inspection Reports on October 30, 2019. One report was prepared for each residential unit, and one report was prepared for the common areas and the building exterior. Reports showed that the tested areas contained readings that were registered at or above the LBP action level of 1.0mg/cm².

As a condition of this loan, an O&M Program for management of any remaining asbestos or lead-based paint must be delivered to MOHCD within 60 days of closing.

2. ENTITLEMENTS

2.1 Zoning.

239 Clayton Street is zoned RH-3 -Residential Housing, Three Family. Rehabilitation scope did not change the use, height, or bulk of the building. The ADUs were permitted under Section 207 of Planning Code.

2.2 Local/Federal Environmental Review.

The Project fell into Categorical Exemption 1 - Existing Facilities under CEQA. MEDA was required to obtain formal Planning Department determinations and approvals for the construction of the two new ADUs.

3. Relocation. The Borrower spent \$27,175.00 in relocation funding for two households over three months.



4. Performance Schedule.

No.	Performance Milestone	Estimated or Actual Date
1	SSP Financing Commitment	<u>12/23/2019</u>
2.	Site Acquisition	<u>12/23/2019</u>
3.	Development Team Selection	
a.	Design Team Selection	<u>3/16/2020</u>
b.	General Contractor Selection	<u>1/21/2021</u>
4.	Design	
a.	Submit Bid Package for MOHCD Approval	<u>N/A</u>
5.	Permits	
a.	Building Permit Application Submitted	<u>10/21/2020</u>
6.	Construction	
a.	Notice to Proceed	<u>5/9/2022</u>
b.	Complete Construction	<u>4/19/2023</u>
7.	Marketing & Lease-up	
a.	Lease 2 ADUs	<u>6/1/2023</u>
8.	Close Out MOHCD Loan(s)	<u>6/15/2023</u>

5. DEVELOPMENT TEAM DURING SFHAF PERIOD

5.1 Project Manager.

Name: Lupe Mercado

Percentage Time Spent on Project: 25%

Experience: See **Section 3**



5.2 Architect.

Firm: bcooperartive- Ben Frombgen, Sole Proprietor

Fee/Hours: \$23,000

5.3 Contractor.

Firm: Blacline Construction, Inc

Procurement Requirements: N/A

5.4 Other Consultants.

Structural Engineer: Jamie Neilson, SE- Soft Story Retrofit

5.5 Property Manager.

Firm: Azari Property Management

(Property manager participated in the Small Sites program previously.)

6. Construction Management Fee: \$34,000

Exhibit A. Sources & Uses

MOHCD Proforma - Permanent Financing Sources Uses of Funds

Application Date: 4/14/2023 # Units: 8 # Bedrooms: 8
 Project Name: 239 Clayton # Beds: 0
 Project Address: 239 Clayton Street
 Project Sponsor: MEDA

Small Sites Project

SOOURCES	4,217,305	843,367	545,013	88,620	-	-	Total Sources	5,694,305	Comments
MOHCD/OCII	5,060,672								
MOHCD/PASS-MR									
MOHCD/PASS-BMR									
MOHCD/PASS-Deferred									

USEF Perm loans total: 5,060,672 Perm loan amount is more than bridge loan(s) by: 5060671.754

ACQUISITION	3,873,584	843,367	545,013	88,620	0	0	5,364,584
Acquisition cost or value	3,873,584	843,367	545,013	88,620			5,350,584
Legal / Closing costs / Broker's Fee	14,000						14,000
Holding Costs							0
Transfer Tax							0
TOTAL ACQUISITION	3,887,584	843,367	545,013	88,620	0	0	5,364,584

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab							0
Commercial Shell Construction							0
Demolition							0
Environmental Remediation							0
Onsite Improvements/Landscaping							0
Offsite Improvements							0
Infrastructure Improvements							0
Parking							0
GC Bond Premium/GC Insurance/GC Taxes							0
GC Overhead & Profit							0
CG General Conditions							0
Sub-total Construction Costs	0	0	0	0	0	0	0
Design Contingency (remove at DD)							0
Bid Contingency (remove at bid)							0
Plan Check Contingency (remove/reduce during Plan Review)							0
Hard Cost Contingency							0
Sub-total Construction Contingencies	0	0	0	0	0	0	0
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0	0

Construction Item Costs as % of Hard Costs

SOFT COSTS

Architecture & Design	0	0	0	0	0	0	0
Architect design fees							0
Design Subconsultants to the Architect (incl. Fees)							0
Architect Construction Admin							0
Reimbursables							0
Additional Services							0
Sub-total Architect Contract	0	0	0	0	0	0	0
Other Third Party design consultants (not included under Architect contract)							0
Total Architecture & Design	0	0	0	0	0	0	0

Engineering & Environmental Studies	0	0	0	0	0	0	0
Survey							0
Geotechnical studies							0
Phase I & II Reports							0
CEQA / Environmental Review consultants							0
NEPA / 106 Review							0
CNA/PNA (rehab only)							0
Other environmental consultants							0
Total Engineering & Environmental Studies	0	0	0	0	0	0	0

Financing Costs	18,463	0	0	0	0	0	18,463
Construction Financing Costs							0
Construction Loan Origination Fee							0
Construction Loan Interest							0
Title & Recording							0
CDLAC & CDIAAC 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	0	0
Permanent Financing Costs	18,463						18,463
Permanent Loan Origination Fee							18,463
Credit Enhance. & Appl. Fee							0
Title & Recording							0
Sub-total Perm. Financing Costs	18,463	0	0	0	0	0	18,463
Total Financing Costs	18,463	0	0	0	0	0	18,463

Legal Costs	19,000	0	0	0	0	0	19,000
Borrower Legal fees	4,000						4,000
Land Use / CEQA Attorney fees							0
Tax Credit Counsel							0
Bond Counsel							0
Construction Lender Counsel							0
Permanent Lender Counsel	15,000						15,000
Other Legal (specify)							0
Total Legal Costs	19,000	0	0	0	0	0	19,000

Other Development Costs	16,705	0	0	0	0	0	16,705
Appraisal							0
Market Study							0
Insurance							0
Property Taxes							0
Accounting / Audit							0
Organizational Costs							0
Entitlement / Permit Fees							0
Marketing / Rent-up							0
Furnishings							0
PC&E / Utility Fees							0
TCAC App / Alloc / Monitor Fees							0
Financial Consultant fees							0
Construction Management fees / Owner's Rep							0
Security during Construction							0
Relocation							0
PASS Monitoring & Servicing Fees	5,000						5,000
3% Simple Interest for Initial Deposit (TSSF)	11,705						11,705
Other (specify)							0
Total Other Development Costs	16,705	0	0	0	0	0	16,705

Total Soft Cost Contingency as % of Total Soft Costs: 0.6%

SOFT COSTS	54,168	0	0	0	0	0	54,168
Contingency (Arch, Eng, Fin, Legal & Other Dev)							0
TOTAL SOFT COSTS	54,168	0	0	0	0	0	54,168

RESERVES

Operating Reserves	34,553						34,553	28% of OpEx
Replacement Reserves	155,000						155,000	Does not include property tax reimbursement deposit
Tenant Improvements Reserves							0	
Other (specify)							0	
Other (specify)							0	
TOTAL RESERVES	189,553	0	0	0	0	0	189,553	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	86,000						86,000	10k per existing unit, 13k per ADU; \$90k paid at acquisition, to total dev fee \$166k, about 2.7% of total project cost
Developer Fee - Cash-out At Risk							0	
Commercial Developer Fee							0	
Developer Fee - SF Equity (also show as source)							0	
Developer Fee - Deferred (also show as source)							0	
Development Consultant Fees							0	
Other (specify)							0	
TOTAL DEVELOPER COSTS	86,000	0	0	0	0	0	86,000	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	4,217,305	843,367	545,013	88,620	0	0	5,694,305
Development Cost/Unit as % of TDC by Source	74.1%	14.8%	9.6%	1.6%	0.0%	0.0%	100.0%
Acquisition Cost/Unit by Source	484,198	105,421	68,127	11,078	0	0	668,823
Construction Cost (inc Const Contingency)/Unit By Source	0	0	0	0	0	0	0
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00
*Possible non-eligible GO Bond/CDP Amount:	34,553						
City Subsidy/Unit	527,163						
Tax Credit Equity Pricing	N/A						
Construction Bond Amount:	N/A						
Construction Loan Term (in months):	N/A						
Construction Loan Interest Rate (as %):	N/A						
Small Sites Combined Loan to Value Ratio:							106%
% of Acquisition Cost by Source	72%	16%	10%	2%	0%	0%	100%
Small Sites Maximum Developer Fee	160,000						

Exhibit B. Operating Budget

MOHCD Proforma - Year 1 Operating Budget

Application Date: 4/14/2023 Project Name: 239 Clayton
 Total # Units: 8 Project Address: 239 Clayton Street
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2023 Project Sponsor: MEDA

Small Sites Project

INCOME	Total	Comments
Residential - Tenant Rents	137,568	Links from 'Existing Proj - Rent Info' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	26,172	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	0	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	163,440	
Vacancy Loss - Residential - Tenant Rents	(13,757)	Vacancy loss is 10% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(1,309)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	148,405	PUPA: 18,551

OPERATING EXPENSES

Management		
Management Fee	10,368	\$108 per guidelines
Asset Management Fee	10,368	\$108 per guidelines
Sub-total Management Expenses	20,736	PUPA: 2,592
Salaries/Benefits		
Office Salaries		
Manager's Salary		
Health Insurance and Other Benefits		
Other Salaries/Benefits		
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits	0	PUPA: 0
Administration		
Advertising and Marketing	4,128	\$43/Unit/Month to maintain leasing staffs to lease vacant units
Office Expenses		
Office Rent		
Legal Expense - Property	3,600	\$450 PUPA
Audit Expense	1,500	
Bookkeeping/Accounting Services	3,840	\$40 per unit
Bad Debts		
Miscellaneous	800	\$100 PUPA for Income Certification
Sub-total Administration Expenses	13,868	PUPA: 1,734
Utilities		
Electricity	400	Common Areas
Water	636	Actuals
Gas		
Sewer	2,474	Actuals
Sub-total Utilities	3,510	PUPA: 439
Taxes and Licenses		
Real Estate Taxes	948	direct charges and special assessments not exempted
Payroll Taxes		
Miscellaneous Taxes, Licenses and Permits		
Sub-total Taxes and Licenses	948	PUPA: 118
Insurance		
Property and Liability Insurance	6,974	Actuals
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
Sub-total Insurance	6,974	PUPA: 872
Maintenance & Repair		
Payroll		
Supplies		
Contracts	3,078	Fire Alarm Monitoring + Monthly Pest Control
Garbage and Trash Removal	2,405	Actuals
Security Payroll/Contract		
HVAC Repairs and Maintenance	3,600	\$450 PUPA
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses	7,200	service
Sub-total Maintenance & Repair Expenses	16,283	PUPA: 2,035
Supportive Services		
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES 62,319 PUPA: 7,790

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent	0	Provide additional comments here, if needed.
Bond Monitoring Fee	5,000	PASS Monitoring and Servicing Fees
Replacement Reserve Deposit	3,200	\$400 PUPA
Operating Reserve Deposit		
Other Required Reserve 1 Deposit		
Other Required Reserve 2 Deposit		
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	8,200	PUPA: 1,025

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) 70,519 PUPA: 8,815

NET OPERATING INCOME (INCOME minus OP EXPENSES) 77,886 PUPA: 9,736

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)

Hard Debt - First Lender	49,927	MOHCD (PASS-MR)	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Le	17,767	MOHCD (PASS-BMR)	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	67,694	PUPA: 8,462	

CASH FLOW (NOI minus DEBT SERVICE) 10,192

USES OF CASH FLOW BELOW (This row also shows DSCR.) 1.15

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

Below-the-line Asset Mgt Fee (uncommon in new projects, see policy)		
Partnership Management Fee (see policy for limits)		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		
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 0 PUPA: 0

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) 10,192

Residual Receipts Calculation

Application Date: 4/14/2023 **Project Name:** 239 Clayton
Total # Units: 8 **Project Address:** 239 Clayton Street
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): **2023** **Project Sponsor:** MEDA
Small Sites Project
 Does Project have a MOHCD Residual Receipt Obligation? **Yes** Project has MOHCD ground lease? **No**
 Will Project Defer Developer Fee? **No**
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 33%
% of Residual Receipts available for distribution to soft debt lenders in 67%

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. recs	\$4,217,305	100.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value		0.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	6,795	67% 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.
Proposed MOHCD Residual Receipts Amount to Replacement Reserve	6,795	MOHCD res recs to Rep Res (RR) until RR balance >= 1.5 Original Capitalized RR amt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 3,397 *Total Resid Receipts due not allocated, please revise F142*

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

REMAINDER (Should be zero unless there are distributions below)		
Owner Distributions/Incentive Management Fee	3,397	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses	0	
Final Balance (should be zero)	0	

Exhibit C. 20-year Cash Flow

2.59 Clayton

MOHCD Proforma - 20 Year Cash Flow Summary

Small Sites Project
Total # Units: 8

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
INCOME	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Residential - Tenant Rents	137,568	140,537	144,051	147,652	151,343	155,127	159,005	162,980	167,054	171,231	175,512	179,899	184,397	188,907	193,522	198,245	203,080	208,028	213,044
Residential - Tenant Assistance Payments (Non-LOSP)	26,172	26,565	26,963	27,367	27,778	28,195	28,618	29,047	29,483	29,925	30,374	30,829	31,292	31,761	32,238	32,721	33,210	33,710	34,219
Commercial Space																			
Other Income																			
Gross Potential Income	163,740	167,102	171,014	175,020	179,126	183,332	187,640	192,052	196,571	201,198	206,935	212,774	218,717	224,764	230,915	237,173	243,544	250,030	256,634
Vacancy Loss - Residential - Tenant Rents	(13,757)	(14,054)	(14,451)	(14,855)	(15,265)	(15,681)	(16,104)	(16,535)	(17,073)	(17,618)	(18,172)	(18,736)	(19,309)	(19,891)	(20,482)	(21,083)	(21,694)	(22,315)	(22,946)
Vacancy Loss - Residential - Tenant Assistance Payments	(1,309)	(1,328)	(1,348)	(1,369)	(1,391)	(1,413)	(1,435)	(1,458)	(1,481)	(1,504)	(1,528)	(1,552)	(1,577)	(1,602)	(1,627)	(1,652)	(1,678)	(1,704)	(1,730)
Vacancy Loss - Commercial	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EFFECTIVE GROSS INCOME	148,674	151,443	154,977	158,595	162,300	166,099	169,978	173,956	178,028	182,199	186,473	190,843	195,321	199,907	204,603	209,412	214,336	219,379	224,543
OPERATING EXPENSES																			
Management	20,736	21,462	22,213	22,990	23,795	24,628	25,490	26,382	27,305	28,261	29,250	30,274	31,334	32,430	33,565	34,740	35,956	37,214	38,517
Salaries/Benefits	13,868	14,353	14,858	15,376	15,914	16,471	17,047	17,644	18,262	18,901	19,562	20,247	20,956	21,689	22,448	23,234	24,047	24,889	25,760
Administration	3,109	3,154	3,201	3,249	3,298	3,349	3,399	3,452	3,506	3,561	3,618	3,676	3,736	3,797	3,860	3,924	4,000	4,078	4,159
Insurance	6,974	7,218	7,471	7,732	8,003	8,283	8,573	8,873	9,183	9,505	9,838	10,182	10,538	10,907	11,289	11,684	12,093	12,516	12,954
Maintenance & Repair	16,293	16,853	17,443	18,063	18,715	19,399	20,116	20,867	21,653	22,474	23,331	24,224	25,154	26,121	27,125	28,166	29,244	30,360	31,515
Supportive Services																			
Commercial Expenses																			
TOTAL OPERATING EXPENSES	62,319	64,500	66,758	69,094	71,512	74,015	76,606	79,287	82,062	84,934	87,907	90,984	94,168	97,464	100,875	104,406	108,060	111,842	115,757
Net Operating Income (NOI)	86,355	86,943	88,219	89,501	90,788	92,084	93,392	94,711	96,046	97,394	98,759	100,139	101,532	102,939	104,362	105,801	107,256	108,729	110,222
Reserves/Lease Base Rent/Bond Fees																			
Bond Maturity Fee																			
Replacement Reserve Deposit																			
Operating Reserve Deposit																			
Other Required Reserve 1 Deposit																			
Other Required Reserve 2 Deposit																			
Reserve Deposit Commercial																			
Sub-total Reserves/Lease Base Rent/Bond Fees																			
TOTAL OPERATING EXPENSES (w/ Reserves/Lease Base Rent/Bond Fees)	70,519	72,700	74,958	77,294	79,712	82,215	84,806	87,487	90,262	93,134	96,107	99,184	102,368	105,664	109,075	112,606	116,260	120,042	123,957
NET OPERATING INCOME (INCOME minus OPEX EXPENSES)	17,167	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767
Debt Service/AMUST PAYMENTS ("hard debt"/amortized loans)																			
Hurd Debt - First Lender																			
Hurd Debt - 2nd Lender																			
Hurd Debt - 3rd Lender																			
Hurd Debt - 4th Lender																			
Commercial Hard Debt Service																			
TOTAL HARD DEBT SERVICE	49,927	49,927	49,927	49,927	49,927	49,927	49,927	49,927	49,927	49,927	49,927	49,927	49,927	49,927	49,927	49,927	49,927	49,927	49,927
Net Cash Flow (NCF)	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767	17,767
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	6,795	7,366	8,217	9,071	9,929	10,790	11,652	12,517	13,382	14,247	15,113	15,977	16,840	17,699	18,556	19,408	20,255	21,095	21,929
Does Project have a MOHCD Residual Receipt Obligation? Will Project Defeat Developer Fee? Residual Receipts split for all years. - Lender/Owner	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No	Yes No
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	7,386	8,217	9,071	9,929	10,790	11,652	12,517	13,382	14,247	15,113	15,977	16,840	17,699	18,556	19,408	20,255	21,095	21,929	22,764
Proposed MOHCD Residual Receipts Amount to Loan Repayment																			
Proposed MOHCD Residual Receipts Amount to Replacement Reserve																			
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	3,397	3,683	4,108	4,536	4,965	5,395	5,826	6,258	6,691	7,124	7,556	7,989	8,420	8,850	9,278	9,704	10,127	10,548	10,964
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
HCD Residual Receipts Amount Due Lender 1 Residual Receipts Due Lender 2 Residual Receipts Due Lender 3 Residual Receipts Due Lender 4 Residual Receipts Due	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Non-MOHCD Residual Receipts Debt Service	3,397	3,683	4,108	4,536	4,965	5,395	5,826	6,258	6,691	7,124	7,556	7,989	8,420	8,850	9,278	9,704	10,127	10,548	10,964
REMAINDER (Should be zero unless there are distributions below)	159,750	220,974	225,843	232,037	238,864	246,316	254,400	263,129	272,511	282,554	293,270	304,668	316,757	329,547	343,048	357,270	372,214	387,891	404,321
Owner Distributions/Incentive Management Fee																			
Final Balance (should be zero)	34,899	35,248	35,600	35,956	36,316	36,679	37,046	37,416	37,790	38,168	38,550	38,935	39,325	39,718	40,115	40,516	40,921	41,331	41,744
RR Running Balance OR Running Balance RR Required Reserve 1 Running Balance Other Required Reserve 2 Running Balance																			
DEFERRED DEVELOPER FEE - RUNNING BALANCE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Developer Fee Starting Balance Deferred Developer Fee Earned in Year Developer Fee Remaining Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Exhibit D. Proforma

GENERAL PROJECT INFORMATION																																																										
Application Date		4/14/2023			Current AMI/Rent Year: 2022																																																					
1st Yr of Operations		2023																																																								
1st Month of Operations (1-12)		6																																																								
This application for financing is for (select only <u>one</u>): <input type="checkbox"/> New Construction <input checked="" type="checkbox"/> Existing Development				Financing is requested for: <input type="checkbox"/> Acquisition/Predevelopment/Construction <input checked="" type="checkbox"/> Permanent/Gap			Local Funding Programs: <input checked="" type="checkbox"/> Small Sites <input checked="" type="checkbox"/> PASS Program <input type="checkbox"/> LOSP Program																																																			
PROPOSED DEVELOPMENT																																																										
Project Name		Project Street #		Project Street Name		Project Street Suffix (St/Ave/etc.)		Project Zip Code																																																		
239 Clayton		239		Clayton		Street		94117																																																		
Project Neighborhood		Supervisorial District		Real Estate District		Building Type		Gross SF	# Floors																																																	
Haight Ashbury		5				Lowrise (1-3 stories)		8,513	3																																																	
Total Units	# of Affordable Units	Occupancy Type		Supportive Housing?		Transitional Housing?		If Transitional, # Beds																																																		
8	8	Multi-Room Occupancy		No		No		0																																																		
# Comm Units	Comm SF	Project Sponsor (parent entit(ies), not LP)			Ownership Type		Property Owner																																																			
0	0	MEDA			Non Profit Corporation		MEDA Small Properties, LLC																																																			
Property Owner Contact Name		Property Owner Contact Title		Property Owner Contact Email			Property Owner Contact Phone																																																			
Jose Garcia		Program Manager		jgarcia@medasf.org			415-282-3334																																																			
PROPOSED UNIT DISTRIBUTION					TARGET POPULATION																																																					
Enter the total proposed number of units, including manager units, and unrestricted units, if any.					Enter # of persons within each target proposed to be served: For persons that qualify for more than one target population group, include the individual in each target population group.																																																					
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Unit Types</th> <th>Proposed # Units include Mgr's Unit(s)</th> <th>% of Total Units</th> </tr> </thead> <tbody> <tr><td>SRO</td><td></td><td>0%</td></tr> <tr><td>Studio</td><td>1</td><td>13%</td></tr> <tr><td>1 BR</td><td>7</td><td>88%</td></tr> <tr><td>2 BR</td><td></td><td>0%</td></tr> <tr><td>3 BR</td><td></td><td>0%</td></tr> <tr><td>4 BR</td><td></td><td>0%</td></tr> <tr><td>5 BR</td><td></td><td>0%</td></tr> <tr><td>Total Units</td><td>8</td><td>100%</td></tr> </tbody> </table>					Unit Types	Proposed # Units include Mgr's Unit(s)	% of Total Units	SRO		0%	Studio	1	13%	1 BR	7	88%	2 BR		0%	3 BR		0%	4 BR		0%	5 BR		0%	Total Units	8	100%	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Families</th> <th></th> </tr> </thead> <tbody> <tr><td>Persons with HIV/AIDS</td><td></td></tr> <tr><td>Homeless Persons</td><td></td></tr> <tr><td>Mentally or Physically Disabled</td><td></td></tr> <tr><td>Developmentally Disabled</td><td></td></tr> <tr><td>Seniors</td><td>5</td></tr> <tr><td>Persons with Substance Abuse</td><td></td></tr> <tr><td>Domestic Violence Survivors</td><td></td></tr> <tr><td>Veterans</td><td></td></tr> <tr><td>Formerly Incarcerated</td><td></td></tr> <tr><td>Transition-Aged Youth ("TAY")</td><td></td></tr> </tbody> </table>					Families		Persons with HIV/AIDS		Homeless Persons		Mentally or Physically Disabled		Developmentally Disabled		Seniors	5	Persons with Substance Abuse		Domestic Violence Survivors		Veterans		Formerly Incarcerated		Transition-Aged Youth ("TAY")	
Unit Types	Proposed # Units include Mgr's Unit(s)	% of Total Units																																																								
SRO		0%																																																								
Studio	1	13%																																																								
1 BR	7	88%																																																								
2 BR		0%																																																								
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4 BR		0%																																																								
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Total Units	8	100%																																																								
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Persons with HIV/AIDS																																																										
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Domestic Violence Survivors																																																										
Veterans																																																										
Formerly Incarcerated																																																										
Transition-Aged Youth ("TAY")																																																										
Narrative: Please provide summary of target population proposed to be served. Located in Sup District 5, Haight Ashbury Neighborhood 6-unit residential building with 2 garage spaces converted into two additional dwelling units (One Studio & One 1 Bedroom) Seniors, African American, Long term tenants																																																										
PROJECT FINANCING																																																										
In the table below, please provide information about all existing and proposed project financing, including all hard and soft debt lenders. Lenders should be listed in lien order with the most senior lender in the first lien position and the most junior lender in the last lien position. Enter information for all columns. If not applicable, enter "N/A." Data entry below is required! Drop down menus in the 1st Year Operating Budget will not work if the Project Financing Table is not completed.																																																										
Lien Order	Lender (and Funding Program if applicable)	Total Funding Amount	Interest Rate	First Repymt Due Date	Maturity Date	Hard Debt/Soft Debt/Both	Repayment Terms (select from drop down)	Annual Payment Amount (or N/A, if not applicable)	Notes (please note any anticipate changes to repayment obligations)																																																	
1	MOHCD (PASS-MR)	843,367	5.17%	8/1/2023	7/1/2063	Hard	Periodic	49,927																																																		
2	MOHCD (PASS-BMR)	545,013	1.39%	8/1/2023	7/1/2063	Hard	Periodic	17,767																																																		
3	MOHCD (PASS-Deferred)	88,620	1.39%	8/1/2023	7/1/2063	Hard	Deferred	0	154,418.77																																																	
4	MOHCD SSP	4,217,305	3.00%	7/31/2024	7/1/2063	Soft	Residual receipts	N/A																																																		
5																																																										
6																																																										
7																																																										
8																																																										
9																																																										
10																																																										
Total Funding:		\$5,694,305																																																								
Does the project have/will have HCD financing?		No	Acquisition cost minus the present value of 55 years of ground lease base rent payments. (This data informs the pro rata split of residual receipts, see worksheet 6, I134-I138 for detailed breakdown.)				Does the project have/will have Federal Funding?		No																																																	
PROPOSED RENTAL SUBSIDIES					RESIDUAL RECEIPTS/GROUND LEASE INFORMATION																																																					
Enter # of units proposed to be supported by each rental subsidy type.					Does/Will the project have a MOHCD/OCII Residual Receipts loan repayment obligation?																																																					
LOSP																																																										
Project-Based-Section 8					Will the project defer the payment of the Developer Fee, and therefore have two different Residual Receipts splits? (See Developer Fee Policy.)																																																					
Project-Based-Section 8 (Mod Rehab SRO)																																																										
HAP Contract With (Select if any PB-Sec8 Units):					Residual Receipts split for all years.																																																					
Section 8-Voucher					% of Residual Receipts available for distribution to all soft debt lenders:																																																					
HOPWA																																																										
PRAC - 202					% of Residual Receipts available for distribution to Owner:																																																					
PRAC - 811																																																										
S+C																																																										
VASH																																																										
HOME TBA																																																										
Other: Plus Housing					2																																																					
					Does/Will the project have a MOHCD/OCII ground lease?																																																					
					No																																																					
					Does/Will the project have a non-MOHCD/OCII ground lease?																																																					
					No																																																					
					If yes, enter Lessor name:																																																					
Must Pay Base Rent Amount:		Residual Rent Amount:		Annual Rent Amount:		0																																																				

UTILITIES AND OTHER PROJECT INCOME

239 Clayton

Small Sites Project
Application Date: 4/14/2023

UTILITY ALLOWANCE											
Utility	Allowance Year:	2022	Who Pays?	Type	SRO	Studio	1BR	2BR	3BR	4BR	5BR
Heating*			Tenant	Natural Gas	0	26	32	38	44	50	56
Cooking*			Tenant	Natural Gas	0	4	5	8	10	12	15
Other Electric*			Tenant	Natural Gas	0	43	51	72	97	122	147
Water Heating*			Owner	Natural Gas	0	0	0	0	0	0	0
Other: (please describe)											
Total Utility Allowance					0	73	88	118	151	184	218

Utility Allowances approved for the San Francisco Housing Authority, effective 8/31/2021:

OTHER PROJECT INCOME

Please use the tables below to provide detailed information about other projected monthly residential and commercial income. **The information provided below will link to income line items in the 1st year Operating Budget worksheet.**

Residential Parking	
	Amount
No. of Tenant Rental Spaces	
Monthly Income Per Space	
Monthly Residential Parking Income	0
Annual Residential Parking Income	0

Miscellaneous Rent Income

In the table below, enter each type of anticipated rent-related income not already included in the calculation of gross rental income.

Miscellaneous Rent Income Source	Amount
Monthly Miscellaneous Rent Income	0
Annual Miscellaneous Rent Income	0

Laundry

No. of Units Using Central Laundry	
Weekly Assumed Income Per Unit	
Annual Total Laundry Income	0

Interest Income - Project Operations

Interest Income Source	Amount
Monthly Interest Income	0
Annual Interest Income - Project Operations	0

Tenant Charges

Tenant Charges Source	Amount
Monthly Tenant Charges	0
Annual Tenant Charges Income	0

Miscellaneous Residential Income

In the table below, itemize other revenue proposed to be generated by the project and not already included in other income line items. Do not include misc. rent-related income below; enter those under Miscellaneous Rent Income.

Miscellaneous Residential Income Source	Amount
Monthly Misc Residential Income	0
Annual Misc Residential Income	0

Other Commercial Income

In the table below, enter each type of anticipated Other Monthly

Other Commercial Income Source	Amount
Monthly Other Commercial Income	0
Annual Commercial Income	0

Rent Roll Date:		238 Clayton		2022		
Total Units:		Small Site Project		12/31/2022		
Summary of Current and Proposed Affordability Limits						
Row Num	Unit No.	Unit Types	Total # (Spec. Aff.) Units	Unrestricted/ Manager Units	Total Restricted Units	MOHCD Restricted Units 8%
1	1	Studio	1	1	0	1
2	2	1BR	7	7	0	7
3	3	2BR	0	0	0	0
4	4	3BR	0	0	0	0
5	5	4BR	0	0	0	0
6	6	5BR	0	0	0	0
7	A	6BR	0	0	0	0
8	B	7BR	0	0	0	0
9		Total Units	8	8	0	8
10		Calculated Unadjusted MOHCD AMI per Current Rents:		65.9%		
11		Calculated Unadjusted MOHCD AMI per Proposed Rents:		65.9%		

RENT AND UNIT MIX INFORMATION - EXISTING PROJECTS ONLY

Complete this worksheet!

238 Clayton
 Application Date: 4/14/2023
 Current AMI/Rent Year: 2022
 Utility Allowance Year: 2022
 Total Units: 6

Small Sites Project
 Monthly Rental Assistance: \$2,181
 Annual Rental Assistance: \$26,172
 (Number of Units x Monthly Rental Assistance)

Row Num	Unit No.	Current Unit Restriction (per unit type)	Unit (per unit type)	Unit Size (square feet)	Date of Most Recent Income Recertification	Household Annual Income as of Most Recent Recertification	Household Size as of Most Recent Recertification (linked below)	Household Income AMI	Rental Assistance Type (select below)	Amount of Monthly Rental Assistance	Utility Allowance
1	1	Unrestricted	1BR	610	9/22/2022	\$44,372	1	68%		\$858	\$0
2	2	Unrestricted	1BR	973	9/20/2022	\$32,000	1	37%		\$858	\$0
3	3	Unrestricted	1BR	973	11/30/2022	\$5,000	1	0%		\$858	\$0
4	4	Unrestricted	1BR	973	9/14/2022	\$42,047	1	43%		\$858	\$0
5	5	Unrestricted	1BR	973	9/14/2022	\$42,047	1	43%		\$858	\$0
6	A	Unrestricted	Studio	456	9/12/2022	\$42,200	1	45%	Other	\$475	\$75
7	B	Unrestricted	1BR	642	4/12/2023	\$32,000	2	29%	Other	\$1,706	\$858
8										\$0	\$0
9										\$0	\$0
10										\$0	\$0
11										\$0	\$0
12										\$0	\$0
13										\$0	\$0
14										\$0	\$0
15										\$0	\$0
16										\$0	\$0
17										\$0	\$0
18										\$0	\$0
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36										\$0	\$0
37										\$0	\$0
38										\$0	\$0
39										\$0	\$0
40										\$0	\$0
41										\$0	\$0
42										\$0	\$0
43										\$0	\$0
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73										\$0	\$0
74										\$0	\$0
75										\$0	\$0

PASS LOAN SCHEDULE & FEES

PROJECT INFO
 239 Clayton
 Project Name: MEDA
 Sponsor: MEDA
 Total # Units: 8
 Closing Date: 6/15/2023
 First Payment Date: 8/1/2023
 Maturity Date: 7/1/2063

LOAN SIZING	Market Rate Note	Below Market Rate Note	Deferred Note	PASS Loan
Net Operating Income (NOI)	57.10%	36.90%	6.00%	100.00%
Total Development Cost (TDC)	843,367.00	545,013.00	88,620.00	1,477,000.00
Appraised Value				
	77,886			
	5,694,305			
	3,380,000			
Maximum Loan based on DSCR, LTV, and LTC sizing Constraints:				
Minimum DSCR	1.477			
Maximum LTV	90.00%			
Maximum LTC	80.00%			
	1,477,000.00			
U/W PASS Loan (\$1,000 denominations)	1,477,000			
CCSF TIC				
PASS Sizing TIC	4.16725%			
Loan Term (years)	3.40866%			
Loan Amortization (years)	40.00			
	40.00			

LOAN FEES AND FEE ALLOCATION	Market Rate Note	Below Market Rate Note	Deferred Note	PASS Loan
Upfront Fees (capitalize in 4b, Perms&U)	0.00%	100.00%	0.00%	100.00%
Origination	-	18,462.50	-	18,462.50
City Attorney	-	15,000.00	-	15,000.00
Initial Compliance Monitoring	-	2,500.00	-	2,500.00
First Year Loan Servicing	-	2,500.00	-	2,500.00
	-	38,462.50	-	38,462.50
Ongoing Fees (include in 6.1stYrOpBudget)	0.00%	100.00%	0.00%	100.00%
Compliance Monitoring	-	2,500.00	-	2,500.00
Loan Servicing	-	2,500.00	-	2,500.00
	-	5,000.00	-	5,000.00

INTERIM INTEREST DUE AT CLOSING	Market Rate Note	Below Market Rate Note	Deferred Note	PASS Loan
Start Date	6/15/2023			
End Date	6/30/2023			
# Days Interest	16			
Note Amount	843,367.00			
Rate	5.16725%			
Pier Diem	121.05			
Amount Due	1,936.80			
# Days Interest	16			
Interest (Cost of Funds)	1,562.08			
Interest (Admin Fees)	374.72			
Market Rate Note	843,367.00			
Below Market Rate Note	545,013.00			
Deferred Note	88,620.00			
Totals	1,477,000.00	1,898.56	374.72	-

PASS REF ANALYSIS
Payments and Equity Balance

PASS Loan Amortization

PASS LOAN	
Market Rate Note	843,367.00
Below Market Rate Note	545,013.00
Deferred Note	88,620.00
Total PASS Loan	1,477,000.00
Market Rate Interest Rate	5.16725%
Below Market Rate Interest Rate	1.38008%
Deferred Interest Rate	1.38008%
True Interest Cost	
Market Rate Note Payment	49,926.57
Below Market Rate Note Payment	17,767.09
Deferred Note Payment	-
Total PASS Annual Payment	67,693.66
REF/ASSUMPTIONS	
Ref Year	20
Ref Debt Service	88,542
Ref Proceeds	305,096
Replacement Reserve Starting Balance	185,000.00
10-year inflated CNA total	215,585
SMALL SITES PROGRAM	
SSP Loan	4,217,304.75
Total Subsidy Loans	4,217,304.75

Yr	Market Rate	Loan BMR	Loan	Deferred Loan	Total PASS	Equity	Rate	Term	DSCR	Prin	Costs	Refi	Proceeds	RFR	Balance/Unit
	Prin Bal	Prin Bal	Prin Bal	Prin Bal	Prin Bal										
1	836,867	534,751	88,859	1,461,477	15,523	31,516	5.000000%	30.00	1.150	1,051,353	15,770	15,770	(425,584)	19,969	
2	830,023	524,346	91,115	1,445,484	47,999	31,516	5.000000%	30.00	1.150	1,062,925	15,944	15,944	(398,503)	27,622	
3	822,816	513,796	92,389	1,429,001	64,993	47,999	5.000000%	30.00	1.150	1,080,152	16,202	16,202	(365,052)	28,230	
4	815,229	503,098	93,680	1,412,007	82,520	64,993	5.000000%	30.00	1.150	1,097,454	16,462	16,462	(331,015)	29,005	
5	807,240	492,250	94,980	1,394,480	100,603	82,520	5.000000%	30.00	1.150	1,114,821	16,722	16,722	(296,381)	16,253	
6	798,828	481,251	96,318	1,376,397	119,267	100,603	5.000000%	30.00	1.150	1,132,243	16,984	16,984	(261,137)	14,862	
7	789,971	470,098	97,684	1,357,733	138,536	119,267	5.000000%	30.00	1.150	1,149,710	17,246	17,246	(225,269)	14,676	
8	780,645	458,789	99,030	1,338,464	158,437	138,536	5.000000%	30.00	1.150	1,167,209	17,508	17,508	(188,763)	16,679	
9	770,826	447,322	100,414	1,318,563	179,000	158,437	5.000000%	30.00	1.150	1,184,729	17,771	17,771	(151,604)	13,694	
10	760,488	435,695	101,818	1,298,000	200,252	179,000	5.000000%	30.00	1.150	1,202,256	18,034	18,034	(113,778)	6,903	
11	749,602	423,905	103,241	1,276,748	222,225	200,252	5.000000%	30.00	1.150	1,219,778	18,297	18,297	(75,267)	9,153	
12	738,140	411,951	104,684	1,254,775	244,951	222,225	5.000000%	30.00	1.150	1,237,278	18,559	18,559	(36,056)	9,140	
13	726,072	399,829	106,148	1,232,049	268,465	244,951	5.000000%	30.00	1.150	1,254,742	18,821	18,821	3,872	4,828	
14	713,365	387,538	107,632	1,208,535	292,803	268,465	5.000000%	30.00	1.150	1,272,154	19,082	19,082	44,537	3,824	
15	699,986	375,075	109,136	1,184,197	318,001	292,803	5.000000%	30.00	1.150	1,289,495	19,342	19,342	85,956	2,982	
16	685,899	362,437	110,662	1,158,999	344,101	318,001	5.000000%	30.00	1.150	1,306,749	19,601	19,601	128,149	4,890	
17	671,067	349,623	112,209	1,132,899	371,143	344,101	5.000000%	30.00	1.150	1,323,896	19,858	19,858	171,138	4,015	
18	655,449	336,630	113,778	1,105,857	399,170	371,143	5.000000%	30.00	1.150	1,340,915	20,114	20,114	214,943	2,953	
19	639,006	323,486	115,368	1,077,850	428,230	399,170	5.000000%	30.00	1.150	1,357,765	20,367	20,367	259,588	2,764	
20	621,692	310,097	116,981	1,048,770	458,370	428,230	5.000000%	30.00	1.150	1,374,463	20,617	20,617	305,096	28,797	
21	603,462	296,551	118,617	1,018,630	489,642	458,370	5.000000%	30.00	1.150	1,391,002	20,867	20,867	351,811	27,963	
22	584,267	282,816	120,275	987,358	522,098	489,642	5.000000%	30.00	1.150	1,407,392	21,114	21,114	399,170	27,130	
23	564,057	268,889	121,956	954,902	555,794	522,098	5.000000%	30.00	1.150	1,423,642	21,359	21,359	447,163	26,297	
24	542,778	254,767	123,661	921,206	590,790	555,794	5.000000%	30.00	1.150	1,439,752	21,601	21,601	495,794	25,464	
25	520,372	240,448	125,390	886,210	627,148	590,790	5.000000%	30.00	1.150	1,455,722	21,839	21,839	544,963	24,631	
26	496,781	225,929	127,143	849,852	664,932	627,148	5.000000%	30.00	1.150	1,471,552	22,074	22,074	594,672	23,798	
27	471,941	211,207	128,920	812,068	704,211	664,932	5.000000%	30.00	1.150	1,487,242	22,307	22,307	644,921	22,965	
28	445,788	196,279	130,722	772,789	745,059	704,211	5.000000%	30.00	1.150	1,502,792	22,538	22,538	695,710	22,132	
29	418,250	181,142	132,550	731,941	787,549	745,059	5.000000%	30.00	1.150	1,518,202	22,767	22,767	747,039	21,299	
30	389,255	165,794	134,403	689,451	831,762	787,549	5.000000%	30.00	1.150	1,533,472	22,994	22,994	798,908	20,466	
31	358,726	150,231	136,282	645,238	877,782	831,762	5.000000%	30.00	1.150	1,548,602	23,219	23,219	851,327	19,633	
32	326,581	134,450	138,187	599,218	925,696	877,782	5.000000%	30.00	1.150	1,563,592	23,442	23,442	904,296	18,800	
33	292,736	118,449	140,119	551,304	975,599	925,696	5.000000%	30.00	1.150	1,578,442	23,663	23,663	957,815	17,967	
34	257,100	102,224	142,077	501,401	1,027,586	975,599	5.000000%	30.00	1.150	1,593,152	23,882	23,882	1,011,884	17,134	
35	219,578	85,773	144,064	449,414	1,081,761	1,027,586	5.000000%	30.00	1.150	1,607,722	24,099	24,099	1,067,413	16,301	
36	180,070	69,091	146,077	395,239	1,138,768	1,081,761	5.000000%	30.00	1.150	1,622,152	24,314	24,314	1,124,792	15,468	
37	138,472	52,176	148,120	338,768	1,197,111	1,138,768	5.000000%	30.00	1.150	1,636,442	24,527	24,527	1,183,821	14,635	
38	94,673	35,025	150,190	279,889	1,258,519	1,197,111	5.000000%	30.00	1.150	1,650,592	24,738	24,738	1,244,310	13,802	
39	48,557	17,634	152,290	218,461	1,322,581	1,258,519	5.000000%	30.00	1.150	1,664,602	24,947	24,947	1,305,409	12,969	
40	(0)	(0)	154,419	154,419	1,322,581	1,322,581	5.000000%	30.00	1.150	1,678,472	25,154	25,154	1,367,018	12,136	

Application Date: 4/14/2023
 Date of CNA: 12/9/2019

REPLACEMENT RESERVE STUDY

Sponsor: MEDA
 Project Name: 238 Clayton

10-Year Inflation Total: \$ 215,885

Required Expenditures from Reserves: **\$ 852,823** (Increase) **2.0%**
 Inflation Expenditures from Reserves: **\$ 21,275** (Decrease) **2.4%**
 Inflation Expenditures from Reserves: **\$ 24,927** (Increase) **2.0%**

EUL= Average Estimated Useful Life
 RUL= Remaining Useful Life

ITEM	DESCRIPTION	Report Section #	EUL	RUL	Replacement Cost		AVG COST	# of Units	Immediate Needs	Years 1 - 20										TOTAL Years 1 - 20						
					Low	High				2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		2033	2034	2035	2036	2037	2038
(To add row for Common Area Improvements, click button to left. Be sure to keep row #2 blank. New rows will be inserted after row #3)																										
Common Area																										
106	Balconies - Repair/Rebuild	30	0	\$ 24,000	\$ 28,000	#####	prox 24 GS	26,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114	Bank Shams - Seal/Repair	5	0	\$ 10,000	\$ 22,000	#####	prox 540 G	20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114	Central Shams - Seal/Repair	5	0	\$ 10,000	\$ 22,000	#####	prox 540 G	20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Central Shams - Seal/Repair	25	0	\$ 10,000	\$ 22,000	#####	prox 540 G	20,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
403	Maintenance - Replace	30	30	\$ 1,100	\$ 1,300	\$ 1,200	(10 Boxes)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
504	Metal Gate - Replace	30	20	\$ 4,500	\$ 4,400	\$ 4,550	(1) Gates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
505	Wood Fences - Replace	25	10	\$ 3,900	\$ 4,500	\$ 4,150	prox 50-1 L	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
704	Access Buzzer - Replace	12	12	\$ 3,100	\$ 3,800	\$ 3,300	1 of Flan. B.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1115	Building Exterior - Repaint	8	0	\$ 18,800	\$ 22,500	#####	prox 7,500 C	20,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1388	Wood Siding - Repair	5	0	\$ 7,500	\$ 9,000	\$ 8,250	prox 7,500 C	8,250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1388	Paint - Repaint	20	11	\$ 30,000	\$ 43,800	#####	prox 2,200 C	40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
251	Promising, Upgrades	25	0	\$ -	\$ -	\$ -	\$ -	100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1820	Electrical - Upgrade Building Interior	30	0	\$ 11,100	\$ 13,300	#####	Sensitive Wir	100,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
324	Wall Lights - Replace	25	25	\$ 2,000	\$ 2,500	\$ 2,250	(7) Fluores	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
601	Carpet - Replace with vinyl pl	12	4	\$ 4,600	\$ 5,500	\$ 5,050	prox 71 GS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1110	Interior Surfaces - Repaint	10	5	\$ 9,300	\$ 7,800	\$ 7,150	prox 2,000 C	16,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Fire Alarm System	20	0	\$ 11,000	\$ 12,000	#####	System, Mfr	16,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	ADUs						(2) ADUs	450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The 2024 Home Inspection report indicates that there was no GFCI protection present throughout the building. The report also noted that the Federal Pacific Electric Circuit Breaker Funding provided below to install GFCI receptacles throughout the building. The report also noted that the electrical systems are beyond the scope of our services. Typically, if installed per architectural specifications and local building codes, there is no repair/replacement expense within the scope of our report.

(3) Emergency GFCI (Type: GFI) (1) ECU (1) ECU. One during daylight hours but assumed to be in functional operating condition. As routine maintenance, clean by wiping down with an anti-static cleaner. Charge bulbs and repair as needed.

Carpet is in fair condition, increased wear in high traffic areas. Carpet is in poor condition, increased wear in high traffic areas. Steam exposure and fraying noted. As part of ongoing maintenance program, vacuum regularly and clean carpet. Coordinate with other interior projects whenever possible to minimize downtime and maintain consistent quality standard.

Per NFPA code, 1102.7.6.1 - Fire alarm and low frequency sounders will be added to both buildings. Building basement to be converted into 2 ADUs.

