

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

MEMORANDUM

DATE: JANUARY 20, 2023

TO: CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE

FROM: SARA AMARAL, DIRECTOR OF HOUSING DEVELOPMENT

**RE: 160 FREELON - PRELIMINARY GAP COMMITMENT
FOR IIG & AHSC APPLICATION FINANCING PURPOSES**

SOURCES OF FUNDS

AHF INCLUSIONARY	\$4,000,000 (Previously Committed)
<u>HOUSING TRUST FUND ADVANCE</u>	<u>\$18,577,951</u>
TOTAL	\$22,577,951

TOTAL COMMITMENT REQUESTED: \$22,577,951

Summary of Request

This preliminary gap loan request is for a proposed 85-unit new construction affordable housing development located at 160 Freelon Street (the "Site"), on a to-be-City-owned parcel at 4th Street between Bryant Street and Brannan Street. 160 Freelon Housing Partners, L.P. ("Partnership" or "Sponsor") is the responsible entity, comprised of Related California and San Francisco Housing Development Corporation ("SFHDC"), selected through the 2020 Multisite Request for Qualifications ("RFQ") issued on November 30, 2020. The Project will be family-designated and will include 22 units for formerly homeless families, and 5 units for low-income people living with HIV.

160 Freelon is proposed as 9-stories with a ground floor residential lobby, and will include a community room and children's play yard, as well as property management and services offices ("Project"). The Project submitted an entitlement application utilizing AB2162 and State Density Bonus to allow for increased unit density on September 20, 2022. Approvals are anticipated by late February 2023.

The Project will include approximately 15 studios (18%), 24 one-bedrooms (28%), 23 two-bedrooms (26%), and 23 three-bedrooms (27%), for a total of 85 units. Household incomes will range from 30% to 80% MOHCD AMI. Approximately twenty-two (22) units (25% overall) will be set aside for formerly homeless families subsidized by LOSP, and at least five (5) units will be set aside for referrals from the City's Plus Housing list at 50% MOHCD AMI.

The Sponsor has been working closely with Enterprise and various agencies on the Affordable Housing and Sustainable Communities (“AHSC”) Round 7 application, due March 3rd to the State of California Housing and Community Development Department (“HCD”). The Project will partner with San Francisco Municipal Transit Agency (“SFMTA”) to fund a transit project in the area that will increase the application’s competitiveness for the upcoming round. The Sponsor has determined that maximizing the AHSC request for the housing component of the application does have an impact on the application’s competitiveness and therefore the AHSC award was lowered from \$35M to \$24.5M to be competitive. The 2023 Infrastructure and Infill Grant (“IIG”) guidelines and application have not been released by HCD; however, the Sponsor expects to maximize IIG funding as well to reduce the MOHCD gap.

The Sponsor requests a commitment of up to \$22,577,951 in gap funds and approval to apply jointly with the City to the AHSC for an Affordable Housing Development (“AHD”) funding amount of \$24,500,000. Due to HCD regulations, only funds from HCD that are committed can be included as sources in the application. As such, the \$22,577,951 preliminary gap commitment does not include the IIG application amount of \$2,500,000. Should 160 Freelon receive both AHSC and the IIG award mentioned above, the MOHCD gap will decrease from \$22,577,951 to \$20,077,951. The total AHSC request will be for approximately \$34,100,000 including approximately \$9,000,000 for transit and pedestrian improvements to SFMTA and San Francisco Recreation and Parks Department (“SFRPD”) as well as \$600,000 in program costs for the housing component.

Other proposed permanent financing includes tax-exempt bonds, 4% Low-Income Housing Tax Credits, General Partner Equity, and a permanent loan. On December 3rd, 2021, MOHCD approved a predevelopment loan of \$4,000,000.

Pending a successful AHSC application, the Sponsor intends to apply for a joint TCAC/CDLAC application in Round 3 2023. The Sponsor will return to the Loan Committee for a final gap request in Q3 2023.

Construction is expected to start in Spring 2024 and complete in Spring 2026.

AHSC and IIG Programs

It is anticipated that HCD will issue a Notice of Funding Availability (“NOFA”) for an estimated \$750 million in funding for the AHSC Program in January 2023, with applications due March 3rd. The AHSC program is administered by the Strategic Growth Council and implemented by HCD, and funds land use, housing, transportation, and land preservation projects to support infill developments that reduce greenhouse gas emissions. Funding for the AHSC Program is provided by the Greenhouse Gas Reduction Fund, an account established to receive Cap-and-Trade auction proceeds. As required by the program, MOHCD and the Sponsor will be submitting a joint application for AHSC funding.

It is also anticipated that in April 2023, HCD will issue another NOFA for \$135 million in funding for IIG. The IIG program is intended to support Qualifying Infill Areas (QIA) and Qualifying Infill Projects (QIP) with capital improvement funding. These funds are intended for higher-density, mixed income housing, and mixed-use infill development projects. The Sponsor intends to submit a QIP application to HCD for IIG totaling approximately \$2,500,000 to partially cover eligible sitework for 160 Freelon. The award will be disbursed by the Sponsor once the Project commences construction and costs accumulate. The IIG application is anticipated to be due in June 2023.

To apply for the AHSC and IIG applications for housing and transportation funds, MOHCD will need to provide a commitment of gap funds for 160 Freelon, and obtain approval from the San Francisco Board of Supervisors (BOS) to apply to the AHSC program.

Update on Project Status

1. Design/Planning

The Sponsor has submitted an entitlement application to SF Planning and anticipates receiving land use approvals in late February 2023. The design team is working to finalize the 100% design development set and anticipates completing construction documents in July 2023. If there are delays to Planning approval, the Project will not be able to apply to HCD as full entitlements are needed to be competitive.

2. Updated Sources and Uses Summary

On December 3, 2021, Loan Committee approved \$4,000,000 in predevelopment funding for 160 Freelon. The initial loan evaluation was based on the preliminary concept design for a 7-story 72-unit development. Since then, MOHCD has approved a 9-story 85-unit scenario to maximize density. The budget and preliminary gap analysis for 160 Freelon has been updated using the 100% schematic design cost estimate of the 85-unit scenario. These numbers will be updated again prior to requesting a gap funds commitment for the Project’s joint CDLAC/TCAC application.

160 Freelon Sources & Uses – AHSC & IIG Applications

Predevelopment Sources	Amount	Terms	Status
MOHCD	\$4,000,000	55 yrs. @ 3% Def / RR	Committed
Permanent Sources	Amount	Terms	Status
Tax Credit Equity	\$45,494,256	\$0.95 per credit	Not Committed
Permanent Bank Loan	\$4,693,000	30 yrs. @ 7.050%	Not Committed
MOHCD Gap	\$20,077,591	55 yrs. @ 3.00% / RR	This Request*
HCD IIG	\$2,500,000		Not Committed
HCD AHSC	\$24,500,000	RR w/ 0.42% annual fee	Not Committed
Def Dev Fee	\$850,000		Committed
GP Equity	\$500,000		Committed
Total	\$98,614,847		

Uses	Amount	Per Unit	Per GSF
Acquisition	\$20,000	\$235	\$0.20
Hard Costs	\$75,256,791	\$885,374	\$736.18
Soft Costs	\$19,236,327	\$226,310	\$188.17
Reserves	\$551,729	\$6,491	\$5.40
Developer Fee	\$3,550,000	\$41,765	\$34.73
Total	\$98,614,847	\$1,160,175	\$964.67

As mentioned previously, the AHSC application will not include IIG as a source, since it is not committed from HCD. The commitment letter from MOHCD for the AHSC application will be for \$22,571,591, which includes the amount of IIG application plus the MOHCD gap.

For the IIG application, the MOHD preliminary gap commitment amount will be \$20,071,591.

If both AHSC and IIG are awarded, the MOHCD gap will decrease to \$20,077,591.

3. 160 Freelon Sources and Uses Narrative

a. Permanent Sources Evaluation Narrative

MOHCD Gap Loan – \$20,077,591, assuming awards of both AHSC and IIG funding. This gap loan is inclusive of the \$4,000,000 in predevelopment funds that have already been committed to the Project. This amount will be refined at final Gap request.

Permanent Mortgage – \$4,693,000 in one tranche of permanent debt with a 7.050% rate and a 30-year term. This is about \$1M less than what the MOHCD proforma notes the Project can support.

At Gap request, if the rents increase due to an upturn in markets and interest rates improve, MOHCD’s contribution to the Project will be reduced. MOHCD believes this rate and term to be very conservative in the market currently. In addition, updates to the operating budget are required, which should help the Project take on more debt. The Sponsor will update the rate to more appropriate levels and increase the term by Gap request.

Tax Credit Equity – \$45,494,256 of equity derived from the sale of 4% Low Income Housing Tax Credits (LIHTC), assuming \$0.95 per credit and an applicable tax credit rate of 4.00%. If equity pricing improves, this will further reduce MOHCD’s contribution to the Project. Pending a successful AHSC application, the Sponsor intends to apply for a joint TCAC/CDLAC application in Round 3 2023.

AHSC – \$24,500,000– The Sponsor intends to apply for this amount in the Affordable Housing Development component of its application. If this amount is adjusted closer to the application date to successfully compete, the difference will be applied to the MOHCD gap. This requested amount is calculated to maximize the Project’s competitiveness.

IIG - \$2,500,000 – The Sponsor intends to apply for this amount for eligible sitework and infrastructure improvements. If successful, this will reduce the MOHCD gap.

Deferred Developer Fee - \$500,000

b. CDLAC Tax-Exempt Bond Application:

Construction Loan - \$52M – While not a permanent source, the construction loan terms are 34 months with a 7.2% interest term. This interest rate is higher than Staff has seen as of late and results in a 2.0% spread, 1.5% cushion, and 3.7% 1 month SOFR (rate as of 1/5/2023 is 4.31% for reference). As noted above, the Sponsor intends to submit a joint TCAC/CDLAC application in Q3 2023. The Project would receive 119 out of 120 self-score and a 69.887% tiebreaker score using the latest approved regulations. Awards from the latest CDLAC/TCAC application round have not yet been issued and therefore the competitiveness of the score cannot be estimated. The project’s preliminary tiebreaker score was calculated with conservative assumptions. Sponsor expects that the actual tiebreaker score will be higher, but this will be a competitive score for CDLAC/TCAC 2023 Round 3, notwithstanding changes to the regulations.

c. Permanent Uses Evaluation:

Below is a chart with narrative analysis of the permanent uses as they relate to the MOHCD underwriting guidelines.

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	\$885,374/unit. When compared to other projects in Predevelopment, 160 Freelon’s construction cost appears comparable for other 9-story, Type I construction affordable housing projects.
Construction Hard Cost Contingency is at least 5% (new construction)	Y	Hard Cost Contingency is at 5.0%.; Bid and Plan Check is at 4% each and Design Contingency is at 3%.
Architecture and Engineering Fees are within standards	Y	The A&E scope of work and fee structure has been reviewed and approved by CR staff.
Construction Management Fees are within standards	Y	The CM fees are slightly higher than MOHCD limits but have been approved by MOHCD CR Staff.
Developer Fee is within standards, see also disbursement chart below	Y	Developer Fee meets MOHCD guidelines Project Management Fee: \$1,100,000 At Risk Fee: \$1,100,000 Deferred Fee: \$850,000 GP Equity: \$500,000 Total \$3,550,000
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is at 10%.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve equals three months of operating expenses, permanent debt

		service payments, and the 0.42% HCD mandatory annual payment (prorated as well) based on the first year of stabilized operations.
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d. Developer Fee Analysis:

Payment Milestone	% of Project Mgmt. Fee	Amount
Closing of initial pre-development financing	15%	\$165,000
Site Permit submittal	15%	\$165,000
Submission of HCD funding application	10%	\$110,000
Submission of CDLAC/TCAC application	10%	\$110,000
Construction Close	20%	\$220,000
Certification of Construction Completion	20%	\$220,000
Project Close-out	10%	\$110,000
<i>Total Project Management Fee</i>		<i>\$1,100,000</i>
At-Risk: Draft Cost Certification	20%	\$220,000
At-Risk: Permanent Loan Closing	50%	\$550,000
At-Risk: Project Close Out	30%	\$330,000
<i>Total At Risk Fee</i>		<i>\$1,100,000</i>
Total Cash Developer Fee	Project Mgmt. and At-Risk	\$2,200,000
Deferred Fee		\$850,000
GP Equity		\$500,000
Total Developer Fee		\$3,550,000

The Sponsor is asking for an increase in deferred developer fee from predevelopment loan request. The increase of \$100k generates more equity but does not increase MOHCD gap. The amount is paid out by year 14. MOHCD staff recommend approval of this increase.

e. Income Restrictions.

To be competitive for AHSC financing, the Sponsor is showing the LOSP units restricted at 22% TCAC AMIs, per the AHSC application. The Sponsor will continue to evaluate whether the AMI restrictions of LOSP units can be raised to higher AMIs by Gap to accommodate families with higher household incomes. This will result in decreased rental income to the Project, and therefore would decrease cash flow and debt. HSH has not vetted these AMI set aside yet, however historically would like to see higher AMIs for LOSP families. Sponsor will provide a full analysis by Gap.

NON-LOTTERY		No. of Units	MOHCD	TCAC
Studio – LOSP		8	50% MOHCD AMI	22% TCAC AMI
1 BR – LOSP		10	50% MOHCD AMI	22% TCAC AMI
2 BR – LOSP		4	50% MOHCD AMI	22% TCAC AMI
Studio - Housing Plus		2	50% MOHCD AMI	37% TCAC AMI
1 BR - Housing Plus		2	50% MOHCD AMI	37% TCAC AMI
2 BR - Housing Plus		1	50% MOHCD AMI	37% TCAC AMI
Sub-Total		27		
Studio		1	30% MOHCD AMI	22% TCAC AMI
Studio		1	40% MOHCD AMI	29% TCAC AMI
Studio		1	50% MOHCD AMI	37% TCAC AMI
Studio		1	60% MOHCD AMI	44% TCAC AMI
Studio		1	70% MOHCD AMI	51% TCAC AMI
Sub-Total		5		
1 BR		1	40% MOHCD AMI	29% TCAC AMI
1 BR		3	60% MOHCD AMI	44% TCAC AMI
1 BR		4	70% MOHCD AMI	51% TCAC AMI
1 BR		4	80% MOHCD AMI	59% TCAC AMI
Sub-Total		12		
2 BR		1	40% MOHCD AMI	29% TCAC AMI
2 BR		2	60% MOHCD AMI	44% TCAC AMI
2 BR		6	70% MOHCD AMI	51% TCAC AMI
2 BR		8	80% MOHCD AMI	59% TCAC AMI
Sub-Total		17		
3 BR		1	50% MOHCD AMI	37% TCAC AMI
3 BR		5	60% MOHCD AMI	44% TCAC AMI
3 BR		8	70% MOHCD AMI	51% TCAC AMI
3 BR		9	80% MOHCD AMI	59% TCAC AMI
Sub-Total		23		
2 BR		1		
TOTAL		85		
Average AMI			58%	42%

4. 160 Freelon Operating Budget Updates

Operating Budget is being presented to demonstrate the Project’s overall feasibility. Overall, much of the costs are in line with MOHCD underwriting standards but further review and analysis are required before final gap approval, including input from HSH on the desk clerk and services budget. At present, the Project can take on additional debt of approximately \$1M, but this is dependent on interest rate conditions at gap. The Sponsors will return to Loan Committee for approval of final gap numbers in 2023.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio stays above 1:1 through Year 17	N	DSCR is 1.23 at Year 1 and 1.45 at Year 17. The Sponsor will finalize budget and if possible, assume more debt at Gap.
Vacancy meets TCAC Standards	Y	Vacancy is 5%.
Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 2.5% per year, except for 1% for LOSP
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%.
Base year operating expenses per unit are reasonable per comparable	Y	Operating budget shows \$11,015 PUPA before reserves and ground lease and \$12,902 PUPA after, which is in line with comparable projects in MOHCD’s portfolio.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$82,457 or \$80.84 PUPM, the current HUD maximum.
Property Management staffing level is reasonable per comparable	Y	1.0 FTE Property Manager; 1.0 FTE Assistant Property Manager; 1.0 FTE Maintenance. Sponsor is assuming the APM will provide front desk coverage during business hours.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$24,280/yr. Annual PM Fee is \$24,270/yr.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year, per HCD guidelines.
Limited Partnership Asset Management Fee meets standards	Y	LP Asset Management Fee of \$5,000.
Services Paid from Operating	N	The operating budget includes .67 FTE Resident Service Coordinator. See Section 6 below for more information.

5. Property Management and Maintenance

The Project assumes 1.0 FTE Property Manager, 1.0 FTE Assistant Manager, and 1.0 FTE Maintenance staff, plus a monthly janitorial staff contract. These staffing numbers are not approved by MOHCD and will require additional vetting at gap. An updated management and maintained coverage plan will be provided by gap request for the Project.

6. Services Budget updates

The Project assumes .67 Resident Services Coordinator to provide services to fifty-seven (57) non-LOSP households and five (5) Housing Plus households. These staffing numbers do not comply with the MOHCD underwriting guidelines' ratio levels and not approved by MOHCD at this time. An updated services plan and budget will be provided to MOHCD to review and approve before the Project is presented to Loan Committee for its final gap commitment.

Separately, the Project assumes 1.0 FTE Case Manager to serve the twenty-two (22) LOSP households. The Project will coordinate with HSH to refine the LOSP services plan and budget prior to the AHSC application deadline.

The total budget for services is below. HSH will pay for the LOSP services.

		Non-LOSP	LOSP		Total
Input FTE		0.67	1		
Annual Salary		\$60,000	\$70,000		
Staff		\$40,200	\$70,000		\$110,200
Benefits	30.0%	\$12,060	\$21,000		\$33,060
Supervision	10.0%	\$4,020	\$7,000		\$11,020
Indirect	15.0%	\$6,030	\$10,500		\$16,530
Materials & Supplies		\$17,513	\$1,456		\$18,969
Total		\$79,823	\$109,956		\$189,779
Total Per Unit		\$1,287	\$4,998		

7. Front Desk

The Sponsor is carrying 2.4 FTE front desk coverage in the proforma, and 1 FTE Assistant Property Manager for coverage during business hours. These numbers have not been approved by HSH. The Sponsor will return at gap with final coverage numbers and costs.

8. Insurance

Insurance costs look lower than other projects in MOHCD pipeline. The Sponsor will review and update before final gap request.

9. Next Steps

MOHCD and the Sponsor will submit joint applications to HCD in March 2023 for AHSC and a to-be-set date for IIG, for which MOHCD will need to provide preliminary commitment letters. Pending successful AHSC and CDLAC/TCAC applications in 2023, 160 Freelon is anticipated to commence construction in Spring 2024. MOHCD staff will bring a final 160 Freelon gap request to the Loan Committee in Q3 2023.

10. Staff Recommendation

Staff recommends approval of the commitment letters for up to \$22,577,591 for 160 Freelon Preliminary Gap. Staff also recommends approval for Sponsors and MOHCD, as joint applicants, to apply for \$24,500,000 from AHSC and approximately \$2,500,000 from IIG.

11. LOAN CONDITIONS

- a. Loan conditions presented below are carried over from the December 3, 2021, predevelopment request.

During Predevelopment:

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

Status: Ongoing monthly.
2. Sponsor must work with MOHCD staff to determine the proper services for the Plus Housing units and if applicable, the source to pay for the service program
Status: In process. To be completed closer to Gap.
3. Sponsor must submit an updated 1st year operating budget and 20-year cash flow – if any changes have occurred – by November 1st before the year the project will achieve TCO so that MOHCD may request the LOSP subsidy.
Status: To be completed.
4. Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
Status: In process. Sponsor will meet with HSH to refine LOSP budget prior to AHSC deadline.
5. Sponsor to implement cost containment strategies to reduce overall project costs and maximize efficiencies to MOHCD gap loan, while meeting the RFQ goal of the total hard costs to be less than \$600K per unit. Sponsor must identify and implement cost containment strategies for construction and present them at the various cost estimates with narrative analysis of the pricing from the general contractor.
Status: In process. Sponsor continues to evaluate design and hard costs to identify and implement cost containment strategies.

By 100% Schematic Design & prior to Site Permit Submittal:

6. Prior to development fee milestone, Sponsor must submit evidence to MOHCD that staff listed under Section 1.3.6, including managerial, supervisory, and on-site staff, as well as any

additional or replacement staff to be working on this Project, at this time has completed Trauma Informed Systems (TIS) training.

Status: Completed

7. Sponsor must submit a preliminary services plan and budget covering the formerly homeless households for HSH and MOHCD review and approval.

Status: To be completed. Threshold limit submitted to MOHCD, but due to timing of application were not able to submit to HSH. Will be submitted to HSH upon HCD award approval. ASAP.

8. Sponsor must submit application to the Planning Department for SB35 and Site Permit review.

Status: Completed. Sponsor submitted an AB2162 application and site permit to Planning Department for review.

9. Sponsor must research alternate funding sources, such as Infill Infrastructure Grant (IIG), and provide analysis to MOHCD for review to reduce MOHCD's gap.

Status: Completed. Sponsor has reviewed funding guidelines and determined that the Project is competitive for AHSC and IIG to reduce the MOHCD gap.

10. Sponsor must submit a preliminary commercial space plan, commercial financial assumptions, and commercial development timeline for MOHCD review and approval.

Status: Not applicable. MOHCD approved Sponsor's recommendation to not proceed with commercial space on the ground floor.

By 100% Design Development:

11. Sponsor must submit an updated commercial space plan, commercial financial assumptions, and commercial development timeline for MOHCD review and approval.

Status: Not applicable. MOHCD approved Sponsor's recommendation to not proceed with commercial space on the ground floor.

12. Sponsor must submit a tenant improvement plan for MOHCD review and approval.

Status: Not applicable. MOHCD approved Sponsor's recommendation to not proceed with commercial space on the ground floor.

Prior to Preliminary Gap Request for the Project's MHP and CDLAC-TCAC Application:

13. Prior to payment of developer fee milestone Submission of HCD funding application, Related Management Company must obtain MOHCD approval of revisions to corporate policies reflecting a trauma informed approach.

Status: In process. RMC will submit revised corporate policies in early January 2023.

14. Sponsor must receive approval from HSH on the income restrictions for HCD award and service plan for the LOSP units.

Status: To be completed. Sponsor is currently working with HSH and MOHCD to determine how to set income restrictions for LOSP units to best serve LOSP families.

Prior to Gap Loan Request:

15. Sponsor must provide operating and development budgets that meet MOHCD underwriting guidelines and commercial space policy requirements.

Status: To be completed.

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

Status: To be completed.

17. Sponsor must re-submit qualifications for the property management company for MOHCD approval.

Status: To be completed.

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

Status: To be completed.

19. Sponsor must provide executed Letter of Intent (LOIs) with neighborhood serving commercial tenants, a commercial development budget, a tenant improvement proforma for MOHCD review and approval.

Status: Not applicable. MOHCD approved Sponsor's recommendation to not proceed with commercial space on the ground floor.

Prior to Construction Close and payment of development fee milestone:

20. Sponsor must submit a Housing Retention Plan for MOHCD review and approval that aims to reduce tenant displacement due to non-payment of rent. The plan must include policies to promote resident housing stability and retention, eviction prevention, lease and house rules compliance, and access to support services, including third-party dispute resolution services for landlord-tenant grievances.

Status: To be completed.

Prior to Marketing & Lease Up:

21. Prior to development fee milestone for Certification of Construction Completion, Sponsor must submit evidence to MOHCD that staff listed under Section 1.3.6, including managerial,

supervisory, and on-site staff, as well as any additional or replacement staff to be working on this Project, at this time has completed Trauma Informed Systems (TIS) training.

Status: To be completed.

22. Sponsor must work with Plus Housing participants to seek a tenant- based rental subsidy from programs like the Q Foundation to help meet the Sponsor’s affordability goals for the Project.

Status: To be completed.

23. Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the project to the City’s preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor’s Racial Equity statement and promotion of positive outcomes for African American San Franciscans.

Status: To be completed.

24. Sponsor must create more structure around marketing meetings leading up to the lease up process, which includes identifying clear roles and responsibilities and preparing meeting agendas outlining clear next steps.

Status: To be completed.

Additional loan conditions here are required per this preliminary gap request and must be satisfied by MOHCD considers the final gap financing request:

1. Sponsor will revisit unit AMIs to increase opportunities for higher AMI families in LOSP and seek HSH approval.
2. Sponsor will work to increase debt to the maximum amount allowed, per MOHCD underwriting guidelines.
3. Sponsor will work with HSH and MOHCD to finalize services budget and desk clerk coverage.

12. LOAN COMMITTEE MODIFICATIONS

13. LOAN COMMITTEE RECOMMENDATIONS

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

Eric D. Shaw, Director
Mayor’s Office of Housing and Community Development
Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Salvador Menjivar, Deputy Director for Programs
Department Homelessness and Supportive Housing
Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

Anna Van Degna, Director
Controller’s Office of Public Finance
Date: _____

Attachments: Attachment A – Updated Permanent Sources and Uses 160 Freelon
Attachment B – 1st Year Operating Budget and Cashflow 160 Freelon

160 Freelon Preliminary Gap Request

Ely, Lydia (MYR) <lydia.ely@sfgov.org>

Tue 1/31/2023 11:39 AM

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

Hi Vanessa,

I approve the preliminary gap request that was reviewed by Loan Committee on 1/20/23.

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

160 Freelon Street

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

Mon 1/30/2023 12:27 PM

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

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

I approve the request by 160 Freelon Housing Partners, LP for up to \$22,577,951, including \$4,000,000 of AHF Inclusionary (previously committed) and \$18,577,951 (housing trust fund).

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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160 Freelon Preliminary Gap Request

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

Fri 1/20/2023 12:10 PM

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

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

Hi Vanessa-

I approve the subject request on behalf of OCII.

Thanks!

Elizabeth



Elizabeth Colomello

Housing Program Manager

📍 One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

📞 415.749-2488, Cell 415.407-1908

🏠 www.sfoicii.org

REQUEST FOR PRELIMINARY GAP COMMITMENT FOR 160 FREELON STREET HG & AHSC APPLICATION FINANCING

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

Fri 1/20/2023 12:11 PM

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

Cc: Shaw, Eric (MYR) <eric.shaw@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 – Updated Permanent Sources and Uses 160 Freelon

Application Date: 1/20/23 # Units: 85
 Project Name: MOHCD Multisite RFP - Site 7 (160 Freelon) # Bedrooms: 154
 Project Address: 160 Freelon Street # Beds:
 Project Sponsor: Related & SFHDC LOSP Project

SOURCES	Total Sources							Comments
	20,077,591	4,693,000	45,494,256	24,500,000	2,500,000	850,000	500,000	
Name of Sources:	MOHCD/OClI	Perm Loan	TC Equity	HCD AHSC	HCD IIG	Deferred Costs	GP Equity	

USES

ACQUISITION

Acquisition cost or value								0
Legal / Closing costs / Broker's Fee	20,000							20,000
Holding Costs								0
Transfer Tax								0
TOTAL ACQUISITION	20,000	0	0	0	0	0	0	20,000

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab		4,693,000	33,183,544	24,500,000	2,500,000			64,876,544	Includes 5% escalation
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	4,693,000	33,183,544	24,500,000	2,500,000	0	0	64,876,544	
Design Contingency (remove at DD)			1,946,296					1,946,296	3.0%
Bid Contingency (remove at bid)			2,595,062					2,595,062	4.0%
Plan Check Contingency (remove/reduce during Plan Review)			3,243,827					3,243,827	4.0%
Hard Cost Construction Contingency									5.0%
Sub-total Construction Contingencies	0	0	10,380,247	0	0	0	0	10,380,247	
TOTAL CONSTRUCTION COSTS	0	4,693,000	43,563,791	24,500,000	2,500,000	0	0	75,256,791	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees	2,708,225							2,708,225	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)								0	
Architect Construction Admin								0	
Reimbursables								0	
Additional Services								0	
Sub-total Architect Contract	2,708,225	0	0	0	0	0	0	2,708,225	
Other Third Party design consultants (not included under Architect contract)	438,895							438,895	Consultants not covered under architect contract, name consultant type and contract amount
Total Architecture & Design	3,147,120	0	0	0	0	0	0	3,147,120	

Engineering & Environmental Studies

Survey	40,000							40,000	
Geotechnical studies	78,120							78,120	
Phase I & II Reports	68,000							68,000	
CEQA / Environmental Review consultants								0	
NEPA / 106 Review								0	
CNA/PNA (rehab only)								0	
Other environmental consultants	178,000							178,000	GC pre-con fee + pitholing for shoring design
Total Engineering & Environmental Studies	364,120	0	0	0	0	0	0	364,120	

Financing Costs

Construction Financing Costs									
Construction Loan Origination Fee	689,331							689,331	
Construction Loan Interest	8,338,891							8,338,891	
Title & Recording	160,000							160,000	
CDLAC & CDIAC fees	17,977							17,977	
Bond Issuer Fees	192,607							192,607	
Other Bond Cost of Issuance	285,905							285,905	
Sub-total Const. Financing Costs	9,684,711	0	0	0	0	0	0	9,684,711	
Permanent Financing Costs									
Permanent Loan Origination Fee	23,465							23,465	
Credit Enhance. & Appl. Fee								0	
Title & Recording	60,000							60,000	
Sub-total Perm. Financing Costs	83,465	0	0	0	0	0	0	83,465	
Total Financing Costs	9,768,176	0	0	0	0	0	0	9,768,176	

Legal Costs

Borrower Legal fees	135,040							135,040	
Land Use / CEQA Attorney fees	16,000							16,000	
Tax Credit Counsel	40,000							40,000	
Bond Counsel	75,000							75,000	
Construction Lender Counsel	60,000							60,000	
Permanent Lender Counsel	40,000							40,000	
MOHCD Counsel	50,000							50,000	
Total Legal Costs	416,040	0	0	0	0	0	0	416,040	

Other Development Costs

Appraisal	10,000							10,000	
Market Study	25,000							25,000	
Insurance	992,825							992,825	
Property Taxes								0	
Accounting / Audit	34,756							34,756	
Organizational Costs	3,200							3,200	
Entitlement / Permit Fees	84,935		711,465					796,400	
Marketing / Rent-up			345,000					345,000	
Furnishings			170,000					170,000	\$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms
POE / Utility Fees	127,163		704,000					831,163	
TCAC App / Alloc / Monitor Fees	83,333							83,333	
Financial Consultant fees								0	
Construction Management fees / Owner's Rep	280,600							280,600	
Security during Construction								0	
Relocation								0	
Community Relations (noticing, translations, website)	12,000							12,000	
Testing and Inspections	250,000							250,000	
Permit Expeditor	85,000							85,000	
Total Other Development Costs	1,988,812	0	1,930,465	0	0	0	0	3,919,277	

Total Soft Cost Contingency as % of Total Soft Costs 9.9%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,748,757							1,748,757	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	17,433,025	0	1,930,465	0	0	0	0	19,363,490	

RESERVES

Operating Reserves	424,566							424,566	
Replacement Reserves								0	
Tenant Improvements Reserves								0	
Commercial TI, RR, legal								0	
Commercial Operating Reserve								0	
TOTAL RESERVES	424,566	0	0	0	0	0	0	424,566	

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)						500,000	500,000	500,000	
Developer Fee - Deferred (also show as source)						850,000	850,000	850,000	
Development Consultant Fees								0	
Other (specify)								0	
TOTAL DEVELOPER COSTS	2,200,000	0	0	0	0	850,000	500,000	3,550,000	

TOTAL DEVELOPMENT COST

20,077,591	4,693,000	45,494,256	24,500,000	2,500,000	850,000	500,000	98,614,847
236,207	55,212	535,227	288,235	29,412	10,000	5,882	1,160,175
20.4%	4.8%	46.1%	24.8%	2.5%	0.9%	0.5%	100.0%

Acquisition Cost/Unit by Source

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

Construction Cost (inc Const Contingency)/Unit By Source

0	55,212	512,515	288,235	29,412	0	0	885,374
---	--------	---------	---------	--------	---	---	---------

Construction Cost (inc Const Contingency)/SF

0.00	45.91	426.15	239.67	24.46	0.00	0.00	736.18
------	-------	--------	--------	-------	------	------	--------

*Possible non-eligible GO Bond/COP Amount:

1,470,591

City Subsidy/Unit

236,207

Tax Credit Equity Pricing:

0.95

Construction Bond Amount:

51,351,524

Construction Loan Term (in months):

34 months

Construction Loan Interest Rate (as %):

7.20%

Attachment B – 1st Year Operating Budget and Cashflow 160 Freelon

Application Date: 1/20/2023
 Total # Units: 85
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2026

LOSP Units: 22
 Non-LOSP Units: 63

LOSP/non-LOSP Allocation: 26% / 74%

Project Name: MOHCD Multisite RFP - Site 7 (160 Freelon)
 Project Address: 160 Freelon Street
 Project Sponsor: Related & SFHDC

Correct errors noted in Col N!

INCOME	LOSP	non-LOSP	Total	Comments
Residential - Tenant Rents	86,000	1,446,528	1,512,528	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - LOSP Tenant Assistance Payments	363,299		363,299	
Commercial Space	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	0	0	
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	2,655	7,556	10,210	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0	
Gross Potential Income	431,954	1,454,084	1,886,037	
Vacancy Loss - Residential - Tenant Rents	(3,300)	(72,326)	(75,626)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!
Vacancy Loss - Commercial	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
EFFECTIVE GROSS INCOME	428,654	1,381,757	1,810,411	PUPA: 21,299

OPERATING EXPENSES	LOSP	non-LOSP	Total	Comments
Management				
Management Fee	21,439	61,018	82,457	
Asset Management Fee	6,313	17,967	24,280	
Sub-total Management Expenses	27,752	78,985	106,737	PUPA: 1,256

Salaries/Benefits	LOSP	non-LOSP	Total	Comments
Office Salaries	21,450	21,450	42,900	1.0 FTE APM
Manager's Salary	22,100	62,900	85,000	1.0 FTE PM
Health Insurance and Other Benefits	0	0	0	
Other Salaries/Benefits	100,800	33,600	134,400	2.4 FTE Desk clerk
Administrative Rent-Free Unit	0	0	0	
Sub-total Salaries/Benefits	144,350	117,950	262,300	PUPA: 3,086

Administration	LOSP	non-LOSP	Total	Comments
Advertising and Marketing	1,547	4,403	5,950	
Office Expenses	12,995	36,985	49,980	
Office Rent	0	0	0	
Legal Expense - Property	6,630	18,870	25,500	
Audit Expense	5,525	15,725	21,250	
Bookkeeping/Accounting Services	0	0	0	
Bad Debts	0	0	0	
Miscellaneous	0	0	0	
Sub-total Administration Expenses	26,697	75,983	102,680	PUPA: 1,208

Utilities	LOSP	non-LOSP	Total	Comments
Electricity	52,403	64,473	116,875	Pro-rata share of electricity and \$29,750 for resident utility expenses
Water	13,260	37,740	51,000	
Gas	0	0	0	
Sewer	20,995	59,755	80,750	
Sub-total Utilities	86,658	161,968	248,625	PUPA: 2,925

Taxes and Licenses	LOSP	non-LOSP	Total	Comments
Real Estate Taxes	780	2,220	3,000	
Payroll Taxes	13,519	38,476	51,995	
Miscellaneous Taxes, Licenses and Permits	0	0	0	
Sub-total Taxes and Licenses	14,299	40,696	54,995	PUPA: 647

Insurance	LOSP	non-LOSP	Total	Comments
Property and Liability Insurance	21,879	62,271	84,150	
Fidelity Bond Insurance	0	0	0	
Worker's Compensation	0	0	0	
Director's & Officers' Liability Insurance	0	0	0	
Sub-total Insurance	21,879	62,271	84,150	PUPA: 990

Maintenance & Repair	LOSP	non-LOSP	Total	Comments
Payroll	29,661	84,419	114,080	1.0 FTE maintenance plus \$34,000/yr janitorial contract
Supplies	7,735	22,015	29,750	
Contracts	0	0	0	
Garbage and Trash Removal	18,785	53,465	72,250	
Security Payroll/Contract	0	0	0	
HVAC Repairs and Maintenance	0	0	0	
Vehicle and Maintenance Equipment Operation and Repairs	0	0	0	
Miscellaneous Operating and Maintenance Expenses	0	0	0	
Sub-total Maintenance & Repair Expenses	56,181	159,899	216,080	PUPA: 2,542

Supportive Services	0	79,823	79,823	\$109,956 for 1.0 FTE LOSP Case Manager paid by HSH, \$96,850 for 0.67 FTE Non-Commercial Expenses
Commercial Expenses	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%

TOTAL OPERATING EXPENSES 377,814 777,575 1,155,390 PUPA: 13,593

Reserves/Ground Lease Base Rent/Bond Fees	LOSP	non-LOSP	Total	Comments
Ground Lease Base Rent	3,900	11,100	15,000	Ground lease with MOHCD Provide additional comments here, if needed.
Bond Monitoring Fee	1,525	4,341	5,866	Monitoring fee
Replacement Reserve Deposit	11,050	31,450	42,500	\$500 PUPA per HCD
Operating Reserve Deposit	0	0	0	
Other Required Reserve 1 Deposit	0	0	0	
Other Required Reserve 2 Deposit	0	0	0	
Required Reserve Deposits, Commercial	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	16,475	46,891	63,366	PUPA: 745

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) 394,290 824,466 1,218,756 PUPA: 14,338

NET OPERATING INCOME (INCOME minus OP EXPENSES) 34,364 557,291 591,655 PUPA: 6,961

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)	LOSP	non-LOSP	Total	Comments
Hard Debt - First Lender	0	376,608	376,608	Permanent Loan Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)	26,754	76,146	102,900	HCD AHSC Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	0	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 0%
TOTAL HARD DEBT SERVICE	26,754	452,754	479,508	PUPA: 5,641

CASH FLOW (NOI minus DEBT SERVICE)	LOSP	non-LOSP	Total	Comments
Cash Flow	7,610	104,537	112,147	
Commercial Only Cash Flow	0	0	0	
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	0	0	0	
AVAILABLE CASH FLOW	7,610	104,537	112,147	

USES OF CASH FLOW BELOW (This row also shows DSCR.)	LOSP	non-LOSP	Total	Comments
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)	6,310	17,960	24,270	
Partnership Management Fee (see policy for limits)	0	0	0	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,300	3,700	5,000	
Other Payments	0	0	0	
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	41,439	41,439	Def. Develop. Fee split: 50% Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	7,610	63,099	70,709	PUPA: 832

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	LOSP	non-LOSP	Total	Comments
Residual Receipts	0	41,438	41,438	

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation? **Yes** Project has MOHCD ground lease? **Yes**

Will Project Defor Developer Fee? **Yes**

Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: **50%** Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): **41,439**

% of Residual Receipts available for distribution to soft debt lenders in **50%**

Soft Debt Lenders with Residual Receipts Obligations	LOSP	non-LOSP	Total	Comments
MOHCD/OCIL - Soft Debt Loans				(Select lender name/program from drop down)
MOHCD/OCIL - Ground Lease Value or Land Acq Cost				All MOHCD/OCIL Loans payable from res. recs
HCD (soft debt loan) - Lender 3				Acquisition Cost \$1 45.04%
Other Soft Debt Lender - Lender 4				HCD AHSC \$24,500,000 54.96%
Other Soft Debt Lender - Lender 5				0.00%
				0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	LOSP	non-LOSP	Total	Comments
MOHCD Residual Receipts Amount Due	18,664	18,664	37,328	50% of residual receipts, multiplied by 45.04% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	18,664	18,664	37,328	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 22,775

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE	LOSP	non-LOSP	Total	Comments
HCD Residual Receipts Amount Due	0	22,775	22,775	50% of residual receipts, multiplied by 54.96% -- HCD AHSC's pro rata share of all soft debt
Lender 4 Residual Receipts Due	0	0	0	
Lender 5 Residual Receipts Due	0	0	0	
Total Non-MOHCD Residual Receipts Debt Service	0	22,775	22,775	

REMAINDER (Should be zero unless there are distributions below) 0

Owner Distributions/Incentive Management Fee 0

Other Distributions/Uses 0

Final Balance (should be zero) 0

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

160 Freelon Street
\$4,000,000
Predevelopment Loan Request

Evaluation of Request for:	\$4,000,000
Loan Committee Date:	December 3, 2021
Prepared By:	Shawnté Spears, Project Manager
MOHCD Asset Manager:	To Be Determined
Sources and Amounts of New Funds Recommended:	\$4,000,000 AHF Inclusionary
Sources and Amounts of Previous City Funds Committed:	\$0
NOFA/PROGRAM/RFP:	Multi-site Request for Qualifications issued on November 30, 2020
Applicant/Sponsor(s) Name:	Related California and San Francisco Housing Development Corporation (SFHDC)

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	160 Freelon Street	Sponsor(s):	Related and SFHDC
Project Address (w/ cross St):	160 Freelon Street (4 th Street, between Bryant and Brannan St.)	Ultimate Borrower Entity:	TBD

Project Summary:

Related California (“Related”) and San Francisco Housing Development Corporation (“SFHDC”) (together, “Sponsor”) requests \$4MM to finance predevelopment costs for a proposed new construction affordable rental housing development located at 160 Freelon Street (the “Site” or the “Project”), a city-owned parcel at 4th Street between Bryant Street and Brannan Street. Through the 2020 Multisite Request for Qualifications (“RFQ”) issued on November 30, 2020, Related and San Francisco Housing Development Corporation (SFHDC) were selected to develop the site. As required by the RFQ, the project will be a family-designated site and will serve diverse households, including COP holders, formerly homeless families, low-income people living with HIV, and families.

Through the Multi-site Request for Qualifications (RFQ) issued on November 30, 2020, JRCo and YCD were selected to develop the Project. The RFQ did not require respondents to provide a conceptual design, and therefore this request is based on a preliminary concept that is expected to be further refined during the initial design phases. The Sponsors assume a construction start beginning in spring 2024. The Project responds to the Consolidated Plan and achieves MOHCD’s racial equity goals by advancing opportunities and improving programmatic outcomes for low-income residents; while expanding development opportunity for Black Indigenous People of Color (BIPOC) led organizations.

The current proposal for 160 Freelon Street is a 75-foot building (including 72 units on 6 floors above retail and a residential lobby), as allowed by the Central SoMa Special Use District special height exception for MOHCD-supported affordable housing projects. As it moves forward, the project team will assess feasibility to increase the base unit count of the as-proposed base project to a minimum of 75 units, by either densifying the unit configuration or by adding floors. Additionally, it will consider alternative fast-tracked entitlements paths through SB35 and AB1763 that will allow for increased unit density while still bypassing discretionary approvals. The Project’s ground floor will include approximately 5,000 sf of community-serving retail space.

As currently envisioned, the Project will include 35 one-bedrooms (50%), 19 two-bedrooms (25%), and 18 three-bedrooms (25%) totaling 72 units at minimum. Household incomes will range from 30% to 80% MOHCD AMI. Twenty (20) units (28% overall) will be set aside for formerly homeless families, and at least five (5) units will be set aside for referrals from the City’s Plus Housing list at 50% AMI. The remaining units will have AMI’s that range from 30% to 80% households that are not homeless, and will enter the lottery process.

Proposed permanent financing includes tax-exempt bonds, 4% Low-Income Housing Tax Credits, General Partner Equity, a MOHCD gap loan, a permanent loan, and a State of California Department of Housing and Community Development, Multifamily Housing Program (MHP) loan and Infill Infrastructure Grant. Construction is expected to start in Spring 2024 and complete in Spring 2026.

Project Description:

Construction Type:	Type I or Type IIIA over I.	Project Type:	New Construction
Number of Stories:	7, including ground floor retail	Lot Size (acres and sf):	0.3 acres / 13,155 sf
Number of Units:	72	Architect:	To-Be-Determined (TBD)
Total Residential Area:	77,000 sf	General Contractor:	TBD
Total Commercial Area:	5,000 sf	Property Manager:	Related Management Company
Total Building Area:	82,000 sf	Supervisor and District:	Sup. Matt Haney, D6
Land Owner:	City & County of San Francisco		
Total Development Cost (TDC):	\$69,297,397	Total Acquisition Cost:	\$0
TDC/unit:	\$962,464	TDC less land cost/unit:	\$962,464
Loan Amount Requested:	\$4,000,000	Request Amount / unit:	\$55,556
HOME Funds?	N	Car Parking?	N

PRINCIPAL DEVELOPMENT ISSUES

- **Project Size** – The base project will be 75 units at a minimum, and a second concept will evaluate the maximum number of units that can be built under the zoning. The base project concept submitted by the Principal Developer, Tishman Speyer, was for 72 units. The minimum project size required by the 2020 Multisite RFQ was 75 units. The Project Sponsor will explore a base concept to include 75 units and also a second concept to maximize the number of units. See Section 1.1. for more information about the project background.
- **Related Management Company racial equity and property management concerns.** In response to concerns raised about the property management's performance related to racial equity in marketing and lease-up and property management; Related Management Company will be required to submit a Housing Retention plan for MOHCD approval, as well as evidence that employees have completed Trauma-Informed Systems (TIS) training. Further, MOHCD will evaluate at a later point whether **Related Management Company** will be looking to be awarded the property management contract for this development. See Sections 1.3.7 Past Performance, 1.3.7.2 Marketing/Lease-up/Operations and 9.3 Recommended Loan Conditions.
- **Commercial Space plan & build-out.** The project will aim to include approximately 5,000 sf of ground floor commercial space. The project team will explore the feasibility of including an incubator space for low-income entrepreneurs, or other community-serving uses to be determined. See Section 4.5 for more information.
- **High development costs.** The anticipated cost to develop 160 Freelon Street is high at \$53.9M or \$748,611 hard cost/unit, and total development costs are \$962,464, 17% and 21% above comparable projects respectively. Based on preliminary cost information from general contractors and comparable 7-story, +/- 72-unit buildings under construction in San Francisco, the Sponsor is assuming a hard cost of \$522 PSF or \$42.8M. The hard cost total for 160 Freelon includes \$1.3M or \$260 PSF for the warm shell build out of the 5,000 SQFT ground floor retail. Additionally, it includes 11 percent in design, bid, and plan check contingency, 5% for escalation, and 5% for owner's contingency. The Sponsor is encouraged to evaluate all strategies to reduce overall costs to the City and the Project. See Section 4.3 Construction Supervisor/Construction Specialist's Evaluation and Section 9.3 Recommended Loan Conditions.
- **Financing Plan.** The proposed financing plan assumes the maximum \$17.5MM HCD-MHP loan and 4% LIHTC and tax-exempt bonds, but the Project is not competitive for a bond allocation compared to past awarded projects. The project team will need to track changes to MHP and CDLAC regulations that could impact the maximum MHP request and the Project's CDLAC bond competitiveness. See Section 6.2 Proposed Permanent Financing and Section 9.3 Recommended Loan Conditions.
- **Permanent Supportive Housing Experience** – Sponsors have no permanent supportive housing (PSH) experience. As 25% of the units will be set aside for families experiencing homelessness and the units will be supported by Local Operating Subsidy Program that includes services through a contract with the Department of Homelessness and Supportive Housing (HSH), the Sponsors will be required to execute an MOU with an approved HSH PSH supportive services provider. See Section 8.1.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
MOHCD/OCII	\$4,000,000	3 yrs @ 3% Def	This request
Total	\$4,000,000		

Permanent Sources	Amount	Terms	Status
MOHCD Gap Loan	\$15,815,754	55 yrs @ 3.00% RR	Not Committed
Permanent Loan	\$3,569,000	30 yrs @ 4.90%	Not Committed
HCD AHSC/MHP	\$17,500,000	55 yrs @ 3.00% RR	Not Committed
Deferred Developer Fee	\$110,000	15 yrs @ 1.12% RR	Not Committed
HCD IIG	\$2,500,000		Not Committed
GP Equity Contribution	\$500,000		Not Committed
Tax Credit Equity	\$29,302,643	\$0.95 per credit	Not Committed
Total	\$69,297,397		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$20,000	\$278	\$0
Hard Costs	\$53,859,263	\$748,045	\$657
Soft Costs	\$12,408,134	\$172,335	\$151
Developer Fee	\$3,010,000	\$41,805	\$37
Total	\$69,297,397	\$962,464	\$845

RECOMMENDATION

Staff recommends approval of this predevelopment loan request for \$4,000,000.

1. BACKGROUND

1.1. Project History Leading to This Request.

The land for this project is being dedicated to the City by Tishman Speyer (the “Principal Developer”) under the Development Agreement negotiated for the adjacent project known as the 598 Brannan Project, a mixed-use development that includes office, Production, Distribution, Repair (“PDR”)/retail, institutional space, a public park, and residential uses on approximately 4.5-acre site in the Central SOMA area (comprised of lots 45, 50, 51, and 52 in Assessor’s Block 3777). The Principal Developer will receive a Jobs-Housing Linkage fee credit of \$13,980,265.25 for the site. The entire area is bounded by Welsh and Bryant Streets to the north, a mixture of surface parking lots and light industrial-style buildings to the east, Freelon and Brannan Streets to the South, and 5th Street and light industrial-style buildings to the west.

Currently, the Principal Developer is finalizing conditions of approval for the subdivision map that is required prior to transferring the Site (“Parcel C”) to the City. The planned next steps are as follows, and all steps are anticipated to be completed by late Summer 2022:

1. Complete tentative map / subdivision approval (showing all four future lots including Parcel C).
2. Record the Lot Transfer Agreement (LTA), which 1) allows the Final Map to be approved and recorded even with existing buildings on some of those lots, legally creating all four lots; and 2) states that transfer of a park parcel and Parcel C, which is the 160 Freelon parcel won’t be final and official until all existing buildings across all of the future sites are demolished.
3. Approve and record Final Map showing all four lots.
4. Initiate & approve Board resolution for Purchase and Sale Agreement (PSA) and acceptance of Parcel C (160 Freelon).
5. Approve demo permit for Phase 2, and thereby approval to demolish buildings that currently sit on two adjacent lots.
6. Closing/ transfer of Parcel C (160 Freelon).

1.2. Applicable NOFA/RFQ/RFP.

(See Attachment E for Threshold Eligibility Requirements and Ranking Criteria)

Through the Multi-site RFQ issued on November 30, 2020, Related and SFHDC were selected to develop the Site. The Sponsor met the minimum threshold eligibility requirements and was one of three teams to submit qualifications for the Project. With a composite score of 92 out of 100, it was the highest- scoring team from the competitive RFQ process.

1.3. Borrower/Grantee Profile.

(See Attachment B for Borrower Org Chart; See Attachment C for Developer Resume and Attachment D for Asset Management Analysis)

1.3.1. Borrower.

The Sponsor will set up a project entity and provide this information before starting the closing process for the predevelopment loan. The borrower entity will be a To-Be-Determined (TBD) Limited Partnership (LP).

1.3.2. Joint Venture Partnership.

Related and SFHDC have executed a preliminary MOU for 160 Freelon but will work on updating the document for MOHCD's approval prior to predevelopment loan closing. The organizations currently have three existing JV partnerships – Fillmore Marketplace, Hunters Point East/West, and Westbrook Apartments – dating as far back as 1994. This partnership has agreed to split the developer fee 70/30, with Related as the partner receiving the larger share. Related will own a 70% interest of the General Partner portion of the TBD LP and act as the Administrative General Partner. SFHDC will own a 30% interest and act as the Managing General Partner. Net cash flow and/or sale or refinancing proceeds will be split in the same manner.

The developer fee will be paid according to milestones achieved as approved by MOHCD. Each partner will receive a pro-rata share of each installment of the fee. The partnership will provide a 50/50 split during the predevelopment phase, with subsequent allocations to be adjusted according to a finalized MOU. Partnership management and asset management fees will be allocated 50% to SFHDC and 50% to Related.

With regard to responsibilities during development, Related will lead planning, design, construction and financing, with SFHDC to participate in all meetings and able to influence project decisions, as evidenced by the submission of meeting minutes and monthly reports (see Section 9.3 Recommended Loan Conditions). SFHDC will lead community engagement, project approvals, and local hiring.

The existing MOU proposes to delegate property management and asset management responsibilities to Related, but this portion is contingent on approval by MOHCD. As a loan condition (see Section 9.3 Recommended Loan Conditions), MOHCD will require all employees -- including but not limited to supervisors and resident-facing employees -- to receive training on Trauma-Informed Systems (TIS), and will require Related Management Company to update their policies and procedures to reflect a TIS approach.

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

Related

Overall, Related California staff is 42% BIPOC. The Northern California/Northwest affordable development divisions are 33% BIPOC, including 7% Black, 13% Latinx, and 13% AAPI. Additionally, the team is over 50% women with everyone at the CEO, SVP, and VP levels being women. Related is a for-profit entity and does not have a Board of Directors.

SFHDC

At SFHDC 80% of staff and 70% of the board of directors identify as BIPOC, and 65% of staff and 60% of board members identify as African American. Over the last six years, SFHDC has increased its capacity from 4.5 FTEs to 27 FTEs while retaining this representation.

1.3.4. Racial Equity Vision. According to the Sponsors, the principles of diversity, equity, inclusion, and belonging (DEIB) are core to both

organizations. Related and SFHDC were each founded on affordable housing and community development principles over 30 years ago, with origins in revitalizing San Francisco's most segregated and underinvested communities and serving low-income families, seniors, and formerly homeless people. Both organizations have a track record of hiring those with a strong commitment towards social impact and hiring from within the communities they serve. This project will strive to achieve a 25% SBE hiring requirement, with the recognition that community hiring can impact the transformation of individual lives and neighborhoods.

Related and SFHDC have expressed commitment to ensuring that 160 Freelon will generate economic opportunities for smaller and BIPOC-led firms, SBE/LBE organizations, and low-income local residents, in addition to creating a positive outcome for future residents. At the project level, they will work with MOHCD to establish explicit community and economic development goals, competitively procure consultants and contractors who have a track record of meeting or supporting those goals, with progress tracked through proper data collection.

Please see attachment M for Related's DEI statement.

SFHDC doesn't currently have a racial equity plan, but plans to develop one by early 2022.

1.3.5. Relevant Experience.

Collectively, Related and SFHDC have experience developing 107 LIHTC-financed projects, and all were completed on time and on budget. In San Francisco, the majority of their developments are primarily Type V/I and Type III/I urban infill projects, and they have collaborated with almost all of the most qualified architects and general contractors specializing in this product type in the region.

Related and SFHDC own close to 13,500 affordable units in operations plus 4,100 affordable units under construction or in predevelopment. Together, they serve extremely low- and low-income households in 80 family properties, 26 senior properties, and 6 properties with permanent supportive housing, including in three (3) existing joint venture partnerships between Related and SFHDC – Fillmore Marketplace, Hunters Point East/West, and Westbrook Apartments – dating as far back as 1994.

1.3.6. Project Management Capacity.

The development team for the Project is as the Sponsor proposed during the RFQ stage. This includes the following individuals with the addition of Sarah Graham from SFHDC.

Related California:

- **Ann Silverberg**, Project Executive, has 25+ years of San Francisco Bay Area affordable housing development and finance experience. She is responsible for the strategic direction, management, and project execution of the firm's Northern California and Oregon affordable pipeline and portfolio. 10% of full time.
- **Thu Nguyen**, Project Manager, has 10+ years of affordable housing and community development experience. She will manage the development process

- from inception through construction closeout. Thu has extensive experience in collaborating with stakeholders and overseeing complicated affordable housing projects, including three neighborhood-scale transformation projects. Her other primary responsibility is Sunnydale HOPE SF. 25% of full time.
- **Kaitlin Roth**, Project Coordinator, has 3+ years of multifamily development experience and additional experience as a paralegal before. She will heavily support the planning, entitlements, and community engagement process for this Project. Kaitlin is also assisting the construction of Balboa Park Upper Yard and projects in predevelopment for Sunnydale HOPE SF projects. 15% of full time.

SFHDC:

- **Tom Kostosky**, Associate Director of Real Estate Development, has 30+ years of affordable housing and finance experience. He is responsible for strategic planning, site selection, partnership identification, portfolio management and reporting for all real estate development activity in San Francisco. 15% of full time.
- **Michael Manigault**, Project Manager, has 25+ years of affordable housing and community development experience. He will work on all phases of development of this project from predevelopment to closeout. Michael has worked on RAD rehab projects in San Francisco.
- **Sarah Graham**, Project Manager, has 18+ years of experience in local government fiscal and housing policy and urban economics consulting. She will work on all phases of this project from inception to closeout. Sarah is also working on rehab and new construction projects. 10% of full time.
- **Reginald Hairston**, Project Manager, has 20+ years of experience in multifamily and affordable housing operations and capital improvements. He will work on all phases of this project from inception to closeout. Reggie is also working on San Francisco Small Sites Program which includes site selection, financing, rehab and relocation activities. 10% of full time.

1.3.7 Past Performance.

1.3.7.1 City audits/performance plans.

Related

While Related does not hold any community development grants with MOHCD, it is a well-known entity to the City, as developers who own and manage several affordable housing projects in San Francisco.

SFHDC

Community Development Grants: In 2021, SFHDC holds at least nine contracts with the City, including for workforce programming to support the Black community in the Arts, for homeowner education and counseling, rental housing counseling, for service provision at various RAD properties, Western Addition community-based services, and for SSP capacity building. MOHCD staff noted that SFHDC can be challenging to work with and slow to complete tasks due to staffing capacity limitations, but overall the organization performs on its programmatic grants with MOHCD.

Related Management Company

Feedback obtained from MOHCD and other City staff regarding Related Management Company’s performance and on-site property management relations raised concerns that will be addressed in the loan conditions for 160 Freelon. Specifically, Related Management Company staff, including corporate staff and property management staff will need to complete TIS training, and the company will need to produce a Housing Retention Plan to ensure systems are in place to decrease the likelihood of tenant displacement due to non-payment of rent. Please see Section 9.3 Recommended Loan Conditions.

1.3.7.2 Marketing/lease-up/operations.

Related Management Company

The MOHCD Marketing team has completed one marketing and lease up report card for 1601 Mariposa Street, a 60-unit family housing project, which began marketing in January 2020 and completed lease-up 23 months later, in December 2021. Property Management received A’s for their performance in Marketing and the Lottery, and a B for its Lease-Up. Property Management lost points in the Marketing category due to delays in the marketing review. In the Lease-Up category, points lost were due to COVID delays.

Of note, MOHCD received one complaint from an applicant who believed she had been discriminated against in the process due to the color of her skin “and other communications.” Though the applicant was initially displeased with the unit selection process, Related Management Company worked with the applicant to resolve her concerns, and she is now residing in the building.

Delays related to COVID were caused by a third-party vendor.

SFHDC

SFHDC does not have any new construction buildings in its portfolio for which MOHCD has completed a marketing report card.

2.0 SITE

Site Description	
Zoning:	Central SoMa Mixed Use Office (CMUO) & Central SoMa Special Use District
Maximum units allowed by current zoning (N/A if rehab):	No dwelling unit density limit by lot area
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Project is in an SF Seismic Hazard Zone for liquefaction.
Soil type:	A preliminary geotechnical memo was prepared by Rollo & Ridley Geotechnical Engineers and Scientists for Tishman Speyer on Sept 30, 2016.

	Heterogeneous, uncompacted, and weak fill was encountered below the existing ground surface to depths ranging from 4 to 12 feet consisting of sand and clay lenses. Below the fill is bay mud and marine deposits extending to a maximum depth of 29 feet below existing ground surface. The marine deposit is underlain by alluvial deposits extending to 29 to 44 feet, followed by colma formation extending to 33 to 111 feet.
Environmental Review:	A Phase I ESA was prepared by ENVIRON International Corporation for Tishman Speyer on Feb 2, 2015. The site has been improved since the late 1890 for industrial purposes. Most recently, the site was operated by SFPUC as a storage and maintenance facility for electrical and street lighting equipment. The master planned site, comprising the affordable housing development parcel, is 1.37 acre and is improved with one 6,300 sq. ft warehouse building and the remainder is paved with asphalt for outdoor storage. The Project Sponsor will commission additional environmental studies as the project is further along. The site is subject to San Francisco's Maher Ordinance. A Phase II was completed in 2021 that recommended additional studies in the case of redevelopment. Tishman will provide \$478,688 in remediation funds for soil removal and vapor barrier systems if required. See additional Details in Section 2.5.
Adjacent uses (North):	Tishman Speyer's "Building 3" comprising PDR and office with a ground floor childcare center
Adjacent uses (South):	Multifamily and industrial/commercial spaces
Adjacent uses (East):	Multifamily, mixed use, and single family attached properties
Adjacent uses (West):	The future public park to be developed by Tishman Speyer
Neighborhood Amenities within 0.5 miles:	Grocery: Safeway (.3 miles) Schools: Bessie Carmichael Elementary School (.3 miles) Healthcare: UCSF Primary Care (.4 miles) Pharmacy: Walgreens (.2 miles) Parks: Alice Street Community Gardens (.5 miles) Banks: Bank of America (.1 mile) Library: Mission Bay Library (.4 miles)
Public Transportation within 0.5 miles:	SF MUNI: 8, 12, 30, 45, and 91 to list a few within 2 blocks from the site Caltrain: 4th & King Station (0.3 miles) BART: Powell Station (0.9 miles)

Article 34:	Not Exempt, will be provided prior to construction loan closing.
Article 38:	The Master Development must comply with Article 38. How and to what extent the affordable housing needs to participate in the Article 38 mitigation measures is to be determined and will be defined during predevelopment and after this loan request.
Accessibility:	TCAC and California Building Code (CBC) 11B requires 10% of total units to be accessible for mobility impaired and 4% of total units accessible for hearing and visually impaired.
Green Building:	Project will meet the minimum TCAC Green Building requirements and the City's Green Building Code.
Recycled Water:	Not Exempt ; While 100% Affordable Housing projects are exempt from the Non-Potable Water Ordinance, projects like 160 Freelon that are located in the Designated Recycled Water Use Areas may be subject to the Recycled Water Ordinance unless a waiver from SFPUC is granted.
Storm Water Management:	The Storm Water Management (SWM) Ordinance is applicable to the Master Development and the Principal Developer will need to submit a SWM Plan. How and to what extent the affordable housing needs to participate or may be charged any costs for assumed storm water is to-be-determined. Stormwater Management may necessitate negotiation of the use of a portion of the park space to accommodate infiltration or irrigation uses of the stormwater from the Affordable Housing site

2.1 Description.

160 Freelon Street (Block 3777 Lot 052) is an infill site located on the north side of Freelon Street off 4th Street and between Bryant Street and Brannan Street. The site is an approximately 12,800 sf (0.3 acres) parcel and will be surrounded by three (3) mixed-use office buildings that are up to 185-feet tall comprising residential use, office, retail, PDR, and childcare units along with a public park and privately-owned public open space (POPO).

2.2 Zoning.

The entire 598 Brannan Project site was rezoned into the Central SOMA Mixed Use Office zoning district and the Central SOMA Special Use District. As a 100% affordable project, it is eligible for approval using the State Density Bonus Program for 100% Affordable Housing (also known as AB 1763), which provides three additional stories,

form-based density, and up to four incentives/concessions. The Project may also be eligible for approval under the Affordable Housing Density Bonus Program (AHBP), as long as the Project is compliant with all objective standards of the Planning Code plus the allowable Zoning Modifications provided by the AHBP in Planning Code Section 206.4(c)(5). The AHBP also provides three additional stories of height and form-based density. Either program may be used in conjunction with SB 35 for ministerial approval.

2.3 Probable Maximum Loss. n/a, new construction

2.4 Local/Federal Environmental Review. The Project is expected to be exempt from CEQA Review, per the streamlining allowed by SB35.

2.5 Environmental Issues.

- Phase I/II Site Assessment Status and Results. Information about the Phase I and Phase II is in the chart above. There is no new information for this item other than what has been previously reported.
- Phase 2 Investigation Report conducted by Ramboll uncovered several VOCs in soil vapor from the April 9, 2021 sampling event that exceeded residential land use ESLs; however, the accuracy of the analytical results was in question due to data quality concerns at the laboratory. Consultants were unable to determine the cause for the internal laboratory standard discrepancy. Based on uncertainty regarding the initial results, three new soil vapor probes, co-located with the previous three sample locations, were installed and sampled on May 3, 2021. The only detected compounds that exceeded residential land use ESLs during the May sampling event were benzene at 160-SV01 and 160-SV02, chloroform at 160-SV02, and TPH-g at all locations.

The findings of petroleum-related chemicals in soil vapor at the site align with previously reported expectations based on historical operations at 160 Freelon and the greater Brannan Square development. Previous sampling identified the presence of petroleum hydrocarbons (and in some cases, metals in soil), but no significant or widespread detections of chlorinated VOCs in soil and groundwater.

The Phase 2 suggested that mitigation of potential chemical vapors may be required in the case of future development on the site. However, because soil vapor concentrations decrease over time, a future owner may wish to consider reevaluation of soil vapor conditions to determine if vapor mitigation is warranted.

- Potential/Known Hazards. The site was initially used for industrial purposes beginning in the late 1890s by the Spring Valley Water Works Company. On-site operations included pipe cutting and storage. The SF Water Department subsequently conducted on-site business from the 1940s to the 1960s, including automobile maintenance, greasing, pipe cutting, and painting. Former industrial operations at the site likely included the use of petroleum products, solvents, paints, and other chemicals, when the historical handling, disposal, and use of these chemicals were not strictly regulated, controlled, or monitored. In addition, the site remained unpaved until approximately 2010, increasing the risk that any on-site releases may have impacted sub-surface conditions. Finally, database records indicate that an underground storage

tank (UST) was installed at the site during the late 1980s to early 1990s. Given the site's long history of industrial operations, it is likely that historical spills or releases of chemicals or petroleum products have adversely affected the soil and/or groundwater conditions at the site. Follow-up due diligence will be required.

2.6 Adjacent uses and neighborhood amenities. In addition to the amenities listed above, the principal development will build a public park directly west of the site, a rare amenity in SOMA. The Project will require at least one childcare unit for use by residents, and the required 5,000 sf of retail/PDR space on the ground floor will be community-serving.

2.7 Green Building. Green features will be determined during predevelopment and expected to meet the minimum TCAC Green Building Requirements and the City's Green Building Code.

3 COMMUNITY SUPPORT

3.1 Prior Outreach. No outreach has been done for the project. The Project team will meet with Julia Sabory, MOHCD Cultural Districts Director, prior to MOHCD Loan Committee to receive initial input on their community engagement and stakeholder list.

3.2 Future Outreach. MOHCD will require the Sponsor to submit a communication plan within 60 days after closing the predevelopment loan, as a condition for the loan. See Section 9.3 Recommended Loan Conditions.

3.3 Proposition I. Chapter 79 of the City's Administrative Code requires public noticing (Prop I) for any new City construction project. The project team will need to complete the 30-day noticing process immediately following Loan Committee's approval of this request, and prior to the predevelopment loan closing.

4 DEVELOPMENT PLAN

4.1 Site Control. The land dedication from Tishman Speyer to MOHCD is expected to be completed by Fall 2022.

4.2 Proposed Property Ownership Structure. At construction closing, MOHCD will transfer the property through a 75-year initial term ground lease agreement (with an option to extend up to 99-years) to the development entity established for this Project. The City's execution of a long-term ground lease for the MOHCD Parcel is subject to approval by the City's Board of Supervisors.

- Annual rent shall be set at 10% of the fair market appraised value, re-determined on the 15th anniversary date of ground lease and every 15 years thereafter.
- Payment shall consist of an annual Base Rent of \$15,000, collected annually regardless of cash flow and considered a project expense.
- Residual Rent of 10% of the appraised unrestricted value of the Site. Residual Rent will only be collected to the extent that cash flow is available and does not accrue.

4.3 Proposed Design. The Sponsor will seek to maximize density within a modern building that responds to its context. As a starting point, the façade will leverage and complement the planned public park directly west of the site, a rare amenity in SOMA. The Project’s ground floor will include a residential lobby and approximately 5,000 sf of retail to enhance the neighboring pocket of urban green space. At least six stories above the ground floor will accommodate a minimum of 75 residential units. The project team will also evaluate an alternative design to maximize the unit count allowed by zoning.

UNIT TYPES	Avg Unit SF - This Project	CTCAC-Required Minimum SF	Percent of Minimum
1BR:	525	450	14%
2BR:	775	700	10%
3BR:	1075	900	16%
Do all units meet CTCAC minimum SF?	Yes, all units are expected to meet or exceed the CTCAC minimum SF.		
Residential SF:	77,000		
Commercial SF:	5,000		
Building Total SF:	82,000		

4.4 Construction Supervisor/Construction Representative’s Evaluation Based on preliminary conceptual plans previously completed by Perry Architects, the ground floor’s amount of the retail and community use may be less than projected if the mid-block entry passage/court is retained and due to the corresponding space requirements for management reception/offices, bike storage and rooms for main electrical switchgear/meters, trash, water pump, fire pump and MEP equipment. One space-saving alternative would be to locate the mechanical equipment at the roof level, which could necessitate additional structural support at the roof.

Another factor is utility service and whether the narrow sidewalks will allow underground vaults to be installed for secondary service or whether the building will be required to be set-back as shown on the Perry Architects’ conceptual drawings or whether additional ground floor space will be needed. An on-going issue for utility service is the point-of-connection for permanent power and if not located on the adjacent Freelon or Welsh Streets, substantially high costs will be incurred to trench to 4th Street for connection.

In order to maximize the amount of affordable housing units, the 100% Affordable Housing Bonus Program allows a light court’s depth to be reduced to a depth of 15 feet minimum (instead of the typical Planning Code’s Sec. 140 requirement for 25 feet minimum), which was incorporated in Perry Architects’ conceptual drawings. While one iteration of the Perry Architects’ conceptual drawings shows a setback at the upper floors facing Welsh Street, confirmation with City Planning will determine if the 100% Affordable Housing Bonus Program will allow no setback and therefore, provide larger and more livable bedrooms and living spaces.

Different versions of the Perry Architects’ conceptual drawings show either a 7-story and 8-story building with neither being classified as a high-rise structure.

If City Planning would allow more stories with a high-rise structure at this location, a cost-benefit analysis needs to be performed to determine if the number of additional affordable residential units would justify the additional life-safety high-rise systems and additional foundation/structure costs. Also, if the building becomes taller, more shadows will be cast upon the new proposed adjacent public park.

While a preliminary cost estimate has been provided for a 7-story building, construction costs are anticipated to increase when MEP building systems and exterior enclosure material selections are established with the development of the appropriate design contingency, escalation costs, plan-check contingency and allowances for soils conditions.

4.5 Commercial Space.

- Space Description. The Project will include at least 5,000 sf of community-serving PDR/retail space.
- Commercial Leasing Plan. The Sponsor envisions the space to be used as an incubator for new low-income entrepreneurs to share equipment and develop their products. The Central SoMa zoning requires new developments to incorporate a significant amount of PDR space, which is often less expensive than typical office or retail rent and helps to preserve and encourage local makers to remain in the neighborhood. The ground floor incubator space would serve as the conduit for low-income new entrepreneurs to test their idea and develop their business plan in order to eventually expand and take advantage of the almost 50,000 square feet of PDR available within the 598 Brannan master development project alone. The commercial space structure (i.e., direct lease, master lease, or subdivision) is to be determined.
- Operating Pro Forma. At this early stage of development, the operating proforma for commercial space is only included for placeholder purposes. The commercial operating proforma reflects standard commercial underwriting standards and an assumption of \$1 rent/sf/month for a community serving commercial space. The Sponsor will work with MOHCD during predevelopment to flesh out the goals of this commercial space.
- Tenant Improvement Build Out. While no tenant improvement costs are included in the MOHCD, the Sponsor has estimated \$1,300,000 of the MOHCD applied to a warm shell construction. Prior to gap loan request, the Sponsor will provide to the MOHCD Project Manager and Construction Representative Manager a breakout showing the cold and warm shell cost application to the MOHCD commercial portion of the loan, and the proposal will be subject to MOHCD approval. See Section 9.3 Recommended Loan Conditions.

4.6 Service Space. The Sponsor currently envisions 1.0 FTE resident service staff to accommodate 52 households, plus the LOSP 1.0 FTE for the homeless households that will be paid through the HSH contract. As such, there would be a secured office space including two desks to accommodate staffing plus locking file cabinet space to maintain client privacy. The service spaces will also include at least one community room for formal programming and community events.

4.7 Interim Use. The site will be used by the Principal Developer for staging during the construction of the adjacent development at 598 Brannan, but only so long as

it does not interfere with this Project's schedule. The two project teams will coordinate on the timeline and reach an agreement.

4.8 Infrastructure. The project Sponsor will apply for the IIG Grant for qualifying site improvements. So far, we expect it will be minimal. We know that we would need to build laterals from Freelon Street. As it relates to IIG, we will look into all of the off-site and on-site improvements that are IIG-eligible to size that grant

4.9 Communications Wiring and Internet Access. MOHCD Communications Wiring Standards are under review will be released soon. Costs permitting, the Sponsor will work with the MOHCD Construction Representative to determine the appropriate communications wiring scope that meets MOHCD's standards.

4.10 Public Art Component. The Project's public art requirement calculation will be based off 1% of expected construction cost multiplied by the percent of Project funded by MOHCD. Currently, the Project's estimated art requirement is estimated to be \$122,923. This number will be readjusted as the project budget is refined.

MOHCD Committed	\$15,815,754
TDC	\$69,297,397
Hard Cost Total	\$53,859,263
Public Art Requirement Calculation	
1%	1%
Construction Cost	\$53,859,263
Percent funded by MOHCD (MOHCD Committed / TDC)	22.82%
Public Art Requirement	\$122,906

4.11 Marketing, Occupancy, and Lease-Up. MOHCD's marketing policies and procedures will be applied to all units. Marketing and occupancy outreach for the Project will be conducted in accordance with all applicable fair housing laws.

Related and SFHDC will conduct outreach to neighborhood-based, non-profit housing corporations, agencies and other low-income housing advocacy organizations that maintain waiting lists. Units that are not LOSP or Plus Housing will be entered in a lottery and subject to San Francisco preferences. Among all eligible applicants, additional preference will be observed in the following order:

1. San Francisco Redevelopment Agency Certificate of Preference Holders,
2. Displaced Tenant Housing Preference (Ellis Act/OMI) Certificate Holders,
3. Neighborhood Resident Preference (25% of lottery units given the expected HCD-MHP funding to the Project), and
4. Live or Work in San Francisco.

Marketing materials will be printed in Chinese, English, Spanish and Tagalog, and published in a variety of publications that represent a broad range of non-English speaking populations.

Their engagement strategy will include a concerted effort to outreach to communities of color through linkages with neighborhood-based organizations.

Additionally, SFHDC resident services and financial empowerment staff work with segments of the community that have historically been difficult to reach and provide tangible outcomes such as credit improvement, debt relief, legal referrals, and money management practices that lead to greater stability and prosperity. SFHDC’s regular contact with over 2,500 clients per year, including COP holders, displaced BIPOC households, and a widely dispersed and largely African American clientele, provides an attentive base of stakeholders that the Sponsors will engage.

The five Plus Housing units in the Project are restricted at 50% MOHCD AMI. Incomes of Plus Housing participants, however, are primarily at or below 30% AMI. As a loan condition, the Sponsor will work with seniors in the community and Plus Housing participants to seek a tenant-based rental subsidy from programs like the Q Foundation to help meet the Sponsor’s affordability goals for the Project. See Section 9.3 Recommended Loan Conditions.

To be competitive for a CDLAC allocation, the Project team anticipates marketing all units between 30-80% AMI, with the overall average AMI currently at 55%. The current proforma has removed 1 BR’s at 80% AMI as a result of recent marketing done during the COVID-19 pandemic that indicated recent trouble leasing up smaller 80% AMI units. The Project team will continue to refine the Project’s unit mix and affordability matrix to optimize the spread in response to the market and relevant funding applications.

4.11 Relocation. N/A

5 DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	TBD via CMD RFP		N
Landscape Architect	TBD via CMD RFP		N
JV/other Architect	TBD via CMD RFP		N
General Contractor	TBD via CMD RFP		N
Owner’s Rep/Construction Manager	TBD via CMD RFP		N
Financial Consultant	TBD		
Other Consultant	TBD		
Legal	TBD		
Property Manager	Related Management Company	N	N
Service Provider for LOSP Units	TBD	TBD	TBD

5.1 Procurement Plan. CMD has established a 25% SBE goal for Professional, Engineering and Architectural Services for this project.

5.2 Opportunities for BIPOC-Led Organizations. Related and SFHDC are fully committed to ensuring that 160 Freelon will generate economic opportunities for smaller and BIPOC-led firms, SBE/LBE organizations, and low-income local residents, in addition to creating a positive outcome for our future residents. At the project level, they will work with MOHCD to establish explicit community and economic development goals, competitively procure consultants and contractors who have a track record of meeting or supporting those goals, and track progress through proper data collection. Strategies include:

- Outreach, advertising and marketing, including timely use of the Bid and Contract Opportunities newsletter published by the City and County of San Francisco Purchasing Department and media focused specifically on SBE businesses such as the Small Business Exchange, of the opportunity to submit bids or proposals and to attend a pre-bid meeting to learn about contracting opportunities.
- Network with other local, community-based employment and training agencies to enroll very low- and low-income area residents in training programs, such as City Build, so they are prepared for construction workforce opportunities when they become available.
- Utilize the Construction Industry Workforce Initiative for outreach to employ neighborhood college students as interns.
- Perform direct outreach to SBE firms to ascertain their interest in performing certain contract scopes.
- Consider splitting professional contracting into smaller scopes of work or dollar amount contracts to allow smaller firms to participate more easily.
- Assist and provide possible solutions to potential contractors and subcontractors who have questions around bonding and lines of credit.
- Hold hiring fairs to attract neighborhood residents into trade training programs that will prepare them for pending construction work.
- General Contractor and subcontractors provide First Source Hiring Plans to outline the specific steps the contractors will take to implement hiring goals.

Recent project outcomes for projects include Alice Griffith Phase 1 achieving 56% SBE professional services hours and 56% SBE construction hours, Alice Griffith Phase 3 achieving 48% SBE construction, and Hunters Point East/West achieving 71% Section 3 new hire.

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 N/A.

6.2 Disbursement Status. If this loan request is recommended, the Team will be able to submit for costs related to the project dated July 1, 2021 to present.

6.3 Fulfillment of Loan Conditions. N/A.

6.4 Proposed Predevelopment Financing

6.4.1 Predevelopment Sources Evaluation Narrative. This predevelopment budget is sized to take the Project through construction closing, totaling \$4,000,000.

6.4.2 Predevelopment Uses Evaluation:

Predevelopment Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Acquisition Cost is based on appraisal	N/A	N/A. The site will be transferred to the City as a land dedication for the 598 Brannan Street project.
Holding costs are reasonable	N/A	
Architecture and Engineering Fees are within standards	Y	Architect design fees during predevelopment total \$2,732,000
Consultant and legal fees are reasonable	N	The sponsor has budget \$39,000 for predevelopment legal costs, and \$0 for financial consultants.
Entitlement fees are accurately estimated	N	No entitlement fees have been applied to the predevelopment loan.
Construction Management Fees are within standards	Y	\$80,000 during predev, or \$3,077/month (26 months)
Developer Fee is within standards	Y	Total Dev Fee during predevelopment of \$550,000 complies with MOHCD Developer Fee Policy.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%.

6.5 Potential Permanent Financing Permanent financing being presented to demonstrate the project’s overall feasibility but not intended to be presented for their approval at this time.

6.5.1 Permanent Sources Evaluation Narrative: The Borrower proposes to use the following sources to permanently finance the project:

- MOHCD Loan (\$15,815,754): The estimated MOHCD gap loan on this project is \$15,815,754, or \$219,663 per unit, which is within the \$250K/unit target stated in the RFQ. If approved, MOHCD’s \$4MM predevelopment loan will be rolled into MOHCD’s final gap loan amount for 57-year term at 3.00% simple interest rate, and a residual receipt payment.

- Private mortgage (\$3,569,000): The Sponsor assumes a 30-year term with an interest rate of 4.90% inclusive of cushion and a 1.20 DSCR.
- 4% Tax Credit Equity (\$29,302,643): Related is assuming \$0.95 per federal tax credit pricing, which is consistent with the current credit market. Should the market improve, the increase in tax credit equity will reduce MOHCD's gap loan to the project.
- AHSC/MHP Loan (\$17,500,000): The Sponsor assumes that the project can be competitive for MHP or AHSC, which provides up to \$20M in funding for affordable housing projects. The loan amount of \$17.5M is based on the current unit type and AMI mix. The HCD loan would be for 55 years at a 3% interest rate paid through residual receipts. The project would be required to maintain a replacement reserve of \$500 PUPA.
- HCD IIG (\$2,500,000): In addition to MHP or AHSC, the Sponsor assumes that the project may be competitive and may have site improvement expenses to qualify for a \$2.5M IIG grant.
- Deferred Developer Fee (\$110,000): The Sponsor assumes a deferred developer fee of approximately \$110K based on a 15-year repayment period through a 50/50 split of residual receipts. The deferred developer fee with the \$500K in general partner equity contribution leads to \$301,340 of additional equity generated.
- General Partner Equity (\$500,000): The amount meets the minimum \$500K GP Equity under MOHCD's Developer Fee policy.

6.5.2 CDLAC Tax-Exempt Bond Application:

- Construction Loan (\$15,815,754): While not a permanent source, the construction loan terms are 24 months with a 3% interest term.

CDLAC Self-Score	
Opportunity Map Resource Level	Low Resource Area
TCAC Housing Type (new construction only)	Large Family
Bond Allocation Request Amount	\$34,000,000
Total Self-Score (out of 120 points)	119 out of 120
Tiebreaker Score	\$269,126

The Project will be competing in the ELI/VLI set-aside within the New Construction pool and the Bay Area's geographic set-aside, along with several others. The Project will apply to CDLAC-TCAC in September 2023 for a December 2023 allocation of tax-exempt bonds, scoring 119 out of 120 total points, with a tiebreaker of \$269,126 (based off the 2020 tiebreaker calculation).

With two opportunities to compete in the New Construction set-asides – ELI/VLI and Bay Area regional pool -- the Project's tiebreaker score is not competitive for an allocation in either pool because Bay Area projects are disadvantaged by higher development. In addition to the hard cost interventions to increase competitiveness, the Sponsor reduced the general partner equity contribution from the TCAC's maximum developer fee of 15% eligible basis to \$500,000 established as minimum in MOHCD's previous Developer Fee Policy.

6.5.3 HOME Funds Narrative: N/A

6.5.4 Commercial Space Sources and Uses Narrative: TBD.

6.5.5 Permanent Uses Evaluation:

Below is the breakdown of the total development fee in the Project, which meets MOHCD's Developer Fee Policy.

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	N	\$748,045/unit, which is approximately 17% higher than comparable units.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5%. The standard is at least 5% for new construction
Architecture and Engineering Fees are within standards	N	\$3,554,000 – Arch fees \$155,000 – engineering fees
Construction Management Fees are within standards	Y	\$80,000 during pre-dev, or \$3,077/month (26 months) and \$120,000 during construction (\$5,000/month during construction) (28 months for construction) does not exceed underwriting guidelines for pre-dev (\$3,500/month) and construction (\$5K/month) period.
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$1.1MM At risk fee: \$1.1MM Deferred fee: \$40,000 GP equity: \$500,000 Commercial fee: \$200,000 Total fee: \$2,940,000
Consultant and legal fees are reasonable	Y	\$130,000 for borrower legal fees
Entitlement fees are accurately estimated	N	Entitlement fees are estimated at \$1,217,000.

Construction Loan interest is appropriately sized	Y	Estimated to be \$2,812,843
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 equals \$296,355, or the equivalent of three months of operating expenses, permanent debt service payments, and the 0.42% HCD mandatory annual payment (prorated as well) based on the first year of stabilized operation.

6.5.4 Developer Fee Evaluation:

The milestones for the payment of the developer fee to the sponsor are specified below, and meet MOHCD requirements.

Total Developer Fee:	\$3,010,000	
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 Commercial Space Developer Fee (the "Commercial Fee"):	\$200,000	
Amount of Fee Deferred (the "Deferred Fee"):	\$110,000	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$500,000	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Close of predevelopment loan	\$165,000	15.0%
Site Permit	\$165,000	15.0%
Submission of HCD funding application	\$110,000	10.0%
Submission of CDLAC and TCAC application	\$110,000	10.0%
Construction Close	\$220,000	20.0%
Certification of Construction Completion	\$220,000	20.0%
Project Close-out	\$110,000	10.0%
Percentage At Risk Fee:	\$220,000	20.0%
Perm Loan Closing/Conversion (Cost Cert)	\$550,000	50.0%
Project Close Out	\$330,000	30.0%
Milestones For Disbursement Payable for Commercial Developer Fee	Amount Paid at Milestone	Percentage Commercial Fee

At Completion of Condo subdivision Mapping	\$50,000	25.0%
Executed LOI with Commercial tenant	\$70,000	25.0%
Executed Lease with Commercial tenant	\$80,000	25.0%
Occupancy by commercial tenant/provider	\$50,000	25.0%

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

7.1 Annual Operating Budget.

The annual operating budget is being presented to demonstrate the project's overall feasibility, but is not intended to be presented for approval at this time.

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	DSCR is 1.22 at Year 1 and 1.296 at Year 17.
<i>For TCAC projects:</i> Vacancy rate meets TCAC Standards <i>For non-TCAC existing projects:</i> 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 year, except for 1% for LOSP
<i>For TCAC projects:</i> Annual Operating Expenses are increased at 3.5% per year <i>For non-TCAC existing projects:</i> 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 \$13,724 per unit, escalated to 2026, which is in line with comparable projects in MOHCD's portfolio.
Property Management Fee is at allowable <u>HUD Maximum</u>	Y	Total Property Management Fee is \$64,769 or \$75 PUPM
Property Management staffing level is reasonable per comparables.	Y	Refer to chart below.

Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$24,280/yr. Annual PM Fee is \$24,270/yr.
<i>For TCAC projects:</i> Replacement Reserve Deposits meet or exceed TCAC minimum standards <i>For non-TCAC existing projects:</i> Replacement Reserve Deposits meet project needs based on CNA	Y	Replacement Reserves are \$500 per unit per year, which is consistent with HCD requirements.
Limited Partnership Asset Management Fee meets standards	Y	Limited Partnership Asset Management fee is \$5,000.

7.3 Staffing Summary.

Title	FTE allocated to Project	Expenses allocated to Project	Total Fringe (FICA, WC, Health, 403B)
Office Salaries			
<i>Assistant Manager</i>	1.5	\$90,622	\$27,187
Subtotal	\$90,622	\$90,622	\$27,187
Manager Salaries			
<i>Property Manager</i>	0.2	\$14,672	\$4,402
Subtotal	0.2	\$14,672	\$4,402
Janitorial			
<i>Janitor</i>	1.0	\$49,627	\$14,888
Subtotal		\$49,627	\$14,888
Maintenance			
<i>Technician</i>	1	\$43,154	\$12,946
Subtotal		\$43,154	\$12,946
Resident Services		\$56,894	\$17,068

Services Coordinator	1	\$56,894	\$17,068
Subtotal			
Total FTEs and Expenses		\$254,969	\$76,491

7.4 Income Restrictions for All Sources.

NON-LOTTERY		No. of Units	MOHCD	TCAC
1 BR – LOSP	15		30% MOHCD AMI	23% TCAC AMI
2 BR – LOSP	5		30% MOHCD AMI	21% TCAC AMI
1 BR - Housing Plus	5		50% MOHCD AMI	38% TCAC AMI
Sub-Total	20			
1 BR	1		30% MOHCD AMI	23% TCAC AMI
1 BR	1		40% MOHCD AMI	31% TCAC AMI
1 BR	5		50% MOHCD AMI	38% TCAC AMI
1 BR	6		60% MOHCD AMI	46% TCAC AMI
1 BR	7		70% MOHCD AMI	54% TCAC AMI
Sub-Total	20			
2 BR	1		40% MOHCD AMI	29% TCAC AMI
2 BR	2		50% MOHCD AMI	36% TCAC AMI
2 BR	2		60% MOHCD AMI	43% TCAC AMI
2 BR	4		70% MOHCD AMI	51% TCAC AMI
2 BR	4		80% MOHCD AMI	58% TCAC AMI
Sub-Total	13			
3 BR	1		40% MOHCD AMI	28% TCAC AMI
3 BR	2		50% MOHCD AMI	35% TCAC AMI
3 BR	3		60% MOHCD AMI	42% TCAC AMI
3 BR	6		70% MOHCD AMI	49% TCAC AMI
3 BR	6		80% MOHCD AMI	56% TCAC AMI
Sub-Total	18			
STAFF UNITS				
2 BR	1			
TOTAL	72			
			36%	27%

PROJECT AVERAGE			
AVERAGE FOR LOTTERY UNITS ONLY		64%	47%

MOHCD staff recommends restricting the 20 LOSP units (or 28% of total units) at 30% MOHCD AMI. Five Plus Housing units will be restricted at 50% MOHCD AMI, with the remaining 52 lottery units ranging between 30% and 80% AMI. The overall project average is currently 64% MOHCD AMI and 47% TCAC AMI (including only lottery units), but will be refined further as the project advances, to meet affordability goals and to ensure its competitiveness for state funding.

7.5 MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level
1 BR	1	30% of Median Income
1 BR	1	40% of Median Income
1 BR	5	50% of Median Income
1 BR	5	50% of Median Income
1 BR	6	60% of Median Income
1 BR	7	70% of Median Income
2 BR	1	40% of Median Income
2 BR	2	50% of Median Income
2 BR	17	60% of Median Income
2 BR	4	70% of Median Income
2 BR	4	80% of Median Income
3 BR	1	40% of Median Income
3 BR	2	50% of Median Income
3 BR	3	60% of Median Income
3 BR	6	70% of Median Income
3 BR	6	80% of Median Income

The Project will provide 20 units to the chronically homeless or those at risk of homelessness during the period in which the City’s LOSP program is in operation and the City provides such subsidy to the project under LOSP. If assistance provided with respect to the Project under LOSP is terminated or substantially reduced, the occupancy and rent restrictions of the LOSP-designated units may be altered, but only to the minimum extent required for the financial feasibility of the Project, as determined by the City in its reasonable discretion, and in accordance with substantially similar underwriting criteria used by the City to evaluate the Project’s financial feasibility prior to the Closing Date, provided that, in any event, such units shall at all times be occupied by Tenants whose Adjusted Income does not exceed sixty percent (60%) of Median Income for the Area and the monthly rent paid by such Tenants shall not exceed thirty percent (30%) times sixty percent (60%) of the lower of City Median Income or Median Income for the Area.

8 SUPPORT SERVICES

8.1 Services Plan.

SFHDC’s resident services staff will provide services for the general population, including a combination of direct services and resource referrals to support family growth and success. For adults, programming will include financial empowerment workshops and counseling to build wealth and long-term financial security as well as career development to attain living wage jobs and increase household income. For youth, programming will include appropriate afterschool and summer programs, equipping them with leadership skills and responsibility through community impact projects. Finally, all residents will have access to SFHDC’s established network of health and wellness counseling, caseworkers, food distribution programs, and other community services to improve their health outcomes.

8.2 Services Budget.

Staff Position	Employed	FTE	Residents Served	Staff to Resident Ratio	Funding Source
Resident Services Coordinator	SFHDC	1.0 FTE	52 households	1:52	Operating Budget
Intensive Case Manager	TBD	1.0 FTE	20 formerly homeless	1:20	HSH

8.3 HSH Assessment of Service Plan and Budget.

The LOSP units will receive services through a contract with HSH. HSH participated in the development team RFQ selection process, and will review and assess the Services Plan and Budget once submitted. They will remain involved during the predevelopment phase while the homeless resident programming and model are being developed.

9 STAFF RECOMMENDATIONS

9.1 Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$4,000,000
Loan Term:	30 years
Loan Maturity Date:	TBD
Loan Repayment Type:	Balloon
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	July 1, 2021

9.2 Recommended Disbursement Condition/schedule

Prior to initial predevelopment disbursement:

- Sponsors must provide an executed revised MOU outlining their partnership.
- Sponsor must provide evidence of Limited Partnership formation and be a vendor in the City and County of San Francisco.
- Sponsor must provide a finalized organizational chart for 160 Freelon Housing Partners, LP.
- Sponsor must provide evidence of Prop I sign posting.

9.3 Recommended Loan Conditions

During Predevelopment:

1. Sponsor must provide MOHCD with detailed monthly updates via the MOHCD Monthly Project Update, including on:
 - a. Community outreach completed,
 - b. Outcomes achieved related to racial equity goals, and
 - c. Commercial-use programming.
2. Sponsor must work with MOHCD staff to determine the proper services for the Plus Housing units and if applicable, the source to pay for the service program
3. Sponsor must submit an updated 1st year operating budget and 20-year cash flow – if any changes have occurred – by November 1st before the year the project will achieve TCO so that MOHCD may request the LOSP subsidy.
4. Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
5. Sponsor to implement cost containment strategies to reduce overall project costs and maximize efficiencies to MOHCD gap loan, while meeting the RFQ goal of the total hard costs to be less than \$600K per unit. Sponsor must identify and implement cost containment strategies for construction and present them at the various cost estimates with narrative analysis of the pricing from the general contractor.

By 100% Schematic Design & prior to Site Permit Submittal:

6. Prior to development fee milestone, Sponsor must submit evidence to MOHCD that staff listed under Section 1.3.6, including managerial, supervisory, and on-site staff, as well as any additional or replacement staff to be working on this Project, at this time has completed Trauma Informed Systems (TIS) training.
7. Sponsor must submit a preliminary services plan and budget covering the formerly homeless households for HSH and MOHCD review and approval.
8. Sponsor must submit application to the Planning Department for SB35 and Site Permit review.
9. Sponsor must research alternate funding sources, such as Infill Infrastructure Grant (IIG), and provide analysis to MOHCD for review to reduce MOHCD's gap.
10. Sponsor must submit a preliminary commercial space plan, commercial

financial assumptions, and commercial development timeline for MOHCD review and approval.

By 100% Design Development:

11. Sponsor must submit an updated commercial space plan, commercial financial assumptions, and commercial development timeline for MOHCD review and approval.
12. Sponsor must submit a tenant improvement plan for MOHCD review and approval.

Prior to Preliminary Gap Request for the Project's MHP and CDLAC-TCAC Application:

13. Prior to payment of developer fee milestone, Related Management Company must obtain MOHCD approval of revisions to corporate policies reflecting a trauma informed approach.
14. Sponsor must receive approval from HSH on the income restrictions for MHP and service plan for the LOSP units.

Prior to Gap Loan Request:

15. Sponsor must provide operating and development budgets that meet MOHCD underwriting guidelines and commercial space policy requirements.
16. Sponsor must provide MOHCD with a services plan and proposed staffing levels that meet MOHCD underwriting standards prior to gap loan approval. Any changes to the current proposed staffing will need to be presented to MOHCD at least 90 days prior to gap loan approval.
17. Sponsor must re-submit qualifications for the property management company for MOHCD approval.
18. Sponsor must: a) provide for MOHCD review of the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) provide for MOHCD review of all raw financial data from developer or financial consultant prior to selection; c) provide for MOHCD review and approval of all selected investors and lenders; and, d) provide for MOHCD review and approval of all Letters of Intent from financial partners.
19. Sponsor must provide executed Letter of Intent (LOIs) with neighborhood serving commercial tenants, a commercial development budget, a tenant improvement proforma for MOHCD review and approval.

Prior to Construction Close and payment of development fee milestone:

20. Sponsor must submit a Housing Retention Plan for MOHCD review and approval that aims to reduce tenant displacement due to non-payment of rent. The plan must include policies to promote resident housing stability and retention, eviction prevention, lease and house rules compliance, and access to support services, including third-party dispute resolution services for landlord-tenant grievances.

Prior to Marketing & Lease Up:

21. Prior to development fee milestone, Sponsor must submit evidence to MOHCD that staff listed under Section 1.3.6, including managerial,

supervisory, and on-site staff, as well as any additional or replacement staff to be working on this Project, at this time has completed Trauma Informed Systems (TIS) training.

22. Sponsor must work with Plus Housing participants to seek a tenant-based rental subsidy from programs like the Q Foundation to help meet the Sponsor's affordability goals for the Project.
23. Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.
24. Sponsor must create more structure around marketing meetings leading up to the lease up process, which includes identifying clear roles and responsibilities and preparing meeting agendas outlining clear next steps.

10 LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

Sally Oerth, Interim Executive Director
Office of Community Investment and Infrastructure
Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

- Attachments:
- A. Project Milestones/Schedule
 - B. Borrower Org Chart
 - C. Asset Management Analysis of Sponsor
 - D. Threshold Eligibility Requirements and Ranking Criteria
 - E. Site Map with amenities
 - F. Comparison of City Investment in Other Housing Developments
 - G. Predevelopment Budget
 - H. Development Budget
 - I. 1st Year Operating Budget
 - J. 20-year Operating Pro Forma
 - K. Related's DEI Statement

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, December 3, 2021 11:57 AM
To: Chavez, Rosanna (MYR)
Subject: Predevelopment Loan 160 Freelon

I 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

If you, or someone you know, is a SF resident and in need of help paying rent due to the COVID-19 pandemic please go to <http://sf.gov/renthelp>

Chavez, Rosanna (MYR)

From: Hewson, Elizabeth (HOM)
Sent: Friday, December 3, 2021 11:57 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Menjivar, Salvador (HOM)
Subject: Pre-development funding for 160 Freelon

On behalf of Salvador Menjivar, I cast a Yes vote for the pre-development loan for 160 Freelon.

Best,
Elizabeth



Elizabeth Hewson (she/her)

Manager of Supportive Housing Programs

San Francisco Department of Homelessness and Supportive Housing

elizabeth.hewson@sfgov.org | P: 628-652-7730

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

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Chavez, Rosanna (MYR)

From: Oerth, Sally (CII)
Sent: Friday, December 3, 2021 11:56 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Spears, Shawnte (MYR)
Subject: Predevelopment Funding for 160 Freelon St, 12.3.21 Loan Committee

I approve the predev loan request for 160 Freelon St, as presented at the 12.3.21 Loan Committee.

And welcome Shawnte!



Sally Oerth
Interim Executive Director

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Chavez, Rosanna (MYR)

From: Pereira Tully, Marisa (CON)
Sent: Friday, December 3, 2021 11:56 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Predevelopment funding for 160 Freelon St

Approve

Marisa Pereira Tully (she/her)
Controller's Office of Public Finance
City and County of San Francisco

Attachment A: Project Milestones and Schedule

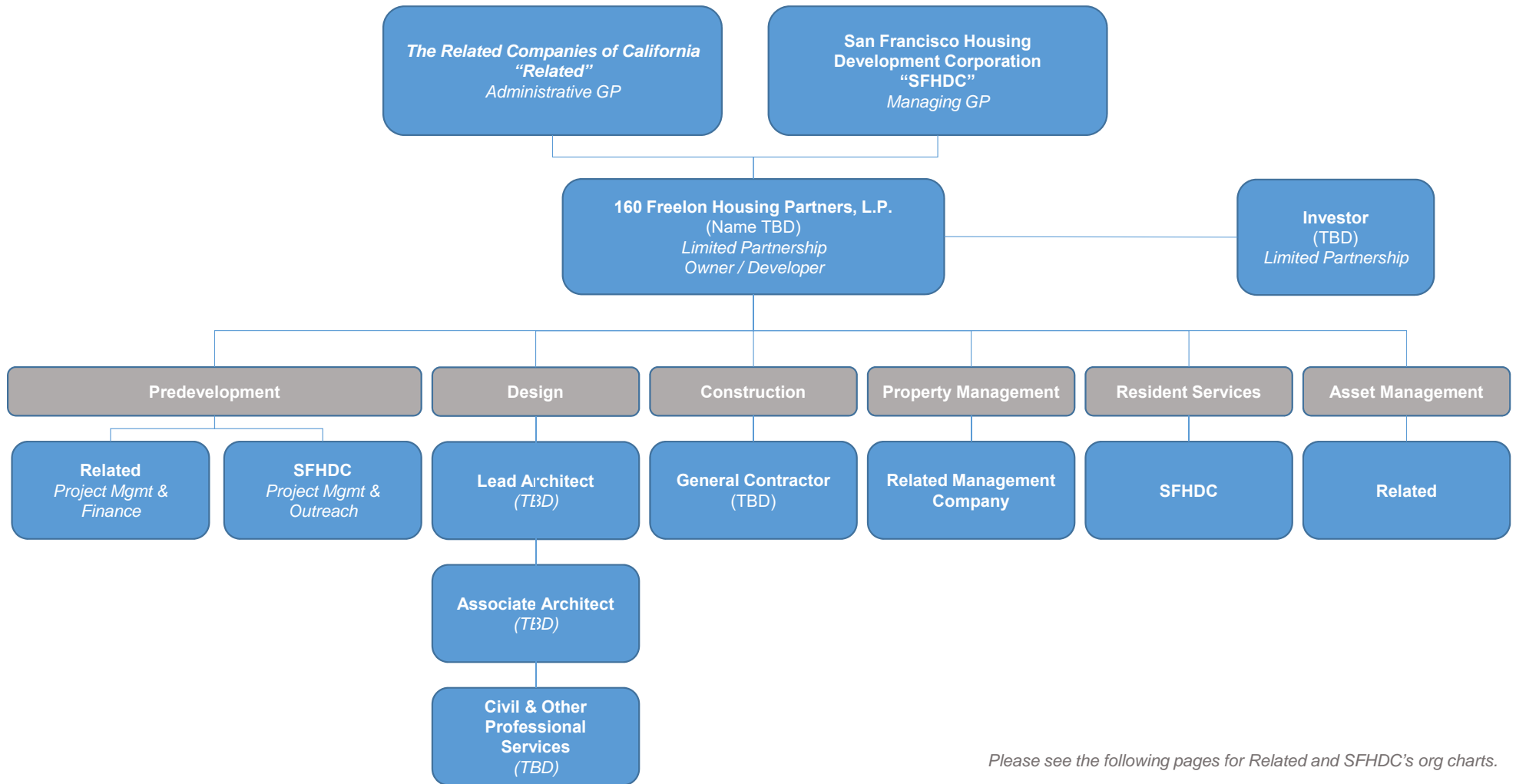
No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	<u>12/31/2021</u>	
1	Acquisition/Predev Financing Commitment	<u>12/31/2021</u>	
2.	Site Acquisition	<u>12/31/2022</u>	Placeholder
3.	Development Team Selection		
a.	Architect	<u>12/31/2021</u>	
b.	General Contractor	<u>6/17/2022</u>	
c.	Owner's Representative	<u>12/31/2021</u>	
d.	Property Manager	<u>06/01/2021</u>	Project Award Date
e.	Service Provider	<u>06/01/2021</u>	Project Award Date
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>07/15/2022</u>	
b.	Submittal of Design Development & Cost Estimate	<u>10/7/2022</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>1/27/2023</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>5/19/2023</u>	
5.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	<u>10/07/2022</u>	
b.	CEQA Environ Review Submission	<u>N/A</u>	
c.	NEPA Environ Review Submission	<u>N/A</u>	
d.	CUP/PUD/Variances Submission	<u>N/A</u>	
6.	PUC/PG&E		
a.	Temp Power Application Submission	<u>3/29/2023</u>	
b.	Perm Power Application Submission	<u>3/29/2023</u>	
7.	Permits		
a.	Building / Site Permit Application Submitted	<u>10/7/2022</u>	
b.	Addendum #1 Submitted	<u>TBD</u>	

c.	Addendum #2 Submitted	<u>TBD</u>	
8.	Request for Bids Issued	<u>9/11/2023</u>	
9.	Service Plan Submission		
a.	Preliminary	<u>3/29/2023</u>	
b.	Final	<u>2/27/2024</u>	
10.	Additional City Financing		
a.	Preliminary Gap Financing Application	<u>12/31/2021</u>	
b.	Gap Financing Application	<u>7/19/2023</u>	Final gap post CDLAC/TCAC approval
11.	Other Financing		
a.	HCD Application	<u>2/1/2023</u>	
b.	Construction Financing RFP	<u>9/13/2023</u>	
c.	AHP Application	<u>TBD</u>	
d.	CDLAC Application	<u>7/18/2023</u>	
e.	TCAC Application	<u>7/18/2023</u>	
f.	Other Financing Application	<u>TBD</u>	
g.	LOSP Funding Request	<u>12/7/2022</u>	
12.	Closing		
a.	Construction Loan Closing	<u>2/28/2024</u>	
b.	Conversion of Construction Loan to Permanent Financing	<u>6/17/2026</u>	
13.	Construction		
a.	Notice to Proceed	<u>2/28/2024</u>	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>12/30/2025</u>	
14.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>3/26/2025</u>	
b.	Commence Marketing	<u>9/10/2025</u>	
c.	95% Occupancy	<u>3/24/2026</u>	
15.	Cost Certification/8609	<u>1/26/2027</u>	
16.	Close Out MOH/OCII Loan(s)	<u>1/26/2027</u>	

Attachment B: Borrower Org Chart

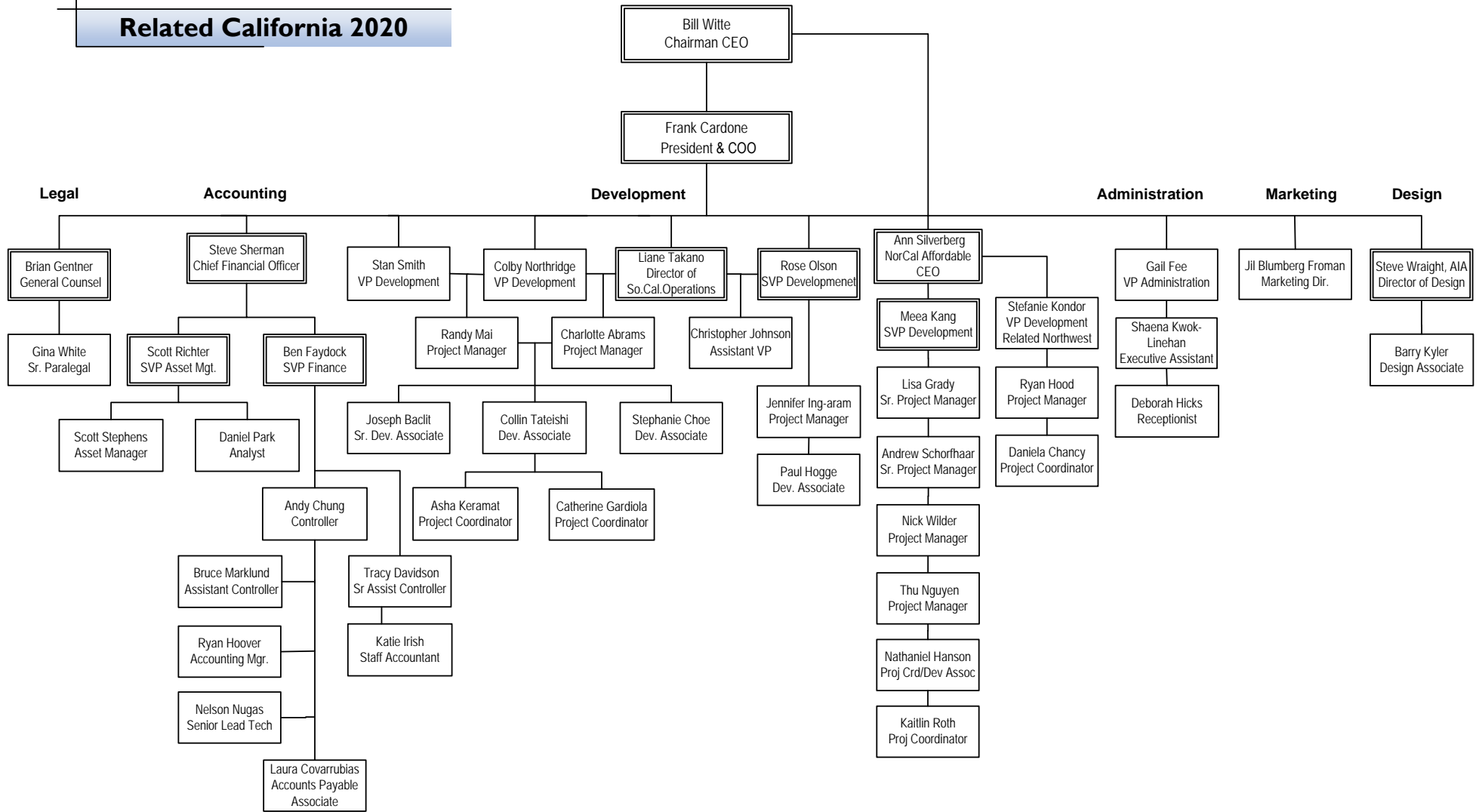
See Attached

Proposed Owner Org Chart



Please see the following pages for Related and SFHDC's org charts.

Related California 2020





BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER
David Sobel

**DIRECTOR OF FINANCIAL
EMPOWERMENT & ECONOMIC DEV.**
Sheri Powers

HOUSING & FINANCIAL COUNSELOR
Shannon Wise

HOUSING & FINANCIAL COUNSELOR
Belinda Racklin

HOUSING & FINANCIAL COUNSELOR
Deborah Jackson

HOUSING & FINANCIAL COUNSELOR
Esther Baez

HOUSING & FINANCIAL COUNSELOR
Heshima Hardy

PROGRAM ASSISTANT
Tikila McDavid

CHIEF FINANCIAL OFFICER
Peter Kodzis

FINANCE ADMINISTRATOR
Lolita Ramos

CONTRACT ACCOUNTANT
Donna Cohen, CPA

**ASSOC. DIRECTOR OF REAL ESTATE
DEVELOPMENT**
Tom Kostosky

PROJECT MANAGER
Sarah Graham

PROJECT MANAGER
Reginald Hairston

PROJECT MANAGER
Michael Manigault

ASSET MANAGER
John Lopez

**DIRECTOR OF RESIDENT SERVICES
(PENDING)**

SENIOR SERVICE COORDINATOR
Taylor Boocker

SENIOR SERVICE COORDINATOR
Latrice Manuel

SERVICE COORDINATOR
Larry Cowart

SERVICE COORDINATOR
James (Travis) Moananu

ADMINISTRATIVE ASSISTANT
Louise Celestine

**FUND DEVELOPMENT AND
COMMUNICATIONS STAFF (3)**

RESIDENT SERVICES MANAGER
Channing Culbert

SERVICE COORDINATOR
Le'Kesha Howard

SERVICE COORDINATOR
Doneshia Feazell-Jacobs

SERVICE COORDINATOR
Vacant

Attachment C: Asset Management Evaluation of Project Sponsor

SFHDC as Managing General Partner will delegate the Project's asset management responsibility to Related, whose asset management department has the full capacity and structure to assume this role once the development is complete. Related's asset management team is led by Scott Richter, SVP of Asset Management. Richter has been managing institutional multifamily and mixed-use assets for over 15 years, of which the last nine years have been overseeing Related's unique and expanding portfolio of affordable housing, mixed-income, and mixed-use properties. Richter is supported by two full-time asset managers. Related's asset management team oversees a portfolio of 69 properties as of December 2020, with an average of 291 residents per project.

Attachment D: Threshold Eligibility Requirements and Ranking Criteria

MINIMUM EXPERIENCE AND CAPACITY REQUIREMENTS

Respondents must meet the following minimum development Sponsors characteristics, experience, and capacity requirements in order to qualify to be scored and ranked under this RFQ. For Minimum Qualifications for respondents applying for 100% housing for homeless adults please refer to Sections III.D and IV.C.

Racial Equity Capacity: The proposed Development Sponsors must document its capacity to successfully plan, design, and develop racial equity strategies that will lower barriers to obtaining quality affordable housing for communities of color through employment of staff with appropriate experience and capacity, contracted services, and/or collaboration with other organizations. Respondents should submit demographic data of the Boards of Directors of member organizations of the Development Sponsors and of the staff of the various organizations that make up the respondent Sponsors.

Minimum Development Sponsors Characteristics

The proposed development Sponsors must include members able to work with MOHCD to create developments that are responsive to populations disproportionately impacted by systemic racism; implement a culturally competent approach throughout the development process; align the development program with City policies on anti-displacement, racially inclusive communities, and creation of stable housing for vulnerable populations; and create opportunities for Black- and Brown-led developers to be competitive within the RFQ process.

The proposed Development Sponsors must include:

- At least one San Francisco-based non-profit development entity whose mission includes the development of affordable housing in low-income communities with experience developing housing for the identified priority populations (such as Certificate of Preference Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, Plus Housing waitlist households and/or formerly homeless households) acting either as sole developer or as a partner in a joint venture, or joint-venture partner, defined as a nonprofit organization;
- A property owner entity with experience owning housing for low-income communities, including for priority populations (such as COP Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, Plus Housing waitlist households and/or formerly homeless households);
- A property management entity with experience managing housing for low-income communities, including for priority populations (such as COP Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, Plus Housing waitlist households and/or formerly homeless households);
- At least one services-providing entity with experience providing services appropriate for the intended target population(s) of each site.

Letters of Intent or Memoranda of Understanding from service providers and property management entities that are not affiliated with the developer must be submitted with the application.

Minimum Development Sponsors Experience

Minimum experience must be demonstrated by identifying specific **Qualifying Projects** in which Sponsors members have participated, as further described below. The proposed Development Sponsors must submit **Attachment 4 - Qualifying Project Form**, to document how the

Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.)

To demonstrate the minimum required development Sponsors experience, each Sponsors should submit one project for each experience category. When appropriate, Sponsors may submit the same project as evidence of experience across multiple experience categories or may use different projects to demonstrate experience across categories. In all cases, no more than four (4) total Qualifying Projects should be submitted. **Qualifying Projects will not be scored but are used to determine if the proposed Development Sponsors meets the minimum development Sponsors experience required to develop the Site.**

For Developer and Owner, a **Qualifying Project** must have all of the following characteristics:

- New construction in either a Type V over I or Type III over I construction type (not a requirement for Minimum Property Manager and Service Provision Experience)
- At least 75 units in size
- Majority multiple-bedrooms, *only for family projects*
- Mixed-use including residential (not a requirement for Minimum Service Provision Experience)
- Affordable to low- and very low-income households¹, formerly homeless residents, families and/or seniors
- Financed with Low-Income Housing Tax Credits.

a. *Minimum Development Experience:*

The proposed Developer must have completed within the past ten years at least **one** Qualifying Project located in San Francisco. “Completed” means the Project must have received its Temporary Certificate of Occupancy by the date of the issuance of the RFQ.

For joint venture Developer Sponsors, the experience of the lead entity may suffice for the joint-venture partnership. A signed Memorandum of Understanding or Term Sheet between joint-venture Development partners that outlines roles and responsibilities, proposed ownership structure, etc. must be submitted with the application. Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Finally, the requirement to have served formerly homeless residents may be satisfied in a non- Type V over I or Type III over I building. In such a case, the proposed Developer must provide evidence of having completed a partially Type V over I or Type III over I affordable housing building, and separately, an affordable housing building that serves formerly homeless residents.

b. *Minimum Ownership Experience:* The proposed Owner must have owned at least **one** Qualifying Project for at least four years prior to the Submittal Deadline of this RFQ. For purposes of this requirement, the member of the general partner of the tax credit partnership that will own the completed project is the proposed “Owner.”

c. *Minimum Property Management Experience:* The proposed Property Manager must have managed at least **one** Qualifying Project for at least 24 months.

d. *Minimum Service Provision Experience:* The proposed service provider(s) must have at least 36 months experience providing services to low-income family residents, communities of color, homeless persons and/or senior citizens within a Qualifying Project.

¹ “Low Income” is defined as 60% MOHCD AMI and below. “Extremely Low Income” is defined as 30% MOHCD AMI and below.

Note Regarding Experience: For any Respondent Sponsors member, the experience of key staff members may be substituted for the experience of the organization as a whole as long as the staff members' experience in other firms was substantive and involved responsibilities similar to those that they are anticipated to perform during the proposed development of the site. Any substitution should be clearly identified in Attachment 4, Qualifying Project Form.

Minimum Developer and Owner Capacity Requirements

The proposed Developer and Owner must demonstrate the financial and staffing capacity to successfully complete the project and manage the asset in the long-term, as further described below.

- a. **Financial Capacity:** The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit **Attachment 5 – Financing Terms for Developer's Qualifying Project** documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.
- b. **Staffing Capacity:** The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. To document this, the proposed Developer must submit a written narrative **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. The proposed Developer must also submit **Attachment 6 – Projected Staffing Workload Form** to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.
- c. **Asset Management Capacity:** The proposed Owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions. To document this, the proposed Owner must submit a recent Real Estate Owned (REO) schedule, stating the number of projects and average number of units/project currently in Owner's asset management portfolio, proposed Owner's current asset management staffing noting job titles, FTEs, and status of each position (filled/vacant) and proposed Owner's organizational chart.
- d. **Racial Equity Capacity:** The proposed Developer must document its capacity to successfully plan, design, and develop racial equity strategy that will lower barriers to obtaining quality affordable housing for communities of color through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. Documentation should include information evidencing the Developer's capacity to achieve the goals of this RFQ (see especially pages 4-5).
 - Select partners that are able to work with MOHCD to deploy city resources, tools and expertise to create developments that are responsive to populations disproportionately impacted by systemic racism;
 - Ensure that development Sponsors are working within a culturally competent approach through the development process;

- Align each Project with the implementation of City policies on anti-displacement, racially inclusive communities, and creating stable housing for vulnerable populations;
- Create opportunities for growth of smaller and Black, Indigenous and people of color, (BIPOC)-led organizations in development role or as member of development Sponsors
- Submit demographic data for the Boards of Directors of each Development Sponsors member and for the staff of each organization represented on the Sponsors.

MINIMUM EXPERIENCE AND CAPACITY REQUIREMENTS FOR RESPONDENTS APPLYING FOR 100% SUPPORTIVE HOUSING FOR HOMELESS ADULTS

Sponsors Member Specific Minimum Requirements

- a. **Minimum Developer Requirements** - Lead Developer itself or in partnership with other co-developers must provide evidence of the following experience:
- New construction of at least two affordable housing developments that are both high-density infill sites, with an aggregate unit count of approximately 75 units or more
 - Development of at least one supportive affordable housing development for formerly homeless adults and/or formerly homeless seniors (may be new construction or substantial rehabilitation of an existing building)
 - Use of Low-Income Housing Tax Credit financing

For joint-venture Development partners, the experience of either entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture Development partners must be submitted with the application.

Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Project management services should include financial packaging, selection of other consultants, selection of construction contractor and property management agent, oversight of architectural design, construction management, and consultation on major aspects of the development process. The contract for development services must be submitted with the RFQ response and must be acceptable to MOHCD.

- b. **Minimum Ownership Experience** - The proposed Owner of the Project must have owned at least one supportive formerly homeless project in San Francisco for at least 5 years prior to the Submittal Deadline of this RFQ. In addition, each proposed Owner must provide evidence of experience with owning housing financed with Low Income Housing Tax credits. This experience does not have to be on the same project that satisfies the 5-year ownership requirement. If the Selected Developer entity is not the same entity as the proposed Owner, MOHCD reserves the right to require that certain members of the Selected Developer remain active in the ownership for whatever length of time MOHCD deems necessary to ensure operating and financial stability.

For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed "Owner".

- c. **Minimum Property Manager Requirements** - The proposed property manager for the Project must have managed at least three supportive formerly homeless or supportive senior rental projects, including at least one in San Francisco, each for at least 36 months. In addition, the Property Manager for the Project must provide evidence of experience with managing housing financed with Low Income Housing Tax credits.
- d. **Minimum Service Provision Requirements** - The proposed service provider(s) must have at least 36 months' experience providing supportive services to formerly homeless adults and/or formerly homeless seniors including case management and comprehensive services for homeless households in a residential setting in San Francisco. The proposed service provider(s) must have the infrastructure to supervise and train the onsite staff and their supervisors. The service provider must also have experience with and capacity to bill Medi-Cal.
- e. **Other Consultants** – For any Respondent Sponsors, the experience of key staff members or “other consultants” may be substituted for the experience of the organization as a whole as long as the staff member’s or consultant’s experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the Respondent’s Sponsors.

SELECTION CRITERIA AND SCORING

All applications that meet the Minimum Experience and Capacity Requirements will be scored and ranked according to the following selection criteria:

	Category	Points
A.	EXPERIENCE:	40
i.	Developer (12 pts) <ul style="list-style-type: none"> ➤ Experience with the following: <ul style="list-style-type: none"> ○ Completing projects on time and on budget ○ Obtaining competitive financing terms ○ Developing Type V/I or III/I construction ○ Developing housing for low-income families, seniors, or the homeless ➤ Building community support through outreach ➤ Current staff capacity and experience to take on this project type 	
ii.	Owner (4 pts) <ul style="list-style-type: none"> ➤ Track record successfully owning housing financed with Low-Income Housing Tax Credits <ul style="list-style-type: none"> ○ Experience owning affordable housing for low-income families, seniors and/or the homeless ➤ Current asset management structure, staffing, and portfolio ➤ Capacity for assuming asset management of an expanded portfolio once the development is complete 	

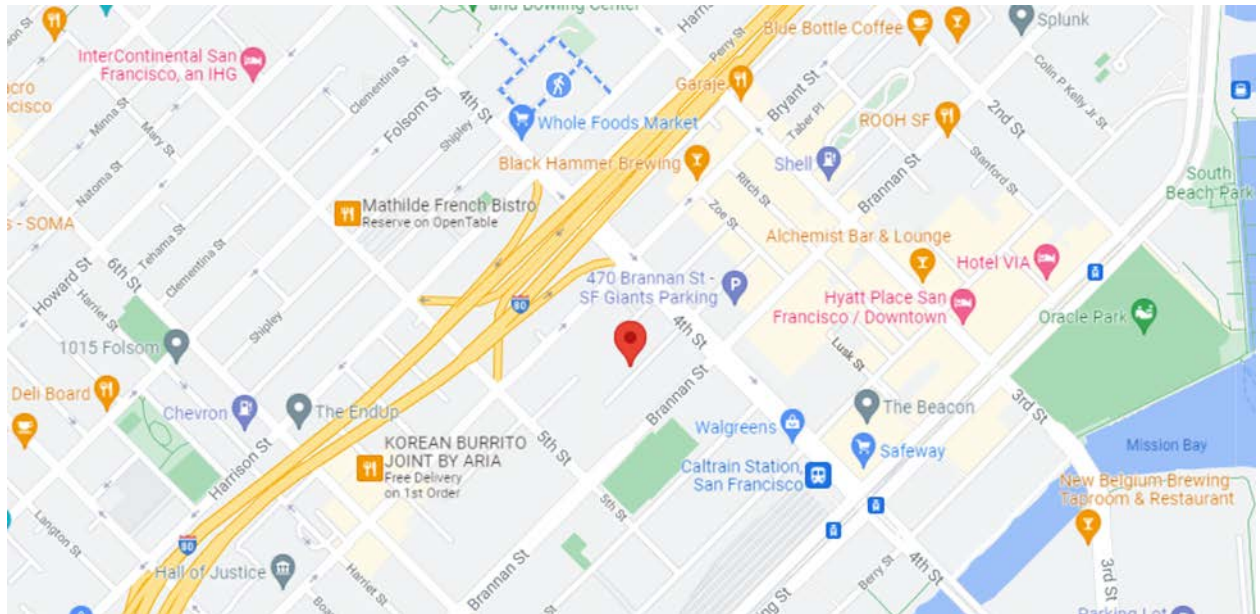
iii.	<p>Property Manager (8 pts)</p> <ul style="list-style-type: none"> ➤ Experience managing property for target populations ➤ Experience achieving high rates of housing retention ➤ Implements low barrier tenant selection policies ➤ Contributes to long-term sustainability of the development ➤ Achieves cost efficiencies in operations 	
iv.	<p>Service Providers (8 pts)</p> <ul style="list-style-type: none"> ➤ Experience delivering services to target populations ➤ Experience linking residents to the City's safety net of services ➤ Works with property management to achieve high rates of housing retention ➤ Supports positive outcomes for residents around health and economic mobility ➤ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years ➤ Discusses barriers to communities of color accessing quality health care services, employment and educational opportunities 	
v.	<p>Racial Equity Strategy (8 pts)</p> <ul style="list-style-type: none"> ➤ Describes level of racial equity awareness ➤ Experience providing housing to COP and neighborhood preference holders ➤ Uses innovative approaches to engagement with COP and neighborhood preference holders ➤ Demonstrates commitment to racially diverse project development Sponsors <p>Proposes a substantive partnership that increases opportunity/capacity for growth of smaller and Black, Indigenous and people of color, (BIPOC)-led organizations</p> <ul style="list-style-type: none"> ➤ Demonstrates experience with serving historically excluded communities of color ➤ Describes approaches to overcoming historical obstacles to communities of color obtaining high quality affordable housing ➤ Describes experience providing access and implementing service delivery strategies to historically excluded communities of color 	
VISION:		60
i.	<p>Program Concept (20 pts)</p> <ul style="list-style-type: none"> ➤ Describes vision for a development program at this site, while best achieving the project goals, and includes: <ul style="list-style-type: none"> ○ A residential program and other envisioned uses; ○ Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood. 	

	<ul style="list-style-type: none"> ➤ Indicates particular groups served by the programs and spaces (tots, children, teens, homeless people, young adults, adults, elderly, disabled etc.). ➤ Describes how the program will contribute to lowering barriers to persons of color seeking and retaining quality housing. 	
ii.	<p>Community Engagement Strategy (10 pts)</p> <ul style="list-style-type: none"> ➤ Describes community engagement strategy and includes: <ul style="list-style-type: none"> ○ The Sponsors’ philosophy on community engagement; ○ Process for establishing and/or building positive relationships with surrounding neighbors and the larger community; ○ Efforts designed to engage all interested community members, including monolingual non-English speaking members of the community; ○ How the Development Sponsors intends to comply with the City’s Language Access Ordinance. ➤ Describes the Sponsors’ approach to achieving entitlements for the project expeditiously and the Sponsors’ approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. ➤ Indicate how particular community engagement strategy will address the historical exclusion of communities of color from quality housing, including but not limited to marketing to attract target populations. 	
iii.	<p>Services Delivery Strategy (10 pts)</p> <ul style="list-style-type: none"> ➤ Describes the Development Sponsors’ services delivery strategy and includes: <ul style="list-style-type: none"> ○ The overall service philosophy; ○ Model for providing any anticipated services to formerly homeless residents (including case management ratio and provision of amenities such as front desk clerks, if applicable); ○ The services goals of the proposed vision. ➤ A brief description of the desired outcome of the services to be provided and innovative approaches to services provision, including the strategy of engaging residents and encouraging access to services. ➤ Describes how services for residents will be coordinated with the existing network of services in the neighborhood and community. 	
iv.	<p>Finance & Cost Containment Approach (10 pts)</p> <ul style="list-style-type: none"> ➤ Narration that describes the Development Sponsors’ financing approach to the project. 	

	<ul style="list-style-type: none"> ➤ Includes the Sponsors' process for structuring the project and controlling development costs. ➤ Includes innovative strategies intended to minimize MOHCD's projected capital gap financing. ➤ Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. ➤ Do not include proforma financials. 	
v.	<p>Racial Equity Strategy (10 pts)</p> <ul style="list-style-type: none"> ➤ Describes proposed resident services program, including the activities or types of services, how they will be provided, and the approach (such as timeline, hours and days of operation, examples, and best practices). ➤ Explain how the Development Sponsors' model removes barriers to intergenerational wealth, self-sufficiency and resiliency for persons of color, particularly COP holders, African American households and/or households in historically African American neighborhoods. ➤ Explain how the strategy aligns with the four primary goals of this RFQ set forth in the Introduction. 	
TOTAL POSSIBLE POINTS		100

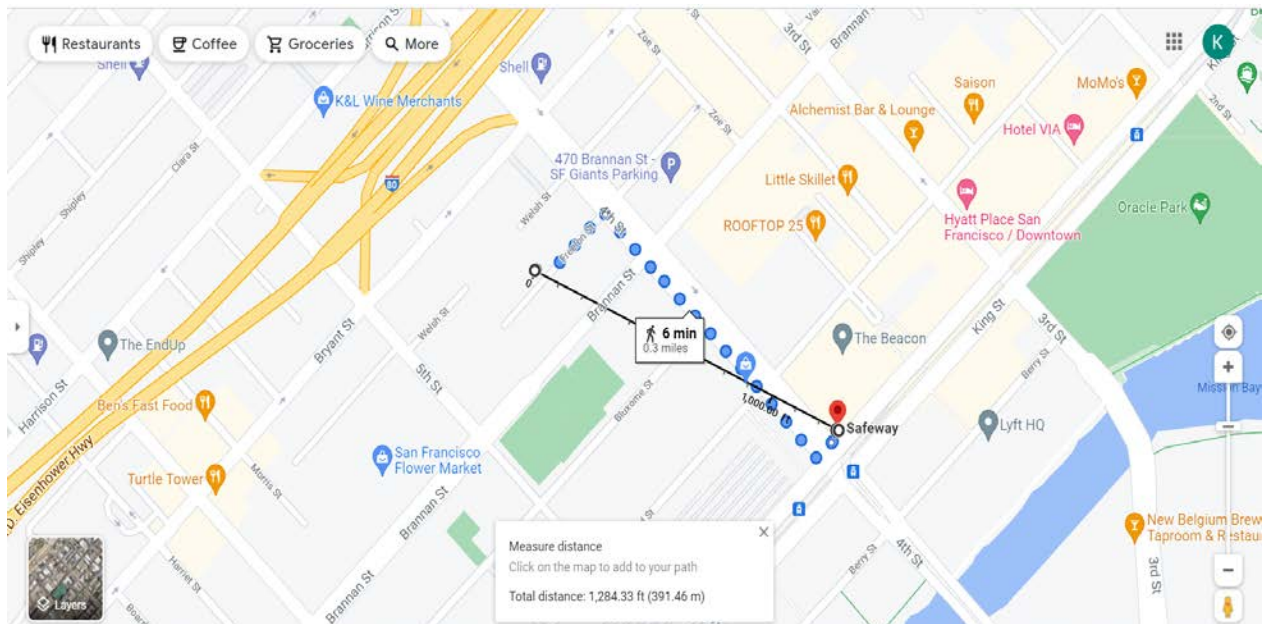
Attachment E: Site Map with amenities

Site



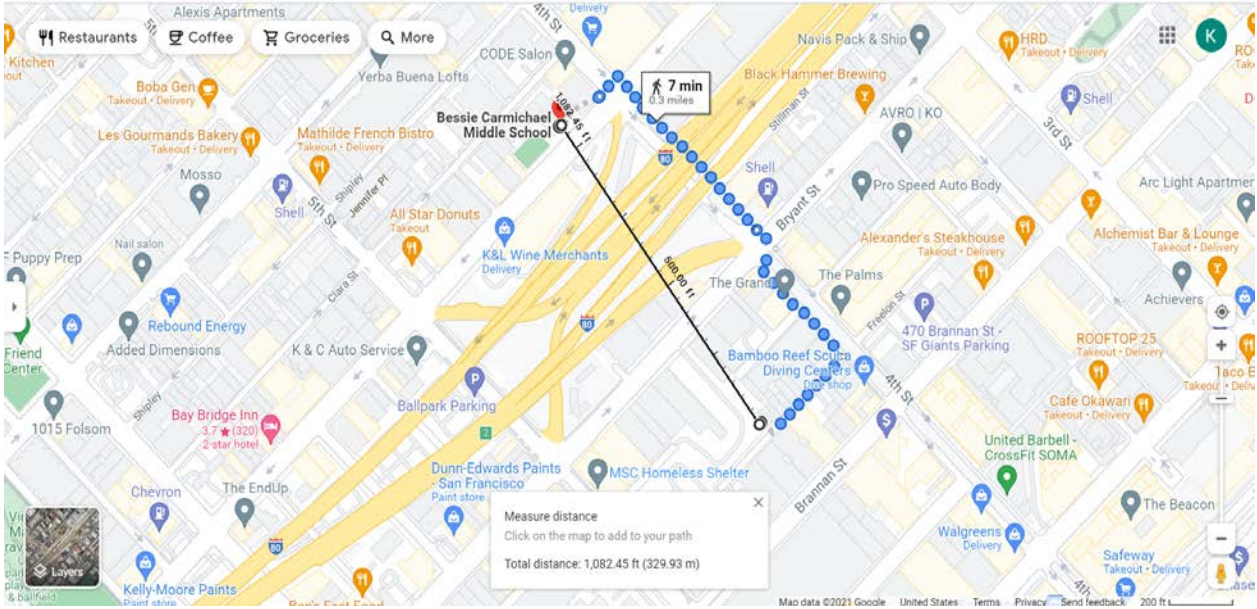
Grocery

Safeway (.3 miles)



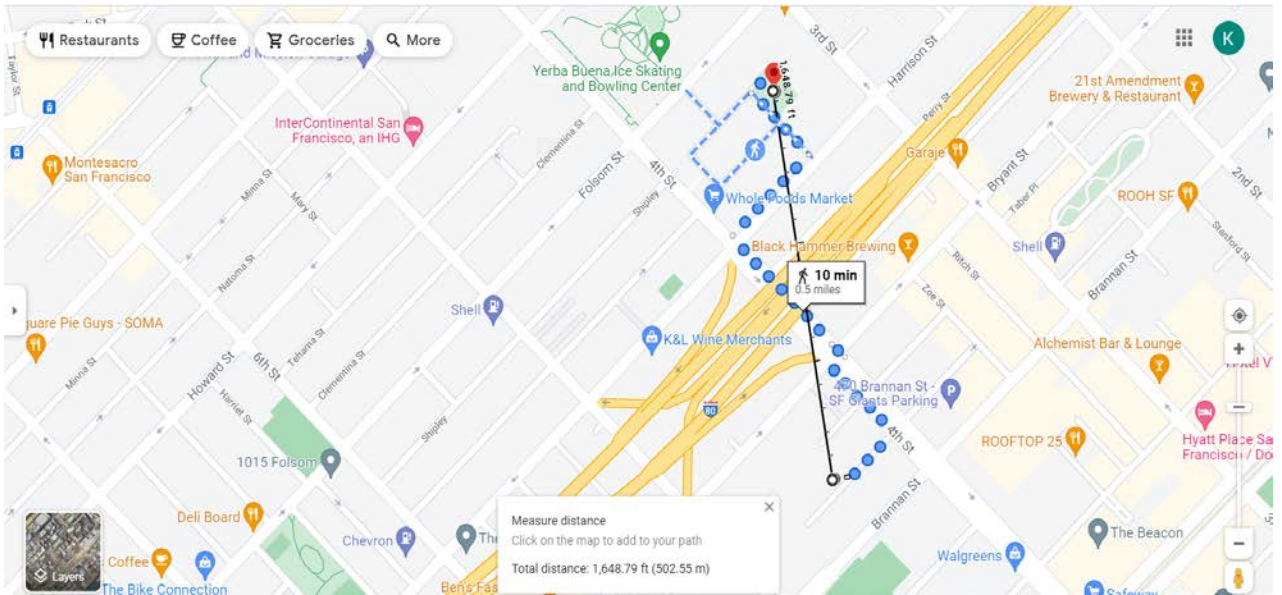
Schools

Bessie Carmichael Middle School (.3 miles)



Parks

Alice Street Community Gardens (.5 miles)



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

See Attached

Affordable Multifamily Housing New Construction Cost Comparison

Updated 11/29/2021

PROJECTS COMPLETED						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft & Other Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
Hunters View Phase II - Block 10	146 West Point Road	52,333	Jun-18	72	144	90,274	13,328	103,602	\$ -	\$ 39,639,577	\$ 8,732,464	\$ 48,372,041	\$ 17,393,406	\$ 48,372,041	9% LIHTC	Type IIIA over Type I Podium 5 Stories + Parking, Community Hub and Childcare
Potrero Block X (Vertical)	25th and Connecticut	30,000	Sep-19	72	139	86,569	28,952	115,521	\$ 20,700	\$ 67,326,230	\$ 12,766,230	\$ 80,113,160	\$ 17,693,093	\$ 80,092,460		Type IIIA & V over Type I Podium (4-6 stories) stepped w/ topography. No infrast. Cost
Eddy and Taylor Family Housing	222 Taylor	22,344	Jun-19	113	211	108,440	21,086	129,526	\$ 9,300,000	\$ 63,322,238	\$ 14,837,459	\$ 87,459,697	\$ 22,187,436	\$ 78,159,697	2 HCD Loans (MHP & TOD)	Type IB - 8 story, extensive PG&E regional switch required
Sunnydale Parcel Q	1477-1497 Sunnydale Ave	21,757	Jun-20	55	102	75,101	-	75,101	\$ -	\$ 39,066,470	\$ 10,072,197	\$ 49,138,667	\$ 9,652,147	\$ 49,138,667	9% LIHTC	Type IV - 5 Stories over grade podium parking
490 South Van Ness	490 S. Van Ness Avenue	14,250	Apr-21	81	121	51,639	28,985	80,624	\$ 18,500,000	\$ 52,393,985	\$ 13,393,811	\$ 84,287,796	\$ 28,892,030	\$ 65,787,796		Type IA - 7 stories over partial basement
88 Broadway - Family Housing	88 Broadway	38,182	Jul-21	125	221	140,279	8,700	148,979	\$ 14,900,000	\$ 79,372,243	\$ 27,758,226	\$ 122,030,469	\$ 27,908,676	\$ 107,130,469		Type IIIA & V over Type I Podium (5-6 stories) - family
Completed Projects:	Average:	29,811		86	156	92,050	16,842	108,892	10,680,175	56,853,457	14,593,398	78,566,972	20,621,131	71,446,855		

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft & Other Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
500 Turk Street (555 Larkin)	500 Turk Street	18,906	Dec-21	108	186	82,805	26,586	109,391	\$ 1,853,895	\$ 54,251,461	\$ 29,815,020	\$ 85,920,376	\$ 32,400,000	\$ 84,066,481	HCD AHSC Loan	Type I 8 stories on constrained site
681 Florida	681 Florida Street	19,000	Sep-22	130	199	126,830	9,250	136,080	\$ 125,091	\$ 69,184,293	\$ 20,545,793	\$ 89,855,177	\$ 33,826,507	\$ 89,730,086	HCD MHP Loan	Type IB 9 stories, 8,400+/- PDR
BPUY	2430 San Jose Ave	30,699	Dec-22	131	217	164,636	10,741	175,377	\$ -	\$ 91,871,410	\$ 25,523,152	\$ 117,394,562	\$ 30,493,722	\$ 117,394,562	4% Credits; HCD IIG & AHSC	Type IB - 8-9 story adjacent to BART. Early Childhood Ed Center. MOHCD Land not incl. (GMP Dr
Under Construction:	Average:	22,868		123	201	124,757	15,526	140,283	989,493	71,769,055	25,294,655	97,723,372	32,240,076	97,063,710		

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR ¹	Res. ²	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft & Other Cost	Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Comments
266 4th Steet	266 4th Street	8,400	Apr-22	70	99	60,515	1,580	62,095	\$ 133,100	\$ 49,982,213	\$ 13,943,417	\$ 64,058,730	\$ 15,629,817	\$ 63,925,630	4% Credits; AHSC, St. Credits	Type I, 8 stories over MUNI substation tunnel, structurally complex, small footprint
600 7th Street (fmy, 801 Brannan)	600 7th Street	37,800	Mar-22	221	334	181,534	4,223	185,757	\$ 10,000	\$ 111,943,100	\$ 29,117,734	\$ 141,070,834	\$ 72,050,000	\$ 141,060,834	4% Credits; HCD IIG & NPLH	Type I, 8 stories (50% CD pricing updated 8/30/21 incl. Type I concrete and VE)
730 Stanyan	730 Stanyan Street	37,813	Oct-22	160	282	173,030	19,728	192,758	\$ -	\$ 113,319,647	\$ 13,958,549	\$ 98,121,310	\$ 34,325,853	\$ 98,121,310	4% Credits; HCD MHP	Type I 8 stories, passive house design, multiple services spaces, urban farm (Revised concept pri
The Kelsey	240 Van Ness	18,313	Jul-22	112	144	94,001	1,349	95,350	\$ 9,846,500	\$ 60,075,564	\$ 22,200,353	\$ 92,122,417	\$ 25,618,912	\$ 82,275,917	4% LIHTC, IIG, AHSC	5 stories of Type III over 3 stories of Type I, Innovative C40 Cities Initiative + Universal design (est.
2550 Irving	2550 Irving Street	19,125	Apr-23	98	187	105,390	2,228	107,618	\$ 9,426,500	\$ 62,022,139	\$ 15,972,611	\$ 94,019,992	\$ 25,573,912	\$ 84,593,492	4% LIHTC; HCD - IIG, MHP, AHP	Type I, 7 stories, TI space, 11 parking spaces
1515 SVN	1515 South Van Ness Ave	35,714	May-24	122	220	143,000	10,000	153,000	\$ 45,000	\$ 85,240,261	\$ 17,276,677	\$ 102,561,938	\$ 32,816,030	\$ 102,516,938	4% credits, HCD MHP	No design yet, assumes mid-rise, 6 stories, 10k sf retail TI, no parking (10/19/21 loan eval estimate
88 Bluxome	88 Bluxome	14,800	May-24	107	176	90,132	0	90,132	\$ 0	\$ 50,280,700	\$ 14,968,377	\$ 65,249,077	\$ 29,499,087	\$ 65,249,077	4% credits	No design yet, assumes mid-rise, 4-5 stories Type IIIA over 1-2 Type I air rights parcel, no pkg (10
In Predevelopment	Average:	24,566		127	206	121,086	5,587	126,673	\$ 2,780,157	\$ 76,123,375	\$ 18,205,388	\$ 93,886,328	\$ 33,644,802	\$ 91,106,171		

ALL PROJECTS	Average:	25,749		112	188	112,631	12,651	125,283	\$ 4,816,608	\$ 68,248,629	\$ 19,364,480	\$ 90,058,891	\$ 28,835,336	\$ 86,538,912		
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SUBJECT PROPERTY	160 Freelon	13,155	May-24	72	127	77,000	5,000	82,000	\$ 20,000	\$ 53,859,263	\$ 15,418,134	\$ 69,297,397	\$ 15,815,754	\$ 69,277,397	4% Credits, MHP, AHP	No design yet, assumes mid-rise, 7 stories, Type I or Type IIIA over I. No pkg. (10/19/21 loan
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PROJECTS COMPLETED		Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft ⁶	Soft/unit	Soft/BR	Soft/sq.ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft ⁶	Subsidy / unit	Leveraging ⁷
Hunters View Phase II - Block 10	#NAME?	-	-	-	\$ 550,550	\$ 275,275	\$ 383	\$ 121,284	\$ 60,642	\$ 84	\$ 671,834	\$ 335,917	\$ 467	\$ 241,575	64.0%
Potrero Block X (Vertical)	Sep-19	288	149	1	\$ 935,087	\$ 484,361	\$ 583	\$ 177,309	\$ 91,843	\$ 111	\$ 1,112,683	\$ 576,354	\$ 693	\$ 245,737	77.9%
Eddy & Taylor Family Housing	Jun-19	82,301	44,076	416	\$ 560,374	\$ 300,105	\$ 489	\$ 131,305	\$ 70,320	\$ 115	\$ 773,980	\$ 414,501	\$ 675	\$ 196,349	74.6%
Sunnydale Parcel Q	Jun-20	-	-	-	\$ 710,299	\$ 383,005	\$ 520	\$ 183,131	\$ 98,747	\$ 129	\$ 893,430	\$ 481,752	\$ 654	\$ 175,494	80.4%
490 South Van Ness	Apr-21	228,395	152,893	1,298	\$ 646,839	\$ 433,008	\$ 650	\$ 165,356	\$ 110,693	\$ 560	\$ 1,040,590	\$ 696,593	\$ 1,045	\$ 356,692	65.7%
88 Broadway - Family Housing	Jul-21	119,200	67,421	390	\$ 634,978	\$ 359,150	\$ 533	\$ 222,066	\$ 125,603	\$ 186	\$ 976,244	\$ 552,174	\$ 819	\$ 223,269	77.1%
Completed Projects:	Average:	\$ 107,546	\$ 66,135	\$ 526	\$ 673,021	\$ 372,484	\$ 526	\$ 166,742	\$ 92,975	\$ 197	\$ 911,460	\$ 509,548	\$ 726	\$ 239,853	73%

PROJECTS UNDER CONSTRUCTION		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft ⁶	Soft/unit	Soft/BR	Soft/sq.ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft ⁶	Subsidy / unit	Leveraging ⁷
500 Turk Street (555 Larkin)	Dec-21	1,013	9,967	98	\$ 502,328	\$ 291,675	\$ 496	\$ 276,065	\$ 160,296	\$ 273	\$ 795,559	\$ 461,938	\$ 785	\$ 300,000	62.3%
681 Florida	Sep-22	962	629	7	\$ 532,187	\$ 347,660	\$ 508	\$ 158,045	\$ 103,245	\$ 151	\$ 691,194	\$ 451,534	\$ 660	\$ 260,204	62.4%
BPUY	Dec-22	-	-	-	\$ 701,308	\$ 423,371	\$ 524	\$ 194,833	\$ 117,618	\$ 146	\$ 896,142	\$ 540,989	\$ 669	\$ 232,777	74.0%
Under Construction:	Average:	\$ 988	\$ 5,298	\$ 52	\$ 578,608	\$ 354,235	\$ 509	\$ 209,648	\$ 127,053	\$ 190	\$ 794,298	\$ 484,820	\$ 705	\$ 264,327	66%

PROJECTS IN PREDEVELOPMENT		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Start Date (anticipated)	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft ⁶	Soft/unit	Soft/BR	Soft/sq.ft ⁶	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft ⁶	Subsidy / unit	Leveraging ⁷
4th and Folsom	Apr-22	1,901	1,344	16	\$ 714,032	\$ 504,871	\$ 805	\$ 199,192	\$ 140,843	\$ 225	\$ 915,125	\$ 647,058	\$ 1,032	\$ 223,283	75.6%
600 7th Street	Mar-22	45	30	0	\$ 506,530	\$ 335,159	\$ 603	\$ 131,754	\$ 87,179	\$ 157	\$ 638,330	\$ 422,368	\$ 759	\$ 326,018	48.9%
730 Stanyan	Oct-22	-	-	-	\$ 708,248	\$ 401,843	\$ 588	\$ 87,241	\$ 49,498	\$ 72	\$ 613,258	\$ 347,948	\$ 509	\$ 214,537	65.0%
The Kelsey	Jul-22	87,915	68,378	538	\$ 536,389	\$ 417,191	\$ 630	\$ 198,217	\$ 154,169	\$ 233	\$ 822,522	\$ 639,739	\$ 966	\$ 228,740	72.2%
2550 Irving	Apr-23	96,189	50,409	493	\$ 632,879	\$ 331,669	\$ 576	\$ 162,986	\$ 85,415	\$ 148	\$ 959,388	\$ 502,781	\$ 874	\$ 260,958	72.8%
1515 S. Van Ness Avenue	May-24	369	205	1	\$ 698,691	\$ 387,456	\$ 557	\$ 141,612	\$ 78,530	\$ 113	\$ 840,672	\$ 466,191	\$ 670	\$ 268,984	68.0%
88 Bluxome	May-24	-	-	-	\$ 469,913	\$ 285,686	\$ 558	\$ 139,891	\$ 85,048	\$ 166	\$ 609,804	\$ 370,733	\$ 724	\$ 275,692	54.8%
In Predevelopment	Average:	\$ 37,284	\$ 24,073	\$ 210	\$ 609,526	\$ 380,554	\$ 617	\$ 151,556	\$ 97,240	\$ 159	\$ 771,300	\$ 485,260	\$ 791	\$ 256,888	65%

All Projects:	AVERAGE	\$ 48,606	\$ 31,835	\$ 263	\$ 620,385	\$ 369,091	\$ 551	\$ 175,982	\$ 105,756	\$ 182	\$ 825,686	\$ 493,209	\$ 740	\$ 253,689	68.3%
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Attachment G: Predevelopment Budget

See Attached

Application Date: 11/19/21 # Units: 72
 Project Name: MOHCD Multisite RFP - Site 7 (160 Freelon) # Bedrooms: 126
 Project Address: 160 Freelon Street # Beds:
 Project Sponsor: Related & SFHDC LOSP Project

SOURCES	Total Sources						Comments
Name of Sources: MOHCD/OCII	4,000,000	-	-	-	-	-	4,000,000

USES

ACQUISITION

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

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab							0	Include FF&E
Commercial Shell Construction							0	
Demolition							0	
Environmental Remediation							0	
Onsite Improvements/Landscaping							0	
Offsite Improvements							0	
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes							0	
GC Overhead & Profit							0	
CG General Conditions							0	
Sub-total Construction Costs	0	0	0	0	0	0	0	
Design Contingency (remove at DD)							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency							0	5% new construction / 15% rehab
Sub-total Construction Contingencies	0	0	0	0	0	0	0	
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0	0	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees	1,980,000						1,980,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)	404,800						404,800	
Architect Construction Admin	0						0	
Reimbursables	0						0	
Additional Services	0						0	
Sub-total Architect Contract	2,384,800	0	0	0	0	0	2,384,800	
Other Third Party design consultants (not included under Architect contract)	247,200						247,200	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	2,632,000	0	0	0	0	0	2,632,000	

Engineering & Environmental Studies

Survey	0						0	
Geotechnical studies	56,000						56,000	
Phase I & II Reports	68,000						68,000	
CEQA / Environmental Review consultants	0						0	
NEPA / 106 Review	0						0	
CNA/PNA (rehab only)	0						0	
Other environmental consultants	0						0	Name consultants & contract amounts
Total Engineering & Environmental Studies	124,000	0	0	0	0	0	124,000	

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	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	0	0	
Total Financing Costs	0	0	0	0	0	0	0	

Legal Costs

Borrower Legal fees	39,000						39,000	
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel							0	
MOHCD Counsel							0	
Total Legal Costs	39,000	0	0	0	0	0	39,000	

Other Development Costs

Appraisal	10,000						10,000	
Market Study	30,000						30,000	
Insurance							0	
Property Taxes							0	
Accounting / Audit							0	
Organizational Costs							0	
Entitlement / Permit Fees	100,000						100,000	
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	5,000						5,000	
Financial Consultant fees	0						0	
Construction Management fees / Owner's Rep	80,000						80,000	
Security during Construction	0						0	
Relocation	0						0	
Community Outreach (noticing, translation, website)	30,000						30,000	
Testing & Inspections	0						0	
Tenant Improvement Allowance							0	
Total Other Development Costs	255,000	0	0	0	0	0	255,000	

Total Soft Cost Contingency as % of Total Soft Costs 13.1%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	400,000						400,000	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	3,450,000	0	0	0	0	0	3,450,000	

RESERVES

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

DEVELOPER COSTS

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

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	4,000,000	0	0	0	0	0	4,000,000	
Development Cost/Unit as % of TDC by Source	55,556	0	0	0	0	0	55,556	
	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

	0	0	0	0	0	0	0	
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/COP Amount:

City Subsidy/Unit	0						0	
	55,556							

Tax Credit Equity Pricing:

Construction Bond Amount:	0.95							
Construction Loan Term (in months):	32,627,663.35							
Construction Loan Interest Rate (as %):	32.00							
	0.04							

Attachment H: Development Budget

See Attached

Application Date: 11/19/21 # Units: 72
 Project Name: MOHCD Multisite RFP - Site 7 (160 Freelon) # Bedrooms: 125
 Project Address: 160 Freelon Street # Beds:
 Project Sponsor: Related & SFHDC LOSP Project

SOURCES	15,815,754	3,569,000	29,302,643	17,500,000	2,500,000	110,000	500,000	-	-	-	Total Sources	Comments
											69,297,397	

USES	Name of Sources:	MOHCD/CDFI	Perm Loan	TC Equity	HCD AHSC	HCD IG	Def. Costs	GP Equity				
ACQUISITION												
Acquisition cost or value												0
Legal / Closing costs / Broker's Fee		20,000										20,000
Holding Costs												0
Transfer Tax												0
TOTAL ACQUISITION		20,000	0	0	0	0	0	0	0	0	0	20,000

CONSTRUCTION (HARD COSTS)		3,569,000	16,144,520	17,500,000	2,500,000							
Unit Construction/Rehab												39,713,520
Commercial Shell Construction	1,300,000											1,300,000
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
GC General Conditions												5,416,880
Sub-total Construction Costs	1,300,000	3,569,000	21,561,400	17,500,000	2,500,000	0	0	0	0	0	0	46,430,490
Design Contingency (remove at DD)												1,857,216
Bid Contingency (remove at bid)												1,857,216
Plan Check Contingency (remove/reduce during Plan Review)												1,392,912
Hard Cost Construction Contingency												2,321,519
Sub-total Construction Contingencies	0	0	7,428,853	0	0	0	0	0	0	0	0	7,428,853
TOTAL CONSTRUCTION COSTS	1,300,000	3,569,000	28,990,253	17,500,000	2,500,000	0	0	0	0	0	0	53,859,263

SOFT COSTS												
Architecture & Design												
Architect design fees	2,600,000											2,600,000
Design Subconsultants to the Architect (incl. Fees)	645,000											645,000
Architect Construction Admin												0
Reimbursables												0
Additional Services												0
Sub-total Architect Contract	3,245,000	0	0	0	0	0	0	0	0	0	0	3,245,000
Other Third Party design consultants (not included under Architect contract)	309,000											309,000
Total Architecture & Design	3,554,000	0	0	0	0	0	0	0	0	0	0	3,554,000

Engineering & Environmental Studies												
Survey												0
Geotechnical studies	70,000											70,000
Phase I & II Reports	85,000											85,000
CEQA / Environmental Review consultants												0
NEPA / 106 Review												0
CNA/PMA (rehab only)												0
Other environmental consultants												0
Total Engineering & Environmental Studies	155,000	0	0	0	0	0	0	0	0	0	0	155,000

Financing Costs												
Construction Financing Costs												
Construction Loan Origination Fee	468,462											468,462
Construction Loan Interest	2,500,463		312,380									2,812,843
Title & Recording	160,000											160,000
CDLAC & CDIAC fees	16,420											16,420
Bond Issuer Fees	328,923											328,923
Other Bond Cost of Issuance	27,500											27,500
Other Lender Costs (specify)												0
Sub-total Const. Financing Costs	3,501,768	0	312,380	0	0	0	0	0	0	0	0	3,814,148
Permanent Financing Costs												
Permanent Loan Origination Fee	17,845											17,845
Credit Enhance. & Appl. Fee												0
Title & Recording	60,000											60,000
Sub-total Perm. Financing Costs	77,845	0	0	0	0	0	0	0	0	0	0	77,845
Total Financing Costs	3,579,613	0	312,380	0	0	0	0	0	0	0	0	3,891,993

Legal Costs												
Borrower Legal fees	130,000											130,000
Land Use / CEQA Attorney fees												0
Tax Credit Counsel	40,000											40,000
Bond Counsel	75,000											75,000
Construction Lender Counsel	60,000											60,000
Permanent Lender Counsel	40,000											40,000
MOHCD Counsel	50,000											50,000
Total Legal Costs	395,000	0	0	0	0	0	0	0	0	0	0	395,000

Other Development Costs												
Appraisal	10,000											10,000
Market Study	30,000											30,000
Insurance	690,077											690,077
Property Taxes												0
Accounting / Audit	29,440											29,440
Organizational Costs	8,240											8,240
Entitlement / Permit Fees	1,217,000											1,217,000
Marketing / Rent-up	345,000											345,000
Furnishings	144,000											144,000
PCE / Utility Fees												0
TDCAC App / Allow / Monitor Fees	60,958											60,958
Financial Consultant fees												0
Construction Management fees / Owner's Rep	200,000											200,000
Security during Construction												0
Relocation												0
Community Outreach (noticing, translation, website)	30,000											30,000
Testing & Inspections												0
Tenant Improvement Allowance	250,000											250,000
Total Other Development Costs	3,014,715	0	0	0	0	0	0	0	0	0	0	3,014,715

Soft Cost Contingency												
Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,101,071	0	0	0	0	0	0	0	0	0	0	1,101,071
TOTAL SOFT COSTS	11,799,398	0	312,380	0	0	0	0	0	0	0	0	12,111,778

RESERVES												
Operating Reserves	296,355											296,355
Replacement Reserves												0
Tenant Improvements Reserves												0
Other (specify)												0
Other (specify)												0
Other (specify)												0
TOTAL RESERVES	296,355	0	0	0	0	0	0	0	0	0	0	296,355

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	200,000											200,000
Developer Fee - GP Equity (also show as source)							500,000					500,000
Developer Fee - Deferred (also show as source)							110,000					110,000
Development Consultant Fees												0
Other (specify)												0
TOTAL DEVELOPER COSTS	2,400,000	0	0	0	0	0	110,000	500,000	0	0	0	3,010,000

TOTAL DEVELOPMENT COST	15,815,754	3,569,000	29,302,643	17,500,000	2,500,000	110,000	500,000	0	0	0	69,297,397	
Development Cost/Unit by Source	219,663	49,569	406,981	243,056	34,722	1,528	6,944	0	0	0	962,464	
Development Cost/Unit as % of TDC by Source	22.8%	5.2%	42.9%	29.3%	3.6%	0.2%	0.7%	0.0%	0.0%	0.0%	100.0%	
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/Unit by Source	18,056	49,569	402,643	243,056	34,722	0	0	0	0	0	748,045	
Construction Cost (inc Const Contingency)/SF	15.85	43.52	353.54	213.41	30.49	0.00	0.00	0.00	0.00	0.00	656.82	

*Possible non-eligible GO Bond COP Amount:	2,833,672
City Subsidy/Unit	219,663
Tax Credit Equity Pricing:	0.950
Construction Bond Amount:	32,627,663
Construction Loan Term (in months):	32 months
Construction Loan Interest Rate (as %):	4.15%

TOTAL SOFT Cost Contingency as % of Total Soft Costs	10.0%
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Attachment I: 1st Year Operating Budget

See Attached

Application Date: 11/19/2021
 Total # Units: 72
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2026

Project Name: MOHCD Multisite RFP - Site 7 (160 Freelon)
 Project Address: 160 Freelon Street
 Project Sponsor: Related & SFHDC

Non-LOSP Units	
LOSP Units	Non-LOSP Units
20	52

LOSP/non-LOSP Allocation	
28%	72%

Correct errors noted in Col N!

INCOME	LOSP	non-LOSP	Total	Comments	
Residential - Tenant Rents	60,000	1,083,936	1,143,936	Links from 'New Proj. - Rent & Unit Mix' Worksheet	Alternative LOSP Split
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj. - Rent & Unit Mix' Worksheet	Residential - Tenant Assistance Payments (N
Residential - LOSP Tenant Assistance Payments	228,499		228,499		
Commercial Space			60,000	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	Alternative LOSP Split
Supportive Services Income	0	0	0		Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Laundry and Vending	2,419	6,221	8,640	Links from 'Utilities & Other Income' Worksheet	Projected LOSP Split
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	Tenant Charges
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Other Commercial Income	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Alternative LOSP Split
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		Withdrawal from Capitalized Reserve (deposit
Gross Potential Income	290,918	1,090,157	1,441,075		
Vacancy Loss - Residential - Tenant Rents	(3,000)	(54,197)	(57,197)	Vacancy loss is 5% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!	
Vacancy Loss - Commercial	0	0	(30,000)	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
EFFECTIVE GROSS INCOME	287,918	1,035,960	1,353,878	PUPA: 18,804	

OPERATING EXPENSES					
Management					
Management Fee	18,135	46,634	64,769	1st Year to be set according to HUD schedule.	Alternative LOSP Split
Asset Management Fee	6,798	17,482	24,280		Management Fee
	24,934	64,115	89,049	PUPA: 1,237	Asset Management Fee
Salaries/Benefits					
Office Salaries	25,374	65,248	90,622	1.5 FTE Asst Project Manager	Alternative LOSP Split
Manager's Salary	4,108	10,564	14,672	0.2 FTE Project Manager	Office Salaries
Health Insurance and Other Benefits	21,417	55,073	76,491	30% of Salary for Office, Manager, Janitor, Technician, and RSC	Manager's Salary
Other Salaries/Benefits	0	0	0		Health Insurance and Other Benefits
Administrative Rent-Free Unit	0	0	0		Other Salaries/Benefits
	50,900	130,885	181,785	PUPA: 2,525	Administrative Rent-Free Unit

Administration					
Advertising and Marketing	0	0	0		
Office Expenses	11,088	28,512	39,600	Incl. telecom, internet, etc.	
Office Rent	0	0	0		Projected LOSP Split
Legal Expense - Property	7,000	18,000	25,000		Legal Expense - Property
Audit Expense	5,040	12,960	18,000		
Bookkeeping/Accounting Services	0	0	0		Projected LOSP Split
Bad Debts	1,400	3,600	5,000		Bad Debts
Miscellaneous	0	0	0		
Sub-total Administration Expenses	24,528	63,072	87,600	PUPA: 1,217	

Utilities					
Electricity	28,154	72,398	100,550	Incl. LOSP utility allowance	Projected LOSP Split
Water	10,080	25,920	36,000		Electricity
Gas	0	0	0		
Sewer	19,040	48,960	68,000		
Sub-total Utilities	57,274	147,276	204,550	PUPA: 2,841	

Taxes and Licenses					
Real Estate Taxes	840	2,160	3,000		Alternative LOSP Split
Payroll Taxes	0	0	0		Real Estate Taxes
Miscellaneous Taxes, Licenses and Permits	0	0	0		Payroll Taxes
Sub-total Taxes and Licenses	840	2,160	3,000	PUPA: 42	

Insurance					
Property and Liability Insurance	30,464	78,336	108,800		
Fidelity Bond Insurance	0	0	0		Alternative LOSP Split
Worker's Compensation	0	0	0		Worker's Compensation
Director's & Officers' Liability Insurance	0	0	0		
Sub-total Insurance	30,464	78,336	108,800	PUPA: 1,511	

Maintenance & Repair					
Payroll	25,978	66,802	92,780	1.0 FTE janitor, 1.0 FTE maint. technician	Alternative LOSP Split
Supplies	0	0	0		Payroll
Contracts	0	0	0		Supplies
Garbage and Trash Removal	15,866	40,798	56,664		Contracts
Security Payroll/Contract	0	0	0		Alternative LOSP Split
HVAC Repairs and Maintenance	7,280	18,720	26,000	All repairs	Security Payroll/Contract
Vehicle and Maintenance Equipment Operation and Repairs	0	0	0		
Miscellaneous Operating and Maintenance Expenses	0	0	0		
Sub-total Maintenance & Repair Expenses	49,124	126,320	175,444	PUPA: 2,437	

Supportive Services	0	56,894	56,894		Alternative LOSP Split
Commercial Expenses			27,000	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Supportive Services
TOTAL OPERATING EXPENSES	238,064	669,058	934,122	PUPA: 12,974	

Reserves/Ground Lease Base Rent/Bond Fees					
Ground Lease Base Rent	4,200	10,800	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.
Bond Monitoring Fee	0	0	0		Alternative LOSP Split
Replacement Reserve Deposit	10,080	25,920	36,000	\$500 PUPY	Replacement Reserve Deposit
Operating Reserve Deposit	0	0	0		Operating Reserve Deposit
Other Required Reserve 1 Deposit	0	0	0		Other Required Reserve 1 Deposit
Other Required Reserve 2 Deposit	0	0	0		
Required Reserve Deposits, Commercial			3,000	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	14,280	36,720	54,000	PUPA: 750	

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	252,344	705,778	988,122	PUPA: 13,724	
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NET OPERATING INCOME (INCOME minus OP EXPENSES)	35,574	330,182	365,756	PUPA: 5,080	
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DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)					
Hard Debt - First Lender	0	227,300	227,300	Permanent Loan	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	20,580	52,920	73,500	HCD AHSC/MHP	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.
Commercial Hard Debt Service	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL HARD DEBT SERVICE	20,580	280,220	300,800	PUPA: 4,176	

CASH FLOW (NOI minus DEBT SERVICE)	14,994	49,962	64,956		
Commercial Only Cash Flow			0		
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	0	0	0		Allocation of Commercial Surplus to LOSP/non-
AVAILABLE CASH FLOW	14,994	49,962	64,956		

USES OF CASH FLOW BELOW (This row also shows DSCR.)					
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL					
'Below-the-line' Asset Mgt fee (uncommon in new projects, see policy)	6,798	17,482	24,280		
Partnership Management Fee (see policy for limits)	6,796	17,474	24,270		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,400	3,600	5,000		Alternative LOSP Split
Other Payments	0	0	0		Other Payments
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0		Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt => Max Fee from cell H130)	0	5,703	5,703	Def. Develop. Fee split: 50%	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	14,994	44,259	59,253	PUPA: 823	

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	0	5,703	5,703		
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Residual Receipts Calculation
 Does Project have a MOHCD Residual Receipt Obligation? Yes
 Will Project Defor Developer Fee? Yes
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 50%
 % of Residual Receipts available for distribution to soft debt lenders in 50%

Project has MOHCD ground lease? Yes
 Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): 5,703
 Sum of DD F from LOSP and non-LOSP: Ratio of Sum of DDF and calculated 50%:

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. recs	\$15,815,754	47.47%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Acquisition Cost	\$1	0.00%
HCD (soft debt loan) - Lender 3	HCD AHSC/MHP	\$17,500,000	52.53%
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	2,707	2,707	50% of residual receipts, multiplied by 47.47% -- MOHCD's pro rata share of all soft debt		
Proposed MOHCD Residual Receipts Amount to Loan Repayment	2,707	2,707	Enter/override amount of residual receipts proposed for loan repayment.		
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.		

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		2,996			
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NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due		2,996	50% of residual receipts, multiplied by 52.53% -- HCD AHSC/MHP's pro rata share of all soft debt		
Lender 4 Residual Receipts Due		0			
Lender 5 Residual Receipts Due		0			
Total Non-MOHCD Residual Receipts Debt Service		2,996			

REMAINDER (Should be zero unless there are distributions below)					
Owner Distributions/Incentive Management Fee		0			
Other Distributions/Isses		0			
Final Balance (should be zero)		0			

Application Date: 11/19/2021
 Total # Units: 72
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2026

INCOME			
Residential - Tenant Rents		non-LOSP	Approved By (reqd)
Residential - Tenant Assistance Payments (Non-LOSP)	non-LOSP		
Residential - LOSP Tenant Assistance Payments			
Commercial Space			
Residential Parking			
Miscellaneous Rent Income	LOSP	non-LOSP	Approved By (reqd)
Supportive Services Income			
Interest Income - Project Operations			
Laundry and Vending	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Tenant Charges			
Miscellaneous Residential Income			
Other Commercial Income	LOSP	non-LOSP	Approved By (reqd)
Withdrawal from Capitalized Reserve (deposit to operating account)	to operating account		
Gross Potential Income			
Vacancy Loss - Residential - Tenant Rents			
Vacancy Loss - Residential - Tenant Assistance Payments			
Vacancy Loss - Commercial			
EFFECTIVE GROSS INCOME			

OPERATING EXPENSES			
Management			
Management Fee	LOSP	non-LOSP	Approved By (reqd)
Asset Management Fee			
Sub-total Management Expenses			
Salaries/Benefits			
Office Salaries	LOSP	non-LOSP	Approved By (reqd)
Manager's Salary			
Health Insurance and Other Benefits			
Other Salaries/Benefits			
Administrative Rent-Free Unit			
Sub-total Salaries/Benefits			

Administration			
Advertising and Marketing			
Office Expenses			
Office Rent	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	28.00%	72.00%	
Audit Expense			
Bookkeeping/Accounting Services	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	28.00%	72.00%	
Miscellaneous			
Sub-total Administration Expenses			

Utilities			
Electricity	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	28.00%	72.00%	
Gas			
Sewer			
Sub-total Utilities			

Taxes and Licenses			
Real Estate Taxes	LOSP	non-LOSP	Approved By (reqd)
Payroll Taxes			
Miscellaneous Taxes, Licenses and Permits			
Sub-total Taxes and Licenses			

Insurance			
Property and Liability Insurance			
Fidelity Bond Insurance	LOSP	non-LOSP	Approved By (reqd)
Worker's Compensation			
Director's & Officers' Liability Insurance			
Sub-total Insurance			

Maintenance & Repair			
Payroll	LOSP	non-LOSP	Approved By (reqd)
Supplies			(LOSP-specific expenses must be tracked at entry level in project's)
Contracts			
Garbage and Trash Removal	LOSP	non-LOSP	Approved By (reqd)
Security Payroll/Contract			
HVAC Repairs and Maintenance			
Vehicle and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			
Sub-total Maintenance & Repair Expenses			
Supportive Services	0.00%	100.00%	Approved By (reqd)
Commercial Expenses			

TOTAL OPERATING EXPENSES			
Reserves/Ground Lease Base Rent/Bond Fees			
Ground Lease Base Rent			
Bond Monitoring Fee	LOSP	non-LOSP	Approved By (reqd)
Replacement Reserve Deposit			
Operating Reserve Deposit			
Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit			
Required Reserve Deposits, Commercial			
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			

NET OPERATING INCOME (INCOME minus OP EXPENSES)			
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			
Hard Debt - First Lender	0.00%	100.00%	Approved By (reqd)
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	42% pymt, or other 2nd Lender		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	n, or other 3rd Lender		
Hard Debt - Fourth Lender			
Commercial Hard Debt Service			
TOTAL HARD DEBT SERVICE			

CASH FLOW (NOI minus DEBT SERVICE)			
Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	non-LOSP (residual income)		
AVAILABLE CASH FLOW			
USES OF CASH FLOW BELOW (This row also shows DSCR.)			
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	LOSP	non-LOSP	Approved By (reqd)
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	lender in comments field		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt => Max Fee from cell I130)	0.00%	100.00%	
TOTAL PAYMENTS PRECEDING MOHCD			

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			
Residual Receipts Calculation			
Does Project have a MOHCD Residual Receipt Obligation?			
Will Project Defor Developer Fee?			
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	5.703		
% of Residual Receipts available for distribution to soft debt lenders in	1		

Soft Debt Lenders with Residual Receipts Obligations			
MOHCD/OClI - Soft Debt Loans			
MOHCD/OClI - Ground Lease Value or Land Acq Cost			
HCD (soft debt loan) - Lender 3			
Other Soft Debt Lender - Lender 4			
Other Soft Debt Lender - Lender 5			

MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
MOHCD Residual Receipts Amount Due			
Proposed MOHCD Residual Receipts Amount to Loan Repayment			
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			

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

REMAINDER (Should be zero unless there are distributions below)			
Owner Distributions/Incentive Management Fee			
Other Distributions/Uses			
Final Balance (should be zero)			

Attachment J: 20-year Operating Proforma

See Attached

MOHCD Multisite RFP - Site 7 (160 Freelon)

Total # Units:	LOSP Units		Non-LOSP Units		Year 1 2026			Year 2 2027			Year 3 2028				
	72	20	52	28.00%	72.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
	annual inc	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME															
Residential - Tenant Rents		1.0%	2.5%		60,000	1,083,936	1,143,936	60,600	1,111,034	1,171,634	61,206	1,138,810	1,200,016		
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a												
Residential - LOSP Tenant Assistance Payments		n/a	n/a		228,499		228,499	236,665		236,665	245,133			245,133	
Commercial Space		n/a	2.5%				60,000			61,500				63,038	
Residential Parking		2.5%	2.5%												
Miscellaneous Rent Income		2.5%	2.5%												
Supportive Services Income		2.5%	2.5%												
Interest Income - Project Operations		2.5%	2.5%												
Laundry and Vending		2.5%	2.5%		2,419	6,221	8,640	2,480	6,376	8,856	2,542	6,536	9,077		
Tenant Charges		2.5%	2.5%												
Miscellaneous Residential Income		2.5%	2.5%												
Other Commercial Income		n/a	2.5%												
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a												
Gross Potential Income					290,918	1,090,157	1,441,075	299,745	1,117,411	1,478,655	308,881	1,145,346	1,517,264		
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		(3,000)	(54,197)	(57,197)	(3,030)	(55,552)	(58,582)	(3,060)	(56,941)	(60,001)		
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a												
Vacancy Loss - Commercial		n/a	n/a				(30,000)			(30,750)			(31,519)		
EFFECTIVE GROSS INCOME					287,918	1,035,960	1,353,878	296,715	1,061,859	1,389,324	305,821	1,088,405	1,425,745		
OPERATING EXPENSES															
Management															
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	18,135	46,634	64,769	18,770	48,266	67,036	19,427	49,955	69,382		
Asset Management Fee		3.5%	3.5%	per MOHCD policy	6,798	17,482	24,280	7,036	18,093	25,130	7,283	18,727	26,009		
Sub-total Management Expenses					24,934	64,115	89,049	25,806	66,359	92,166	26,710	68,682	95,392		
Salaries/Benefits															
Office Salaries		3.5%	3.5%		25,374	65,248	90,622	26,262	67,532	93,794	27,182	69,895	97,077		
Manager's Salary		3.5%	3.5%		4,108	10,564	14,672	4,252	10,934	15,186	4,401	11,316	15,717		
Health Insurance and Other Benefits		3.5%	3.5%		21,417	55,073	76,491	22,167	57,001	79,168	22,943	58,996	81,939		
Other Salaries/Benefits		3.5%	3.5%												
Administrative Rent-Free Unit		3.5%	3.5%												
Sub-total Salaries/Benefits					50,900	130,885	181,785	52,681	135,466	188,148	54,525	140,208	194,733		
Administration															
Advertising and Marketing		3.5%	3.5%												
Office Expenses		3.5%	3.5%		11,088	28,512	39,600	11,476	29,510	40,986	11,878	30,543	42,421		
Office Rent		3.5%	3.5%												
Legal Expense - Property		3.5%	3.5%		7,000	18,000	25,000	7,245	18,630	25,875	7,499	19,282	26,781		
Audit Expense		3.5%	3.5%		5,040	12,960	18,000	5,216	13,414	18,630	5,399	13,683	19,282		
Bookkeeping/Accounting Services		3.5%	3.5%												
Bad Debts		3.5%	3.5%		1,400	3,600	5,000	1,449	3,726	5,175	1,500	3,856	5,356		
Miscellaneous		3.5%	3.5%												
Sub-total Administration Expenses					24,528	63,072	87,600	25,386	65,280	90,666	26,275	67,564	93,839		
Utilities															
Electricity		3.5%	3.5%		28,154	72,396	100,550	29,139	74,930	104,069	30,159	77,552	107,712		
Water		3.5%	3.5%		10,080	25,920	36,000	10,433	26,827	37,260	10,798	27,766	38,564		
Gas		3.5%	3.5%												
Sewer		3.5%	3.5%		19,040	48,960	68,000	19,706	50,674	70,380	20,396	52,447	72,843		
Sub-total Utilities					57,274	147,276	204,550	59,279	152,431	211,709	61,353	157,766	219,119		
Taxes and Licenses															
Real Estate Taxes		3.5%	3.5%		840	2,160	3,000	869	2,236	3,105	900	2,314	3,214		
Payroll Taxes		3.5%	3.5%												
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%												
Sub-total Taxes and Licenses					840	2,160	3,000	869	2,236	3,105	900	2,314	3,214		
Insurance															
Property and Liability Insurance		3.5%	3.5%		30,464	78,336	108,800	31,530	81,078	112,608	32,634	83,915	116,549		
Fidelity Bond Insurance		3.5%	3.5%												
Worker's Compensation		3.5%	3.5%												
Director's & Officers' Liability Insurance		3.5%	3.5%												
Sub-total Insurance					30,464	78,336	108,800	31,530	81,078	112,608	32,634	83,915	116,549		
Maintenance & Repair															
Payroll		3.5%	3.5%		25,978	66,802	92,780	26,888	69,140	96,027	27,829	71,560	99,388		
Supplies		3.5%	3.5%												
Contracts		3.5%	3.5%												
Garbage and Trash Removal		3.5%	3.5%		15,866	40,798	56,664	16,421	42,226	58,647	16,996	43,704	60,700		
Security Payroll/Contract		3.5%	3.5%												
HVAC Repairs and Maintenance		3.5%	3.5%		7,280	18,720	26,000	7,535	19,375	26,910	7,799	20,053	27,852		
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%												
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%												
Sub-total Maintenance & Repair Expenses					49,124	126,320	175,444	50,844	130,741	181,585	52,623	135,317	187,940		
Supportive Services															
Commercial Expenses		3.5%	3.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%		56,894	56,894		58,885	58,885		60,946	60,946		
						25,500			25,500			26,441	26,441		
TOTAL OPERATING EXPENSES					238,064	669,058	934,122	246,396	692,475	966,582	255,020	716,712	1,000,173		
RESERVES/GROUND LEASE BASE RENT/BOND FEES															
PUPA (w/o Reserves/GL Base Rent/Bond Fees)															
Ground Lease Base Rent					4,200	10,800	15,000	4,200	10,800	15,000	4,200	10,800	15,000		
Bond Monitoring Fee															
Replacement Reserve Deposit					10,080	25,920	36,000	10,080	25,920	36,000	10,080	25,920	36,000		
Operating Reserve Deposit															
Other Required Reserve 1 Deposit															
Other Required Reserve 2 Deposit															
Required Reserve Deposit/s, Commercial							3,000	840	2,160	3,000	840	2,160	3,000		
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					14,280	36,720	54,000	14,280	36,720	51,000	14,280	36,720	51,000		
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					252,344	705,778	988,122	260,676	729,195	1,017,582	269,300	753,432	1,051,173		
PUPA (w/ Reserves/GL Base Rent/Bond Fees)															
NET OPERATING INCOME (INCOME minus OP EXPENSES)					35,574	330,182	365,756	36,039	332,664	371,742	36,521	334,973	374,571		
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)															
Hard Debt - First Lender						227,300	227,300		227,300	227,300		227,300	227,300		
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					20,580	52,920	73,500	20,580	52,920	73,500	20,580	52,920	73,500		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)															
Hard Debt - Fourth Lender															
Commercial Hard Debt Service															
TOTAL HARD DEBT SERVICE					20,580	280,220	300,800	20,580	280,220	300,800	20,580	280,220	300,800		
CASH FLOW (NOI minus DEBT SERVICE)					14,994	49,962	64,956	15,459	52,444	70,942	15,941	54,754	73,772		
Commercial Only Cash Flow										40			78		
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)								11	29		22	56			
AVAILABLE CASH FLOW					14,994	49,962	64,956	15,470	52,473	70,942	15,962	54,810	73,772		
USES OF CASH FLOW BELOW (This row also shows DSCR.)															
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL															
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy	6,798	17,482	24,280	7,036	18,093	25,130	7,283	18,727	26,009		
Partnership Management Fee (see policy for limits)		3.5%	3.5%	per MOHCD policy	6,798	17,474	24,270	7,033	18,086	25,119	7,280	18,719	25,999		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)				per MOHCD policy no annual increase	1,400	3,600	5,000	1,400	3,600	5,000	1,400	3,600	5,000		
Other Payments															
Non-amortizing Loan Pmnt - Lender 1				Enter comments re: annual increase, etc.											
Non-amortizing Loan Pmnt - Lender 2		</													

INCOME	Total # Units:					Year 1 2026			Year 2 2027			Year 3 2028						
	72	20	LOSP Units	52	Non-LOSP Units	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
		28.00%	72.00%															
Other Reserve 2 Withdrawals																		
Other Reserve 2 Interest																		
Other Required Reserve 2 Running Balance																		

MOHCD Multisite RFP - Site 7 (160 Freelon)

Total # Units:	LOSP Units		Non-LOSP Units		Year 4 2029			Year 5 2030			Year 6 2031				
	72	20	52	28.00%	72.00%	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	annual inc	% annual inc	LOSP	non-LOSP	Total		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME															
Residential - Tenant Rents		1.0%	2.5%				61,818	1,167,281	1,229,099	62,438	1,196,463	1,258,899	63,061	1,226,374	1,289,435
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a				-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a				253,914	-	253,914	263,018	-	263,018	272,457	-	272,457
Commercial Space		n/a	2.5%				-	-	64,613	-	-	66,229	-	-	67,884
Residential Parking		2.5%	2.5%				-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income		2.5%	2.5%				-	-	-	-	-	-	-	-	-
Supportive Services Income		2.5%	2.5%				-	-	-	-	-	-	-	-	-
Interest Income - Project Operations		2.5%	2.5%				-	-	-	-	-	-	-	-	-
Laundry and Vending		2.5%	2.5%				2,605	6,699	9,304	2,670	6,867	9,537	2,737	7,038	9,775
Tenant Charges		2.5%	2.5%				-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income		2.5%	2.5%				-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	2.5%				-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a				-	-	-	-	-	-	-	-	-
Gross Potential Income							318,337	1,173,980	1,556,930	328,125	1,203,329	1,597,682	338,255	1,233,412	1,639,552
Vacancy Loss - Residential - Tenant Rents		n/a	n/a				(3,091)	(58,364)	(61,455)	(3,122)	(59,823)	(62,945)	(3,153)	(61,319)	(64,472)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a				-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a				-	-	(32,307)	-	-	(33,114)	-	-	(33,942)
EFFECTIVE GROSS INCOME							315,246	1,115,616	1,465,168	325,003	1,143,506	1,501,623	335,102	1,172,094	1,541,138

OPERATING EXPENSES															
Management															
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	20,107	51,704	71,811	20,811	53,513	74,324	21,539	55,386	76,925			
Asset Management Fee	3.5%	3.5%	per MOHCD policy	7,538	19,382	26,920	7,801	20,061	27,862	8,074	20,763	28,837			
Sub-total Management Expenses				27,644	71,086	98,730	28,612	73,574	102,186	29,613	76,149	105,762			

Salaries/Benefits															
Office Salaries	3.5%	3.5%		28,133	72,342	100,475	29,118	74,874	103,991	30,137	77,494	107,631			
Manager's Salary	3.5%	3.5%		4,555	11,712	16,267	4,714	12,122	16,837	4,879	12,547	17,426			
Health Insurance and Other Benefits	3.5%	3.5%		23,746	61,061	84,807	24,577	63,198	87,775	25,437	65,410	90,847			
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Sub-total Salaries/Benefits				56,434	145,115	201,549	58,409	150,194	208,603	60,453	155,451	215,904			

Administration															
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Office Expenses	3.5%	3.5%		12,293	31,612	43,905	12,724	32,718	45,442	13,169	33,863	47,032			
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Legal Expense - Property	3.5%	3.5%		7,761	19,957	27,718	8,033	20,655	28,688	8,314	21,378	29,692			
Audit Expense	3.5%	3.5%		5,588	14,369	19,957	5,784	14,872	20,655	5,986	15,302	21,378			
Bookkeeping/Accounting Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Bad Debts	3.5%	3.5%		1,552	3,991	5,544	1,607	4,131	5,738	1,663	4,276	5,938			
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Sub-total Administration Expenses				27,195	69,929	97,124	28,146	72,377	100,523	29,132	74,910	104,041			

Utilities															
Electricity	3.5%	3.5%		31,215	80,267	111,482	32,307	83,076	115,383	33,438	85,984	119,422			
Water	3.5%	3.5%		11,176	28,738	39,914	11,567	29,744	41,311	11,972	30,785	42,757			
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Sewer	3.5%	3.5%		21,110	54,283	75,393	21,849	56,183	78,032	22,614	58,149	80,763			
Sub-total Utilities				63,501	163,288	226,788	65,723	169,003	234,726	68,024	174,918	242,941			

Taxes and Licenses															
Real Estate Taxes	3.5%	3.5%		931	2,395	3,326	964	2,479	3,443	998	2,565	3,563			
Payroll Taxes	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Sub-total Taxes and Licenses				931	2,395	3,326	964	2,479	3,443	998	2,565	3,563			

Insurance															
Property and Liability Insurance	3.5%	3.5%		33,776	86,853	120,629	34,958	89,892	124,851	36,182	93,039	129,220			
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Worker's Compensation	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Sub-total Insurance				33,776	86,853	120,629	34,958	89,892	124,851	36,182	93,039	129,220			

Maintenance & Repair															
Payroll	3.5%	3.5%		28,803	74,064	102,867	29,811	76,656	106,467	30,854	79,339	110,194			
Supplies	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Contracts	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Garbage and Trash Removal	3.5%	3.5%		17,591	45,234	62,824	18,207	46,817	65,023	18,844	48,455	67,299			
Security Payroll/Contract	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
HVAC Repairs and Maintenance	3.5%	3.5%		8,071	20,755	28,827	8,354	21,482	29,836	8,646	22,233	30,880			
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-			
Sub-total Maintenance & Repair Expenses				54,465	140,053	194,518	56,371	144,955	201,326	58,344	150,028	208,373			

Supportive Services															
Commercial Expenses	3.5%	3.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	63,079	63,079	-	65,287	65,287	-	67,572	67,572			
Sub-total Supportive Services				-	63,079	63,079	-	65,287	65,287	-	67,572	67,572			

TOTAL OPERATING EXPENSES															
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)							263,946	741,797	1,034,937	273,184	767,760	1,070,914	282,745	794,632	1,108,145

Reserves/Ground Lease Base Rent/Bond Fees															
Ground Lease Base Rent							4,200	10,800	15,000	4,200	10,800	15,000	4,200	10,800	15,000
Bond Monitoring Fee							-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit							10,080	25,920	36,000	10,080	25,920	36,000	10,080	25,920	36,000
Operating Reserve Deposit							-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit							-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit							-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial							840	2,160	3,000	840	2,160	3,000	840	2,160	3,000
Sub-total Reserves/Ground Lease Base Rent/Bond Fees							14,280	36,720	51,000	14,280	36,720	51,000	14,280	36,720	51,000

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)															
							278,226	778,517	1,085,937	287,464	804,480	1,121,914	297,025	831,352	1,159,145

NET OPERATING INCOME (INCOME minus OP EXPENSES)															
							37,020	337,099	377,232	37,539	339,026	379,710	38,077	340,742	381,993

DEBT SERVICE/MUST PAY PAYMENTS ('hard debt'/amortized loans)															
Hard Debt - First Lender							-	227,300	227,300	-	227,300	227,300	-	227,300	227,300
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)							20,580	52,920	73,500	20,580	52,920	73,500	20,580	52,920	73,500
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)							-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender							-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service							-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE							20,580								

	Total # Units: 72	LOSP Units		Non-LOSP Units		Year 4 2029			Year 5 2030			Year 6 2031			
		20	52	28.00%	72.00%	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		annual inc LOSP	% annual increase												
INCOME															
Other Reserve 2 Withdrawals															
Other Reserve 2 Interest															
Other Required Reserve 2 Running Balance															

MOHCD Multisite RFP - Site 7 (160 Freelon)

Total # Units:	LOSP Units		Non-LOSP Units		Year 7 2032			Year 8 2033			Year 9 2034		
	72	20	52	20	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		28.00%	72.00%		annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME													
Residential - Tenant Rents		1.0%	2.5%		63,691	1,257,033	1,320,725	64,328	1,288,459	1,352,787	64,971	1,320,671	1,385,642
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a		282,244	-	282,244	292,390	-	292,390	302,908	-	302,908
Commercial Space		n/a	2.5%		-	-	69,582	-	-	71,321	-	-	73,104
Residential Parking		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending		2.5%	2.5%		2,806	7,214	10,020	2,876	7,395	10,270	2,948	7,579	10,527
Tenant Charges		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	2.5%		-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a		-	-	-	-	-	-	-	-	-
Gross Potential Income					348,741	1,264,248	1,682,570	359,594	1,295,854	1,726,769	370,827	1,328,250	1,772,181
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		(3,185)	(62,852)	(66,036)	(3,216)	(64,423)	(67,639)	(3,249)	(66,034)	(69,282)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a		-	-	(34,791)	-	-	(35,661)	-	-	(36,552)
EFFECTIVE GROSS INCOME					345,556	1,201,396	1,581,743	356,377	1,231,431	1,623,469	367,578	1,262,217	1,666,347
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	22,293	57,325	79,618	23,073	59,331	82,404	23,881	61,408	85,288
Asset Management Fee		3.5%	3.5%	per MOHCD policy	8,357	21,489	29,846	8,649	22,241	30,891	8,952	23,020	31,972
Sub-total Management Expenses					30,650	78,814	109,464	31,723	81,573	113,295	32,833	84,428	117,261
Salaries/Benefits													
Office Salaries		3.5%	3.5%		31,191	80,207	111,398	32,283	83,014	115,297	33,413	85,919	119,332
Manager's Salary		3.5%	3.5%		5,050	12,986	18,036	5,227	13,440	18,667	5,410	13,911	19,320
Health Insurance and Other Benefits		3.5%	3.5%		26,327	67,699	94,026	27,249	70,069	97,317	28,203	72,521	100,724
Other Salaries/Benefits		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					62,569	160,892	223,460	64,759	166,523	231,282	67,025	172,351	239,376
Administration													
Advertising and Marketing		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses		3.5%	3.5%		13,630	35,049	48,679	14,107	36,275	50,382	14,601	37,546	52,146
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%		8,605	22,127	30,731	8,908	22,901	31,807	9,218	23,703	32,920
Audit Expense		3.5%	3.5%		6,195	15,931	22,127	6,412	16,489	22,901	6,637	17,066	23,703
Bookkeeping/Accounting Services		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Bad Debts		3.5%	3.5%		1,721	4,425	6,146	1,781	4,580	6,361	1,844	4,741	6,584
Miscellaneous		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses					30,151	77,532	107,683	31,206	80,245	111,452	32,299	83,054	115,352
Utilities													
Electricity		3.5%	3.5%		34,608	88,993	123,602	35,820	92,108	127,928	37,073	95,332	132,405
Water		3.5%	3.5%		12,391	31,862	44,253	12,825	32,977	45,802	13,273	34,132	47,405
Gas		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%		23,405	60,184	83,589	24,224	62,291	86,515	25,072	64,471	89,543
Sub-total Utilities					70,404	181,040	251,444	72,869	187,376	260,245	75,419	193,934	269,353
Taxes and Licenses													
Real Estate Taxes		3.5%	3.5%		1,033	2,655	3,688	1,069	2,748	3,817	1,106	2,844	3,950
Payroll Taxes		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses					1,033	2,655	3,688	1,069	2,748	3,817	1,106	2,844	3,950
Insurance													
Property and Liability Insurance		3.5%	3.5%		37,448	96,295	133,743	38,759	99,665	138,424	40,115	103,154	143,269
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance					37,448	96,295	133,743	38,759	99,665	138,424	40,115	103,154	143,269
Maintenance & Repair													
Payroll		3.5%	3.5%		31,934	82,116	114,050	33,052	84,990	118,042	34,209	87,965	122,174
Supplies		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Contracts		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Garbage and Trash Removal		3.5%	3.5%		19,503	50,151	69,655	20,186	51,907	72,092	20,892	53,723	74,616
Security Payroll/Contract		3.5%	3.5%		-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance		3.5%	3.5%		8,949	23,012	31,961	9,262	23,817	33,079	9,586	24,651	34,237
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses					60,386	155,279	215,666	62,500	160,714	223,214	64,687	166,339	231,026
Supportive Services													
Commercial Expenses		3.5%	3.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	69,937	69,937	-	72,385	72,385	-	74,919	74,919
TOTAL OPERATING EXPENSES					292,641	822,444	1,146,677	302,884	851,229	1,186,552	313,485	881,022	1,227,820
RESERVES/GROUND LEASE BASE RENT/BOND FEES													
Ground Lease Base Rent					4,200	10,800	15,000	4,200	10,800	15,000	4,200	10,800	15,000
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit					10,080	25,920	36,000	10,080	25,920	36,000	10,080	25,920	36,000
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial					840	2,160	3,000	840	2,160	3,000	840	2,160	3,000
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					14,280	36,720	51,000	14,280	36,720	51,000	14,280	36,720	51,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					306,921	859,164	1,197,677	317,164	887,949	1,237,552	327,765	917,742	1,278,820
NET OPERATING INCOME (INCOME minus OP EXPENSES)													
					38,635	342,232	384,066	39,213	343,482	385,916	39,814	344,475	387,528
DEBT SERVICE/DUST PAY PAYMENTS ("hard debt"/amortized loans)													
Hard Debt - First Lender					-	227,300	227,300	-	227,300	227,300	-	227,300	227,300
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					20,580	52,920	73,500	20,580	52,920	73,500	20,580	52,920	73,500
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					20,580	280,220	300,800	20,580	280,220	300,800	20,580	280,220	300,800
CASH FLOW (NOI minus DEBT SERVICE)													
Commercial Only Cash Flow					18,055	62,013	83,267	18,633	63,262	85,117	19,234	64,255	86,728
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					56	143	199	62	159	221	67	172	239
AVAILABLE CASH FLOW					18,111	62,156	83,267	18,695	63,421	85,117	19,301	64,427	86,728
USES OF CASH FLOW BELOW (This row also shows DSCR.)													
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL													
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy	8,357	21,489	29,846	8,649	22,241	30,891	8,952	23,020	31,972
Partnership Management Fee (see policy for limits)		3.5%	3.5%	per MOHCD policy	8,354	21,480	29,834	8,646	22,232	30,878	8,949	23,010	31,959
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)					1,400	3,600	5,000	1,400	3,600	5,000	1,400	3,600	5,000
Other Payments					-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1													

	Total # Units: 72	LOSP Units		Non-LOSP Units		Year 7 2032			Year 8 2033			Year 9 2034			
		20	52	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		28.00%	72.00%												
INCOME															
Other Reserve 2 Withdrawals															
Other Reserve 2 Interest															
Other Required Reserve 2 Running Balance															

MOHCD Multisite RFP - Site 7 (160 Freelon)

Total # Units:	LOSP Units		Non-LOSP Units		Year 10 2035			Year 11 2036			Year 12 2037			
	72	20	52	28.00%	72.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	annual inc	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
INCOME														
Residential - Tenant Rents		1.0%	2.5%		66,621	1,353,688	1,419,309	66,277	1,387,530	1,453,807	66,940	1,422,218	1,489,158	
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a											
Residential - LOSP Tenant Assistance Payments		n/a	n/a		313,812		313,812	325,115		325,115	336,831			336,831
Commercial Space		n/a	2.5%				74,932			76,805				78,725
Residential Parking		2.5%	2.5%											
Miscellaneous Rent Income		2.5%	2.5%											
Supportive Services Income		2.5%	2.5%											
Interest Income - Project Operations		2.5%	2.5%											
Laundry and Vending		2.5%	2.5%		3,021	7,769	10,790	3,097	7,963	11,060	3,174	8,162	11,336	
Tenant Charges		2.5%	2.5%											
Miscellaneous Residential Income		2.5%	2.5%											
Other Commercial Income		n/a	2.5%											
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a											
Gross Potential Income					382,454	1,361,456	1,818,842	394,489	1,395,493	1,866,787	406,945	1,430,380	1,916,650	
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		(3,281)	(67,684)	(70,965)	(3,314)	(69,376)	(72,690)	(3,347)	(71,111)	(74,458)	
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a											
Vacancy Loss - Commercial		n/a	n/a				(37,466)			(38,403)			(39,363)	
EFFECTIVE GROSS INCOME					379,173	1,293,772	1,710,411	391,175	1,326,116	1,755,694	403,598	1,359,269	1,802,230	
OPERATING EXPENSES														
Management														
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	24,717	63,557	88,274	25,582	65,781	91,363	26,477	68,094	94,561	
Asset Management Fee		3.5%	3.5%	per MOHCD policy	9,266	23,826	33,091	9,590	24,660	34,249	9,925	25,523	35,448	
Sub-total Management Expenses					33,982	87,383	121,365	35,171	90,441	125,612	36,402	93,606	130,009	
Salaries/Benefits														
Office Salaries		3.5%	3.5%		34,583	88,927	123,509	35,793	92,039	127,832	37,046	95,260	132,306	
Manager's Salary		3.5%	3.5%		5,599	14,398	19,997	5,795	14,902	20,697	5,998	15,423	21,421	
Health Insurance and Other Benefits		3.5%	3.5%		29,190	75,059	104,249	30,211	77,666	107,898	31,269	80,405	111,674	
Other Salaries/Benefits		3.5%	3.5%											
Administrative Rent-Free Unit		3.5%	3.5%											
Sub-total Salaries/Benefits					69,371	178,383	247,755	71,799	184,627	256,426	74,312	191,089	265,401	
Administration														
Advertising and Marketing		3.5%	3.5%											
Office Expenses		3.5%	3.5%		15,112	38,859	53,971	15,641	40,219	55,860	16,188	41,627	57,815	
Office Rent		3.5%	3.5%											
Legal Expense - Property		3.5%	3.5%		9,540	24,532	34,072	9,874	25,391	35,265	10,220	26,279	36,499	
Audit Expense		3.5%	3.5%		8,869	17,663	24,532	7,109	18,281	25,391	7,358	18,921	26,279	
Bookkeeping/Accounting Services		3.5%	3.5%											
Bad Debts		3.5%	3.5%		1,908	4,906	6,814	1,975	5,078	7,053	2,044	5,256	7,300	
Miscellaneous		3.5%	3.5%											
Sub-total Administration Expenses					33,429	85,961	119,390	34,599	88,969	123,568	35,810	92,083	127,893	
Utilities														
Electricity		3.5%	3.5%		38,371	98,668	137,039	39,714	102,122	141,836	41,104	105,696	146,800	
Water		3.5%	3.5%		13,738	35,326	49,064	14,219	36,563	50,782	14,716	37,842	52,559	
Gas		3.5%	3.5%											
Sewer		3.5%	3.5%		25,950	66,727	92,677	26,858	69,063	95,921	27,798	71,460	99,278	
Sub-total Utilities					78,059	200,722	278,781	80,791	207,747	288,538	83,618	215,019	298,637	
Taxes and Licenses														
Real Estate Taxes		3.5%	3.5%		1,145	2,944	4,089	1,185	3,047	4,232	1,226	3,154	4,380	
Payroll Taxes		3.5%	3.5%											
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%											
Sub-total Taxes and Licenses					1,145	2,944	4,089	1,185	3,047	4,232	1,226	3,154	4,380	
Insurance														
Property and Liability Insurance		3.5%	3.5%		41,519	106,764	148,283	42,972	110,501	153,473	44,477	114,368	158,845	
Fidelity Bond Insurance		3.5%	3.5%											
Worker's Compensation		3.5%	3.5%											
Director's & Officers' Liability Insurance		3.5%	3.5%											
Sub-total Insurance					41,519	106,764	148,283	42,972	110,501	153,473	44,477	114,368	158,845	
Maintenance & Repair														
Payroll		3.5%	3.5%		35,406	91,044	126,450	36,645	94,230	130,875	37,928	97,528	135,456	
Supplies		3.5%	3.5%											
Contracts		3.5%	3.5%											
Garbage and Trash Removal		3.5%	3.5%		21,624	55,604	77,227	22,380	57,550	79,930	23,164	59,564	82,728	
Security Payroll/Contract		3.5%	3.5%											
HVAC Repairs and Maintenance		3.5%	3.5%		9,922	25,513	35,435	10,269	26,408	36,676	10,629	27,331	37,959	
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%											
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%											
Sub-total Maintenance & Repair Expenses					66,951	172,161	239,112	69,295	178,186	247,481	71,720	184,423	256,143	
Supportive Services														
Commercial Expenses		3.5%	3.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%		77,541	77,541		80,255	80,255		83,064	83,064	
TOTAL OPERATING EXPENSES					324,457	911,858	1,270,527	335,813	943,773	1,314,725	347,566	976,805	1,360,466	
RESERVES/GROUND LEASE BASE RENT/BOND FEES														
Ground Lease Base Rent					4,200	10,800	15,000	4,200	10,800	15,000	4,200	10,800	15,000	
Bond Monitoring Fee														
Replacement Reserve Deposit					10,080	25,920	36,000	10,080	25,920	36,000	10,080	25,920	36,000	
Operating Reserve Deposit														
Other Required Reserve 1 Deposit														
Other Required Reserve 2 Deposit														
Required Reserve Deposit/s, Commercial					840	2,160	3,000	840	2,160	3,000	840	2,160	3,000	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					14,280	36,720	51,000	14,280	36,720	51,000	14,280	36,720	51,000	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					338,737	948,578	1,321,527	350,093	980,493	1,365,725	361,846	1,013,525	1,411,466	
NET OPERATING INCOME (INCOME minus OP EXPENSES)														
NET OPERATING INCOME					40,436	345,194	388,884	41,082	345,623	389,968	41,752	345,744	390,764	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)														
Hard Debt - First Lender						227,300	227,300		227,300	227,300		227,300	227,300	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					20,580	52,920	73,500	20,580	52,920	73,500	20,580	52,920	73,500	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)														
Hard Debt - Fourth Lender														
Commercial Hard Debt Service														
TOTAL HARD DEBT SERVICE					20,580	280,220	300,800	20,580	280,220	300,800	20,580	280,220	300,800	
CASH FLOW (NOI minus DEBT SERVICE)														
Commercial Only Cash Flow					19,856	64,975	88,084	20,502	65,404	89,169	21,172	65,525	89,964	
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					71	182	253	74	189	263	75	193	267	
AVAILABLE CASH FLOW					19,927	65,157	88,084	20,576	65,593	89,169	21,247	65,717	89,964	
USES OF CASH FLOW BELOW (This row also shows DSCR.)														
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL														
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy	9,266	23,826	33,091	9,590	24,660	34,249	9,925	25,523	35,448	
Partnership Management Fee (see policy for limits)		3.5%	3.5%	per MOHCD policy	9,262	23,816	33,078	9,586	24,649	34,235	9,921	25,512	35,433	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)				per MOHCD policy no annual increase	1,400	3,600	5,000	1,400	3,600	5,000	1,400	3,600	5,000	
Other Payments														
Non-amortizing Loan Pmnt - Lender 1														
Non-amortizing Loan Pmnt - Lender 2														
Deferred Developer Fee (Enter amt <= Max Fee from row 131)						8,458	8							

INCOME	Total # Units:		Year 10 2035			Year 11 2036			Year 12 2037		
	72	20	LOSP Units 28.00%	Non-LOSP Units 72.00%	52	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	annual inc	LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
Other Reserve 2 Withdrawals											
Other Reserve 2 Interest											
Other Required Reserve 2 Running Balance											

MOHCD Multisite RFP - Site 7 (160 Freelon)

Total # Units:	LOSP Units		Non-LOSP Units		Year 13 2038			Year 14 2039			Year 15 2040					
	72	20	52	20	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	28.00%	72.00%	28.00%	72.00%												
INCOME																
Residential - Tenant Rents					1.0%	2.5%		67,610	1,457,773	1,525,383	68,286	1,494,218	1,562,503	68,968	1,531,573	1,600,542
Residential - Tenant Assistance Payments (Non-LOSP)					n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments					n/a	n/a		348,975	-	348,975	361,563	-	361,563	374,609	-	374,609
Commercial Space					n/a	2.5%		-	-	80,693	-	-	82,711	-	-	84,778
Residential Parking					2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income					2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income					2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations					2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending					2.5%	2.5%		3,254	8,366	11,620	3,335	8,575	11,910	3,418	8,790	12,208
Tenant Charges					2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income					2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income					n/a	2.5%		-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)					n/a	n/a		-	-	-	-	-	-	-	-	-
Gross Potential Income								419,838	1,466,140	1,966,671	433,183	1,502,793	2,018,687	446,996	1,540,363	2,072,137
Vacancy Loss - Residential - Tenant Rents					n/a	n/a		(3,380)	(72,889)	(76,269)	(3,414)	(74,711)	(78,125)	(3,448)	(76,579)	(80,027)
Vacancy Loss - Residential - Tenant Assistance Payments					n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial					n/a	n/a		-	-	(40,347)	-	-	(41,355)	-	-	(42,389)
EFFECTIVE GROSS INCOME								416,458	1,393,251	1,890,402	429,769	1,428,082	1,937,312	443,547	1,463,784	1,990,110

OPERATING EXPENSES

Management			annual inc LOSP	% annual increase	Comments	Year 13 2038			Year 14 2039			Year 15 2040				
						LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		
Management Fee	3.5%	3.5%			1st Year to be set according to HUD schedule.	27,404	70,467	97,870	28,363	72,933	101,296	29,356	75,496	104,841		
Asset Management Fee	3.5%	3.5%			per MOHCD policy	10,273	26,416	36,689	10,632	27,340	37,973	11,005	28,297	39,302		
Sub-total Management Expenses						37,677	96,883	134,559	38,995	100,274	139,269	40,360	103,793	144,143		
Salaries/Benefits																
Office Salaries	3.5%	3.5%				38,342	98,594	136,937	39,684	102,045	141,729	41,073	105,617	146,690		
Manager's Salary	3.5%	3.5%				6,208	15,963	22,171	6,425	16,522	22,947	6,650	17,100	23,750		
Health Insurance and Other Benefits	3.5%	3.5%				32,363	83,219	115,583	33,496	86,132	119,628	34,668	89,147	123,815		
Other Salaries/Benefits	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Administrative Rent-Free Unit	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Sub-total Salaries/Benefits						76,913	197,777	274,690	79,605	204,699	284,304	82,391	211,863	294,255		
Administration																
Advertising and Marketing	3.5%	3.5%				-	-	-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%				16,795	43,084	59,838	17,341	44,592	61,933	17,948	46,152	64,100		
Office Rent	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Legal Expense - Property	3.5%	3.5%				10,577	27,199	37,777	10,948	28,151	39,099	11,331	29,137	40,467		
Audit Expense	3.5%	3.5%				7,616	19,583	27,199	7,882	20,269	28,151	8,158	20,978	29,137		
Bookkeeping/Accounting Services	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Bad Debts	3.5%	3.5%				2,115	5,440	7,555	2,190	5,630	7,820	2,266	5,827	8,093		
Miscellaneous	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Sub-total Administration Expenses						37,063	95,306	132,370	38,361	98,642	137,003	39,703	102,094	141,798		
Utilities																
Electricity	3.5%	3.5%				42,543	109,395	151,938	44,032	113,224	157,256	45,573	117,187	162,760		
Water	3.5%	3.5%				15,232	39,167	54,398	15,765	40,538	56,302	16,316	41,957	58,273		
Gas	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Sewer	3.5%	3.5%				28,771	73,982	102,753	29,778	76,571	106,349	30,820	79,251	110,071		
Sub-total Utilities						86,545	222,544	309,089	89,574	230,333	319,907	92,709	238,395	331,104		
Taxes and Licenses																
Real Estate Taxes	3.5%	3.5%				1,269	3,264	4,533	1,314	3,378	4,692	1,360	3,496	4,856		
Payroll Taxes	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Sub-total Taxes and Licenses						1,269	3,264	4,533	1,314	3,378	4,692	1,360	3,496	4,856		
Insurance																
Property and Liability Insurance	3.5%	3.5%				46,033	118,371	164,404	47,644	122,514	170,158	49,312	126,802	176,114		
Fidelity Bond Insurance	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Worker's Compensation	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Director's & Officers' Liability Insurance	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Sub-total Insurance						46,033	118,371	164,404	47,644	122,514	170,158	49,312	126,802	176,114		
Maintenance & Repair																
Payroll	3.5%	3.5%				39,255	100,942	140,197	40,629	104,475	145,104	42,051	108,131	150,183		
Supplies	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Contracts	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Garbage and Trash Removal	3.5%	3.5%				23,974	61,649	85,623	24,814	63,806	88,620	25,662	66,040	91,722		
Security Payroll/Contract	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
HVAC Repairs and Maintenance	3.5%	3.5%				11,001	28,287	39,288	11,386	29,277	40,683	11,784	30,302	42,086		
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%				-	-	-	-	-	-	-	-	-		
Sub-total Maintenance & Repair Expenses						74,230	190,878	265,108	76,828	197,559	274,387	79,517	204,473	283,990		
Supportive Services																
Commercial Expenses	3.5%	3.5%				-	85,971	85,971	-	88,980	88,980	-	92,094	92,094		
Sub-total Supportive Services						-	85,971	85,971	-	88,980	88,980	-	92,094	92,094		
TOTAL OPERATING EXPENSES						359,731	1,010,993	1,407,804	372,322	1,046,378	1,456,794	385,353	1,083,001	1,507,494		

RESERVES/GROUND LEASE BASE RENT/BOND FEES

	Year 13 2038	Year 14 2039	Year 15 2040
Ground Lease Base Rent	4,200	10,800	15,000
Bond Monitoring Fee	-	-	-
Replacement Reserve Deposit	10,080	25,920	36,000
Operating Reserve Deposit	-	-	-
Other Required Reserve 1 Deposit	-	-	-
Other Required Reserve 2 Deposit	-	-	-
Required Reserve Deposit/s, Commercial	840	2,160	3,000
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	14,280	36,720	51,000

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)

	374,011	1,047,713	1,458,804	386,602	1,083,098	1,507,794	399,633	1,119,721	1,558,494
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NET OPERATING INCOME (INCOME minus OP EXPENSES)

	42,447	345,538	391,252	43,167	344,984	391,413	43,915	344,063	391,227
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DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)

Hard Debt - First Lender	-	227,300	227,300	-	227,300	227,300	-	227,300	227,300
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	20,580	52,920	73,500	20,580	52,920	73,500	20,580	52,920	73,500
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE	20,580	280,220	300,800	20,580	280,220	300,800	20,580	280,220	300,800

CASH FLOW (NOI minus DEBT SERVICE)

Commercial Only Cash Flow	-	-	267	-	-	261	-	-	249
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	75	192	-	73	188	-	70	180	-
AVAILABLE CASH FLOW	21,941	65,510	90,452	22,660	64,953	90,613	23,405	64,023	90,428

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

	Year 13 2038	Year 14 2039	Year 15 2040
Below-the-line Asset Mgt fee (uncommon in new projects, see policy)	10,273	26,416	36,689
Partnership Management Fee (see policy for limits)	10,269	26,405	36,674
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,400	3,600	5,000
Other Payments	-	-	-
Non-amortizing Loan Pmnt - Lender 1	-	-	-
Non-amortizing Loan Pmnt - Lender 2	-	-	-
Deferred Developer Fee (Enter amt			

	Total # Units: 72	LOSP Units		Non-LOSP Units		Year 13 2038			Year 14 2039			Year 15 2040					
		28.00%		72.00%		annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		20	52	LOSP	non-LOSP												
INCOME																	
Other Reserve 2 Withdrawals																	
Other Reserve 2 Interest																	
Other Required Reserve 2 Running Balance																	

MOHCD Multisite RFP - Site 7 (160 Freelon)

Total # Units:	LOSP Units		Non-LOSP Units		Year 16 2041			Year 17 2042			Year 18 2043				
	72	20	52	28.00%	72.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
	annual inc	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME															
Residential - Tenant Rents		1.0%	2.5%		69,658	1,569,863	1,639,521	70,355	1,609,109	1,679,464	71,058	1,649,337	1,720,395		
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-	-	-	-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments		n/a	n/a		388,131	-	388,131	402,145	-	402,145	416,669	-	416,669	416,669	
Commercial Space		n/a	2.5%		-	-	86,898	-	-	89,070	-	-	91,297	-	
Residential Parking		2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	
Miscellaneous Rent Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	
Supportive Services Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	
Interest Income - Project Operations		2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	
Laundry and Vending		2.5%	2.5%		3,504	9,010	12,513	3,591	9,235	12,826	3,681	9,466	13,147		
Tenant Charges		2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	
Miscellaneous Residential Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	
Other Commercial Income		n/a	2.5%		-	-	-	-	-	-	-	-	-	-	
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a		-	-	-	-	-	-	-	-	-	-	
Gross Potential Income					461,293	1,576,872	2,127,063	476,091	1,616,344	2,183,505	491,408	1,658,802	2,241,508		
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		(3,483)	(78,493)	(81,976)	(3,519)	(80,455)	(83,973)	(3,553)	(82,467)	(86,020)		
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-	-	
Vacancy Loss - Commercial		n/a	n/a		-	-	(43,449)	-	-	(44,535)	-	-	(45,649)		
EFFECTIVE GROSS INCOME					457,810	1,500,379	2,001,638	472,573	1,537,889	2,054,997	487,855	1,576,336	2,109,840		
OPERATING EXPENSES															
Management															
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	30,383	78,128	108,511	31,446	80,862	112,309	32,547	83,692	116,239		
Asset Management Fee		3.5%	3.5%	per MOHCD policy	11,300	29,288	40,677	11,788	30,313	42,101	12,201	31,374	43,575		
Sub-total Management Expenses					41,773	107,416	149,188	43,235	111,175	154,410	44,748	115,066	159,814		
Salaries/Benefits															
Office Salaries		3.5%	3.5%		42,511	109,313	151,824	43,999	113,139	157,138	45,539	117,099	162,638		
Manager's Salary		3.5%	3.5%		6,883	17,698	24,581	7,124	18,318	25,441	7,373	18,959	26,332		
Health Insurance and Other Benefits		3.5%	3.5%		35,882	92,267	128,148	37,137	95,496	132,634	38,437	98,839	137,276		
Other Salaries/Benefits		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Sub-total Salaries/Benefits					85,275	219,279	304,554	88,260	226,953	315,213	91,349	234,897	326,245		
Administration															
Advertising and Marketing		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Office Expenses		3.5%	3.5%		18,576	47,768	66,344	19,226	49,439	68,666	19,899	51,170	71,069		
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Legal Expense - Property		3.5%	3.5%		11,727	30,156	41,884	12,138	31,212	43,350	12,563	32,304	44,867		
Audit Expense		3.5%	3.5%		8,444	21,713	30,156	8,739	22,472	31,212	9,045	23,259	32,304		
Bookkeeping/Accounting Services		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Bad Debts		3.5%	3.5%		2,345	6,031	8,377	2,428	6,242	8,670	2,513	6,461	8,973		
Miscellaneous		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Sub-total Administration Expenses					41,093	105,668	146,761	42,531	109,366	151,897	44,020	113,194	157,214		
Utilities															
Electricity		3.5%	3.5%		47,168	121,289	168,456	48,819	125,534	174,352	50,527	129,927	180,455		
Water		3.5%	3.5%		16,888	43,425	60,313	17,479	44,945	62,423	18,090	46,518	64,608		
Gas		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Sewer		3.5%	3.5%		31,899	82,025	113,924	33,015	84,896	117,911	34,171	87,867	122,038		
Sub-total Utilities					95,954	246,739	342,693	99,312	255,375	354,687	102,788	264,313	367,101		
Taxes and Licenses															
Real Estate Taxes		3.5%	3.5%		1,407	3,619	5,026	1,457	3,745	5,202	1,508	3,876	5,384		
Payroll Taxes		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Sub-total Taxes and Licenses					1,407	3,619	5,026	1,457	3,745	5,202	1,508	3,876	5,384		
Insurance															
Property and Liability Insurance		3.5%	3.5%		51,038	131,240	182,278	52,824	135,834	188,658	54,673	140,588	195,261		
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Worker's Compensation		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Sub-total Insurance					51,038	131,240	182,278	52,824	135,834	188,658	54,673	140,588	195,261		
Maintenance & Repair															
Payroll		3.5%	3.5%		43,523	111,916	155,439	45,046	115,833	160,879	46,623	119,887	166,510		
Supplies		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Contracts		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Garbage and Trash Removal		3.5%	3.5%		26,581	68,351	94,932	27,511	70,743	98,255	28,474	73,219	101,693		
Security Payroll/Contract		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
HVAC Repairs and Maintenance		3.5%	3.5%		12,197	31,363	43,559	12,623	32,460	45,084	13,065	33,996	46,662		
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		-	-	-	-	-	-	-	-	-		
Sub-total Maintenance & Repair Expenses					82,300	211,630	293,930	85,181	219,037	304,218	88,162	226,703	314,865		
Supportive Services															
Commercial Expenses		3.5%	3.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	95,317	95,317	-	98,653	98,653	-	102,106	102,106		
TOTAL OPERATING EXPENSES					398,840	1,120,906	1,559,964	412,800	1,160,138	1,614,266	427,248	1,200,743	1,670,464		
RESERVES/GROUND LEASE BASE RENT/BOND FEES															
Ground Lease Base Rent					4,200	10,800	15,000	4,200	10,800	15,000	4,200	10,800	15,000		
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-		
Replacement Reserve Deposit					10,080	25,920	36,000	10,080	25,920	36,000	10,080	25,920	36,000		
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-		
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-		
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-		
Required Reserve Deposit/s, Commercial					840	2,160	3,000	840	2,160	3,000	840	2,160	3,000		
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					14,280	36,720	51,000	14,280	36,720	51,000	14,280	36,720	51,000		
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					413,120	1,157,626	1,610,964	427,080	1,196,858	1,665,266	441,528	1,237,463	1,721,464		
NET OPERATING INCOME (INCOME minus OP EXPENSES)															
					44,690	342,753	390,674	45,494	341,031	389,731	46,328	338,873	388,376		
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)															
Hard Debt - First Lender					-	227,300	227,300	-	227,300	227,300	-	227,300	227,300		
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					20,580	52,920	73,500	20,580	52,920	73,500	20,580	52,920	73,500		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-		
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-		
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-		
TOTAL HARD DEBT SERVICE					20,580	280,220	300,800	20,580	280,220	300,800	20,580	280,220	300,800		
CASH FLOW (NOI minus DEBT SERVICE)															
Commercial Only Cash Flow					-	-	231	-	-	207	-	-	175		
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					65	167	-	58	149	-	49	126	-		
AVAILABLE CASH FLOW					24,175	62,700	89,874	24,972	60,960	88,932	25,797	58,779	87,576		
USES OF CASH FLOW BELOW (This row also shows DSCR.)															
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL															
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy	11,390	29,288	40,677	11,788	30,313	42,101	12,201	31,374	43,575		
Partnership Management Fee (see policy for limits)		3.5%</													

	Total # Units: 72	LOSP Units		Non-LOSP Units		Year 16 2041			Year 17 2042			Year 18 2043				
		20	52	28.00%	72.00%	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
		annual inc	LOSP	% annual increase												
INCOME																
Other Reserve 2 Withdrawals																
Other Reserve 2 Interest																
Other Required Reserve 2 Running Balance																

	Total # Units: 72	LOSP Units		Non-LOSP Units		Year 19 2044			Year 20 2045			
		20	52									
		28.00%	72.00%	annual inc	annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME												
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance												

Attachment K: Related's DEI Statement

See Attached



DIVERSITY, EQUITY AND INCLUSION

Related California is committed to building more inclusive cities and increasing diversity, equity and inclusion within the company and the broader real estate industry. It is a belief of this organization that diversity, equity and inclusion are not only socially responsible, but the foundation of a successful business.

At Related, we are committed to achieving DEI excellence. Our parent company, Related Companies, L.P., in New York, has a Founding Council and Diversity Task Force of more than 60 volunteer leaders guiding our efforts. They've implemented executive training on diversity, revamped the internship program to emphasize additional participation by Black students and other underrepresented groups, and launched a number of talent pipeline programs with partner organizations and the University of Michigan.

New engagement, professional development and career growth is central to our success. As an example, The Related Summer Internship Program, created by our parent company, and held in New York, is part of Related's foundational commitment to developing the leadership pipeline in our industry. Students from high school through graduate school join the program, and in 2021, the interns form the most diverse class in the company's history, with 56% women, 48% Black and Latinx, and 19% Asian.

Related California ensures fair and equitable access, opportunity and advancement for all. Every person at Related should feel they belong and are a valued member of the team, regardless of race, ethnicity, sexual orientation or gender identity. We value the collective strength of a varying group of individuals, richness of ideas, beliefs, and skills. Race should not predict one's success, so we are committed to racially diversifying our workforce, from the C-suite to rank-and-file employees. Related has targeted programs and hiring protocols in place that widen our applicant pool and increase the percentage of Black employees, women, Latinx, Native American and Asian applicants.

In California, we've implemented an Undergraduate Summer Internship Program that provides minority students the opportunity to shadow development professionals and participate in project coordinator-type responsibilities to gain relevant experience. We are instituting a Development Boot Camp designed specifically for minority, junior-level employees at Related Management Company who are motivated to elevate their careers at Related California. These individuals will be recruited by their regional managers to attend a two-day workshop where they will learn about a career in development and visit completed and currently under construction communities.

Fostering a culture of inclusion, Related California respects, seeks and values contributions from diverse talent, so we are taking deliberate steps to strengthen training protocols that raise awareness on issues of equality and structural racism in the workplace. We ensure that Black and Latinx employees, women, and people from underrepresented groups are included in leadership positions.

For the past 16 years, Related California has undertaken partnerships with churches in Black communities, creating nearly 500 affordable family and senior housing units. Our portfolio consists of more than 1,700 units that were once obsolete public housing sites and today have been redeveloped into vibrant, new communities.

Our ultimate goal is for Related California's culture to reflect the diversity of our communities throughout California, and we will continue to prioritize and launch new initiatives until we reach DEI excellence.