

**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

**Transbay Block 2 West**  
**\$65,011,065 Total Funding Amount**  
(including \$3,086,119 in additional predevelopment and a  
\$2,582,163 commercial loan)

Evaluation of Request for:	Permanent Residential Loan and Permanent Commercial Loan
Loan Committee Date:	April 7, 2023
Prepared By:	Kim Obstfeld, OCII Senior Development Specialist
MOHCD Asset Manager:	Wesley Ellison-Labat
Sources and Amounts of New Funds Recommended:	\$61,511,065 Transbay Fees and Bond Proceeds
Sources and Amounts of Previous City Funds Committed:	\$3,500,000 Transbay Jobs/Housing Linkage Fees
ROPS Line:	Line 413, FY 23-24
NOFA/PROGRAM/RFP:	OCII RFP
Applicant/Sponsor(s) Name:	Transbay 2 Senior LP/Chinatown Community Development Center ("CCDC")

## EXECUTIVE SUMMARY

### Sponsor Information:

Project Name:	Transbay Block 2 West	Sponsor(s):	CCDC
Project Address (w/ cross St):	Western half of Transbay Block 2 (bounded by Folsom St., Beale St., the planned extension of Clementina St., and Main St.)	Ultimate Borrower Entity:	Transbay 2 Senior LP

### Project Summary:

Chinatown Community Development Center (“CCDC” or the “Sponsor”), through Transbay 2 Senior LP, is requesting a total of \$65,011,065 in funding for Transbay Block 2 West (“Block 2 West”). This amount includes a \$62,428,902 permanent residential loan (of which \$6,586,119 would be available during predevelopment, \$3.5M of which has already been committed) and a \$2,582,163 permanent commercial loan. Block 2 West is a planned 151-unit mixed-use affordable rental housing development serving extremely low- and low-income senior households, with 30 units set-aside to serve formerly homeless senior households, subsidized by the Local Operating Subsidy Program (“LOSP”), and 60 units serving extremely low-income seniors supported by rental subsidies from the Senior Operating Subsidy (“SOS”) program.

Block 2 West will be comprised of 39 studio and 111 one-bedroom units, as well as one two-bedroom manager’s unit. Units will serve senior households at income levels ranging from 15% to 50% of Area Median Income as defined by the San Francisco Mayor’s Office of Housing and Community Development (“MOHCD AMI” or “AMI”). In addition to residential units and resident serving amenities, the Block 2 West development includes three ground floor retail spaces (the residential and the retail together are the “Project”).

Block 2 West is being developed in coordination with Transbay Block 2 East (“Block 2 East”), a mixed-use affordable rental project serving low-income and formerly homeless families under development by Mercy Housing California (“Mercy”). CCDC and Mercy have collaborated throughout predevelopment and will continue to coordinate on design, permitting, construction logistics, and site preparation work.

The Project is expected to be financed with 4% Low Income Housing Tax Credits and a tax exempt bond, and will seek funding from the California Department of Housing and Community Development Infill Infrastructure Grant (“IIG”) program. The Sponsor is seeking funding approval at this time to include an OCII commitment in its upcoming tax credit/bond allocation application in May 2023.

### Project Description:

Construction Type:	Type I	Project Type:	New Construction
Number of Stories:	9	Lot Size (acres and sf):	0.49 acre / 21,313 sf
Number of Units:	151	Architect:	Mithun
Total Residential Area:	106,710 sf	General Contractor:	Swinerton
Total Commercial Area:	2,945 sf	Property Manager:	CCDC
Total Building Area:	109,655 sf	Supervisor and District:	Sup. Dorsey – District 6
Land Owner:	OCII		
Total Development Cost (TDC):	\$129,593,374 (residential); \$132,175,537 (residential + commercial)	Total Acquisition Cost:	N/A
TDC/unit:	\$858,234 (residential); \$875,336 (residential + commercial)	TDC less land cost/unit:	\$858,234 (residential)

Loan Amount Requested:	\$65,011,065 (residential + commercial)	Request Amount / unit:	\$430,537 (residential + commercial)
HOME Funds?	No	Parking?	None

### **PRINCIPAL DEVELOPMENT ISSUES**

- **Coordination between 2 West and 2 East.** As further discussed in Section 1.2, Mercy and CCDC were selected as co-developers under a single RFP for Transbay Blocks 2 East and West. Each developer will be the owner/operator of its respective project, however, continued coordination is required for design, permitting, and construction logistics. Block 2 East will seek financing for a forgivable site work loan from OCII in summer 2023 that will fund hard costs to prepare the full Block 2 site for development. The scope of work will include demolition of existing improvements, grading, and archeological testing. The Sponsor will need to coordinate closely with the Block 2 East sponsor to manage the schedule to ensure that work is complete on this scope to facilitate the Block 2 West construction closing timeframe. In addition, the Sponsors will need to determine and document ongoing shared maintenance responsibilities for common public spaces. See Section 1.3.2 and Condition 1.
- **Commercial Financing.** To reduce residential project costs and thus improve scoring for a tax-exempt bond allocation, the Sponsor is seeking a commercial loan separate from the residential loan to fund the cost of constructing the Project's three ground floor retail spaces. The retail spaces will be constructed within a separate air rights parcel and OCII will enter into a separate commercial ground lease and commercial loan agreement with an affiliate of the Sponsor. See Sections 4.5 and 6.5.3 and Condition 2.
- **Retail.** Successful retail is crucial to ground floor activation and meeting community needs and expectations. Mercy, through its affiliate Mercy Commercial California ("Mercy Commercial"), will be responsible for the marketing and lease-up of all retail spaces at both Block 2 West and Block 2 East. While Mercy Commercial has prepared a preliminary commercial plan and leasing strategy, no tenants have been confirmed. See Section 4.5 for further discussion and Condition 2.
- **Financing Competition.** The Sponsor will seek a tax-exempt bond allocation from CDLAC in the second round of 2023. In recent years, the bond program has been oversubscribed and thus has been and is expected to continue to be highly competitive. To the extent feasible and appropriate, the program and financing plan have been optimized to be competitive, however, the Project will likely face disadvantages as a larger scale, higher cost, urban infill project. The Sponsor will continue to closely monitor program regulations and review program elements and costs to seek ways to maximize scoring. In addition, the Sponsor will seek IIG funding in 2023. However, the timing of IIG awards (expected in December 2023) may be challenging in relation to the Project's closing schedule (expected in February 2024), particularly given delays in HCD NOFAs and awards in recent funding rounds. Thus, IIG funds may not be available as a capital source for the Project. Section 6.5 and Condition 13.
- **Archaeology.** Preliminary site studies indicate that the soil beneath the site may contain archaeological resources from the historic San Francisco Bay shoreline. The Sponsor has prepared a draft archaeological testing plan but has not yet conducted exploratory studies. Depending on the results of planned coring and trenching, the Sponsor, in collaboration with Mercy, may need to conduct more intensive studies and/or excavate portions of the site. If historically significant resources are identified, the Sponsor will be required to follow established documentation and handling procedures. Such procedures may add cost and impact schedule. See Section 2.4.1.

**RESIDENTIAL SOURCES AND USES SUMMARY**

<b>Predevelopment Sources</b>	<b>Amount</b>	<b>Per Unit</b>	<b>Terms</b>	<b>Status</b>
OCII Predevelopment Loan	\$3,500,000	\$23,179	3 yrs @ 3%, deferred	Committed
OCII Additional Predevelopment Loan	\$3,086,119	\$20,438	1 yr @ 3%, deferred	This request
<b>Total</b>	<b>\$6,586,119</b>	<b>\$43,617</b>		

<b>Permanent Sources</b>	<b>Amount</b>	<b>Per Unit</b>	<b>Terms</b>	<b>Status</b>
OCII Permanent Residential Loan	\$62,428,902	\$413,436	55 yrs @ 0-3%, residual receipts	This request
Accrued Deferred Interest	\$807,860	\$5,350	Deferred, residual receipts	Not committed
GP Capital	\$500,100	\$3,312		Not committed
Limited Partner Equity	\$59,847,539	\$396,341	\$0.95/credit	Not committed
IIG	\$6,008,973	\$39,795	Grant	Not committed
<b>Total</b>	<b>\$129,593,374</b>	<b>\$858,234</b>		

<b>Permanent Uses</b>	<b>Amount</b>	<b>Per Unit</b>	<b>Per SF</b>
Acquisition	\$0	\$0	\$0.00
Hard Costs	\$99,008,758	\$655,687	\$902.91
Soft Costs	\$27,350,147	\$181,127	\$249.42
Reserves	\$534,369	\$3,539	\$4.87
Developer Fee	\$2,700,100	\$17,881	\$24.62
<b>Total</b>	<b>\$129,593,374</b>	<b>\$858,234</b>	<b>\$1,181.83</b>

**COMMERCIAL SOURCES AND USES SUMMARY**

<b>Permanent Sources</b>	<b>Amount</b>	<b>Per SF</b>	<b>Terms</b>	<b>Status</b>
OCII Permanent Commercial Loan	\$2,582,163	\$877	3%, residual receipts	This request
<b>Total</b>	<b>\$2,582,163</b>	<b>\$877</b>		

<b>Permanent Uses</b>	<b>Amount</b>	<b>Per SF</b>
Acquisition	\$0	\$0
Hard Costs	\$1,180,235	\$401
Soft Costs	\$52,500	\$18
Reserves	\$924,428	\$314
Developer Fee	\$425,000	\$144
<b>Total</b>	<b>\$2,528,163</b>	<b>\$877</b>



## 1. BACKGROUND

### 1.1. Project History Leading to This Request.

Blocks 2 East and West are part of the approximately 40-acre Transbay Redevelopment Project Area that was administered by the former San Francisco Redevelopment Agency (“SFRA”). Pursuant to state law, redevelopment agencies throughout the State of California were eliminated on February 1, 2012 (California Health and Safety Code Section 34161 et seq (the “Redevelopment Dissolution Law”). OCII is the Successor Agency to SFRA and is responsible for implementing SFRA’s enforceable obligations. On April 15, 2013, the California Department of Finance determined “finally and conclusively” that the Transbay Implementation Agreement, Affordable Housing Program, and Tax Increment Sales Proceeds Pledge Agreement are enforceable obligations under Redevelopment Dissolution Law.

The Transbay Redevelopment Plan, established in 2005, is implemented through partnerships between OCII, the City, Transbay Joint Powers Authority (“TJPA”), Caltrans, and for-profit and non-profit developers. The Project Area is divided into two zones: Zone 1 is implemented by OCII and Zone 2 is implemented by the San Francisco Planning Department. When completed, the Transbay Redevelopment Area (including both Zone 1 and Zone 2) will include over 4,000 new residential units, a minimum of 35% of which will be affordable, office and retail space, over 9 acres of new parks, and significant transportation and streetscape improvements.

Within Zone 1, a total of 2,196 residential units have been completed (Blocks 1, 6, 7, 8, 9, and 11a), 721 of which are restricted for affordability. Additional housing units are planned on Blocks 2 East and West (the subject of this evaluation), Block 4, and Block 12. The planned affordable units on Blocks 2 East and West are essential to achieving 35% affordability in the Transbay Project Area.

Transbay Block 2, along with Blocks 3 and 4 and the future extensions of Clementina and Tehama Streets, is part of the lot formerly used as the Temporary Transbay Terminal. Transbay Terminal operations relocated to the newly constructed Salesforce Transit Center in 2019. All three development blocks are in active predevelopment, with approved schematic designs for a public park on Block 3, a mixed-use mixed-income residential project on Block 4, and the two affordable housing projects on Block 2.

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

OCII issued a Request for Proposals (“RFP”) seeking teams to develop, own, and operate mixed-use affordable rental family and senior housing units, including units set-aside for formerly homeless family and senior households at Transbay Blocks 2 East and 2 West in June 2020, with proposals due in September 2020. OCII received 5 proposals, all of which were deemed complete. An evaluation panel comprised of staff from OCII, Mayor’s Office of Housing and Community Development (“MOHCD”), the Department of Homelessness and Supportive Housing (“HSH”), and a member of the Transbay Citizens Advisory Committee (“CAC”) recommended selection of the development team led by Mercy and CCDC.

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 borrower entity for the residential loan is Transbay 2 Senior LP. The managing general partner is CCDC Transbay 2 LLC, a subsidiary of CCDC. The borrower entity for the commercial loan has not yet been established. It will be a limited liability company affiliated with CCDC.
- 1.3.2. Joint Venture Partnership. CCDC will develop, own, and operate Block 2 West and will provide ongoing property management and resident services. However, CCDC will collaborate with Mercy, lead developer of Block 2 East, to ensure cohesive and complementary development of the Transbay Block 2 site as a whole. Pursuant to a Joint Development Agreement between Mercy and CCDC dated March 30, 2021 (the “JDA”), CCDC and Mercy will collaborate on building, streetscape and landscape design. Per the JDA, Mercy, through its affiliate Mercy Commercial California (“Mercy Commercial”) will take the lead in retail space planning and lease-up for both Block 2 West and Block 2 East. CCDC and Mercy Commercial will enter into a retail leasing agreement that specifies this arrangement (see Condition 2).

Mercy will also take the lead on site preparation work prior to the close of construction financing for Block 2 West. Mercy will seek a forgivable OCII loan and enter into a construction contract to conduct archeological trenching work, demolish the existing building and paving on Block 2, remove existing trees, and related work to prepare the overall block for development. Mercy anticipates seeking approval for funding for this work in early summer 2023, with work to commence in fall 2023. This work will need to be completed in time to facilitate the Block 2 West start of residential construction by February 2024. Pursuant to Condition 1, the Sponsor and Mercy will amend their JDA to reflect this arrangement or enter into a memorandum of understanding or similar document.

Pursuant to Condition 1, Mercy and CCDC will continue close coordination on design, mapping, permitting and construction logistics. The parties will enter into an agreement to establish roles, responsibilities, and cost sharing for maintaining a publicly accessible pedestrian mews located between the two buildings, straddling the property line, and any other common areas or features.

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

- Board of Directors: CCDC’s Board of Directors has 23 members, over 80% of whom are people of color, nearly evenly split between males and females.
- CCDC Staff: CCDC’s Housing Development Division is a racially diverse team with almost 70% people of color, including the Director of Housing Development.

CCDC Employee Demographic	Number of Employees	Percentage of Employees
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Male	114	39%
Female	178	61%
Asian	188	64%
Black/African American	22	8%
Hispanic/Latino	24	8%
Native Hawaiian or Other Pacific Islander	2	1%
Not Defined	7	2%
Two or More Races	19	7%
White/Caucasian	30	10%

1.3.4. Racial Equity Vision. CCDC is a BIPOC-led organization with a 44-year history of advocacy on behalf of low-income residents in Chinatown. Understanding that all organizations have room to grow in addressing institutionalized racism, CCDC has approached this with intention, by modifying organizational policies and procedures to lower barriers of entry to housing, becoming trauma-informed in its service provision, being intentional about hiring bilingual staff that reflects the communities they serve, providing opportunities for BIPOC residents to engage with the neighborhood planning process, and working to heal historic divides between Asian Americans and other BIPOC and white communities.

At the building level, CCDC’s racial equity strategy promotes access to quality and stable housing, social and economic mobility, education, health, and housing assistance to support intergenerational wealth building in BIPOC communities. CCDC uses a Community Building and Engagement (“CB&E”) model of resident service provision, which posits that being socially connected and active in one’s community not only enhances one’s quality of life but is a housing retention strategy, as it reduces feelings like isolation that can lead to behavioral issues. The CB&E model prioritizes residents’ experiences, ideas, and skills in the creation of programming.

1.3.5. Relevant Experience. CCDC has significant experience in the development and operation of affordable housing in San Francisco. CCDC’s portfolio includes 950 affordable senior units and 546 units of senior supportive housing. While Block 2 West will be CCDC’s first project in the Transbay Project Area, CCDC has worked on numerous OCII projects as well as on dense infill sites in nearby neighborhoods.

1.3.6. Project Management Capacity. Abigail Brown at CCDC is the Project Manager and dedicates approximately 40% of her time to the Project. Judy Kuang provides project assistance and dedicates approximately 20% of her time to Block 2 West. Abigail and Judy are supported by Joanna Ladd (Associate Director of Housing Development), Kim Piechota (Housing Director), Rafael Nicolescu (Director of Property Management), Allie Markovits (Director of Resident Services), and Rachel Howard (Associate Director of Resident Services).

1.3.7. Past Performance.

1.3.7.1. City audits/performance plans. CCDC holds at least 15 contracts/grants with the City for work including tenant eviction prevention counseling, rental housing counseling, case management for single-room occupancy families, service connections for the Asian/Pacific Islander community, and operates programs including

CCDC Youth Leadership and Campaign Academy. There are no known open performance issues with the Sponsor.

1.3.7.2. Marketing/lease-up/operations. CCDC has worked with MOHCD to lease up several buildings with tenant selections through a DAHLIA lottery in recent years, including 1296 Shotwell (a senior rental housing project), 1150 3<sup>rd</sup> Street (aka Edwin M. Lee Apartments), and 2060 Folsom Street. CCDC staff is now trained on the system, however, ongoing efforts will be required to educate new staff members and ensure a smooth lease-up for Block 2 West. The Sponsor will collaborate with OCII and MOHCD to prepare for marketing and lease-up, with a particular focus on facilitating successful placements for Certificate of Preference holders, and their descendants per AB 1584 which was authored by then- Assemblymember David Chiu and signed into law in September 2021 and took effect January 1, 2022.

Over 4,700 tenants currently reside in Sponsor’s portfolio, disaggregated by race in the following breakdown: .92% Native American, .7% Pacific Islander, 58.4% Asian, 8.44% Black, 8.54% White, 13.36% Other, and 10.42% not reporting.

In the past five years, Sponsor formally evicted 14 households across 34 properties, or an average of less than 3 per year. Of those evicted households, 2 households had Asian heads-of-households (HOH), 4 had Black HOH, 3 had White HOH, 1 household had a Native American HOH, 1 had a Hawaiian/OPC HOH, and 3 households had HOH who did not report their race.

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

Site Description	
Zoning:	Zoning for the site is form-based and is governed by the Transbay Redevelopment Plan, Transbay Development Controls and Design Guidelines (“DCDG”), and the Transbay Design for Development. In November 2022, the OCII Commission approved certain deviations from the DCDG to facilitate the Block 2 West project as designed.
Maximum units allowed by current zoning:	The maximum number of units on the site is based on form-based zoning. The number of units is limited only by what can fit within the site’s height and bulk restrictions.
Seismic:	The site is within a Liquefaction Zone (per the California Geological Survey)
Soil type:	The Sponsor completed Phase I and II reports and testing. The proposed mat foundation with soil improvements was recommended by the design team based on the identified soil conditions. See Section 2.4 below.
Environmental Review:	The Sponsor has prepared Phase I and II reports as well as addenda to the Transbay Redevelopment Project Area FEIS/EIR and the Archaeological Research Design and Treatment Plan (“ARDTP”). See Section 2.4 below.

Adjacent uses (North):	Currently a continuation of the Block 2 surface parking lot, previously used as the temporary Transbay Terminal, planned for an approximately 1-acre public park (expected to start construction in 2024).
Adjacent uses (South):	An approximately 650-unit mixed use condominium complex known as "Lumina". Woodlands Market, a small grocery store is located at the ground floor.
Adjacent uses (East):	Block 2 East, a planned 184-unit affordable family rental project, under development concurrently with Block 2 West, will be located directly to the east within Transbay Block 2. To the east of Transbay Block 2 is a 392-unit mixed-use, mixed-income condominium complex known as "Mira".
Adjacent uses (West):	A 479-unit mixed use apartment project, including 409 units in a tower (on the western side of the block) and 70 affordable units in a mid-rise and townhomes (on the eastern side of the block). The 70-unit affordable project is owned and operated by Mercy.
Neighborhood Amenities within 0.5 miles:	Grocery: Woodlands Market is located directly across Folsom Street, Ferry Building Saturday Farmer's Market (0.5 mile), Safeway (0.7 mile), Whole Foods (0.8 mile), Target (0.9 mile), Trader's Joe's (1 mile) Pharmacy: Walgreens (0.4 mile), CVS (0.7 mile) Library: Mission Bay Public Library (1.3 miles) Parks: planning is under way for an approximately 1-acre park on Block 3 directly to the north of the site, Salesforce Park (located on the roof of the Salesforce Transit Center) is one block from the site (0.2 mile), Rincon Park is 2 blocks from the site (0.2 mile)
Public Transportation within 0.5 miles:	The site is located 1 block from the Salesforce Transit Center, a regional hub for 11 transit systems, including multiple Muni bus lines. In addition, the site is two blocks from the Muni Metro station at The Embarcadero and Folsom Street and 2 blocks from the Embarcadero BART station.
Article 34:	Not exempt. Block 2 West secured an Article 34 authorization in April 2021.
Article 38:	Not exempt. The site is within the Air Pollutant Exposure Zone. The design is subject to relevant guidelines and requirements.
Accessibility:	To address the anticipated needs of the senior residents, 50% of units (76 units) will provide mobility accessible features, and 10% of units (16) will provide accessible communication features. This is consistent with CTCAC requirements.
Green Building:	Per the RFP, OCII sought a Green Point Rating of 125 or above, or a LEED Gold rating. Based on the Project's Schematic Design, the building will achieve a Green Point rating of 159 "Platinum". The Sponsor has engaged a sustainability consultant and will continue to monitor green standards throughout design and construction.
Recycled Water:	Block 2 West confirmed an exemption from SF PUC in January 2023.

Storm Water Management:	The stormwater management plan is in progress. A preliminary plan has been drafted and will be submitted to PUC pending design team review.
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2.1. Description. Block 2 West is an infill site in a dense area of downtown San Francisco. The site previously held ramps for the demolished Embarcadero Freeway, which was removed after it sustained significant damage in the 1989 Loma Prieta earthquake. Footings for the freeway likely remain below-grade on the site and will need to be removed to facilitate building construction. The site was later used as the temporary Transbay Terminal and the improvements to support this use remain on the site today. Improvements include paving, landscaping, and a building that was previously a Greyhound bus terminal. The improvements will need to be removed to prepare the site for construction. As described in Section 1.3.2 above, this work will be completed by the Block 2 East sponsor in fall 2023.

2.2. Zoning. See above.

2.3. Local/Federal Environmental Review. In April 2004, the Redevelopment Agency Commission certified the Final Environmental Impact Statement/Environmental Impact Report (“FEIS/EIR”) for the Transbay Redevelopment Plan. In January 2005, the Agency Commission adopted findings under the California Environmental Quality Act (“CEQA”), a Statement of Overriding Consideration, and a Mitigation Monitoring and Reporting Program in connection with the adoption of the Redevelopment Plan. The Board of Supervisors, Planning Commission, and TJPA adopted similar findings.

The Agency Commission/OCII Commission subsequently adopted ten addenda to the FEIS/EIR. The tenth addendum was prepared to analyze the impacts of massing modifications in the designs for Blocks 2 West and East, which deviated from the Transbay design controls and Redevelopment Plan. Overall, the addendum determined that the Project would not cause significant impacts not identified in the FEIS/EIR, nor would the Project cause significant impacts previously identified in the FEIS/EIR to become substantially more severe.

2.4. Environmental Issues.

- Phase I/II Site Assessment Status and Results. A Phase I report dated November 3, 2020 identified that soil classified as Federal Class I RCRA and California Class I Non-RCRA hazardous waste is present on the site. The soil was capped by the existing temporary terminal asphalt and terminal building but will need to be addressed as part of the Project’s development. Allowances for soil off-haul are included in the construction cost estimate.

According to the geotechnical investigation published October 19, 2022, the soil consists of layers of undocumented fill, marine deposit (sand with silt and clay), Colma Formation (sandy soil), Old Bay Clay (marine clay and sand), alluvium (sand and clay), ravine fill/slope debris, and finally bedrock at a depth of between 80.5 and 121 feet. As noted in the table above, these findings informed the proposed foundation system, which consists of soil improvements to a depth of approximately 25 to 30 feet and a mat foundation.

- Potential/Known Hazards. As noted above, hazardous soil is present on the site and will need to be removed and transported to appropriate facilities during the course of construction.

2.4.1. Archaeological Resources. According to a draft addendum to the Archeological Research Design and Treatment Plan for the Transbay Temporary Terminal Project (the “ARDTP”), Block 2 is located on the former San Francisco Bay shoreline. The site was filled to make way for urban development in the 1850s, thus the underlying soil may contain historic resources from earlier eras including those from Native American settlement on the shore and maritime resources from the 1800s. A study from 1990 indicates that a ship may be present below the surface on Block 2 West, and other artifacts may be located throughout the site.

The Sponsor, in collaboration with the Block 2 East developer, will conduct testing as set forth in the ARDTP to identify potential resources. Testing will occur in two phases. The first phase consists of deep coring to identify Native American and/or maritime resources. Coring will cause minimal disruptions to the site and is planned for June 2023.

The second phase consists of mechanical trenching, which would primarily identify the presence of nineteenth century features and remnants. Because of the length and depth of the trenches, the work will be highly disruptive to the site and thus is planned to be completed concurrent with or just before early site preparation work to demolish existing improvements. This work is planned for fall 2023.

The cost of ARDTP preparation and coring is included in the predevelopment budget, with costs shared between the Blocks 2 West and East projects (the coring cost is included in this request for additional predevelopment funds). The Block 2 West budget does not include costs associated with the trenching, nor does it include contingencies for any excavation or resource recovery work that may be needed based on findings from the testing. Funding for this will be included in a site work loan to the Block 2 East developer.

2.5. Adjacent uses and neighborhood amenities. The site is located in close proximity to transit, numerous recreational amenities, and cafes. However, residents may need to access transit to visit City Recreation & Parks Department facilities offering senior programming and to access affordable grocery retail stores. CCDC resident services staff will assist residents with transit access and provide connections to food programs.

2.6. Green Building. See table above.

### 3. COMMUNITY SUPPORT

3.1. Prior Outreach. OCII staff and the Sponsor have provided regular updates on Block 2 West (along with Block 2 East) to the Transbay Citizens Advisory Committee (“CAC”) since issuance of the RFP in 2020. In August 2022, the Sponsor provided an informational overview of the Project to the CAC. In September 2022, the CAC voted unanimously to recommend that the OCII Commission approve the schematic designs and related items.

In addition to CAC meetings and public OCII Commission hearings, the Sponsor has presented the Project at meetings of the East Cut Community Benefits District and IDEATE (a local resident group) and has been in communication with residents of Natalie Gubb Commons and with the South Beach/Rincon Hill Neighborhood Association.

- 3.2. Future Outreach. The Sponsor will continue to conduct outreach throughout the remainder of predevelopment and through construction to garner support for the Project, and keep the community apprised of the Project plans and schedule (Condition 15). In collaboration with the sponsor of Block 2 East, the Sponsor has established a website ([www.transbayblock2.org](http://www.transbayblock2.org)) to provide ongoing project progress updates and developer contact information. The Sponsor will return to the Transbay CAC at key milestones such as the start of construction and launch of marketing and will continue to connect with the East Cut CBD, IDEATE SF, and other community organizations. In addition, the Sponsor will expand outreach to include SOMA Pilipinas, the closest Cultural District, and to the South Beach/Rincon/Mission Bay Neighborhood Association, and other neighborhood groups.
- 3.3. 1998 Proposition I Citizens' Right-To-Know. Not applicable in Redevelopment Project Area.

#### 4. DEVELOPMENT PLAN

- 4.1. Site Control. OCII currently holds and will continue to hold fee simple ownership of the site. The site was transferred from TJPA to OCII in January 2021, along with Transbay Blocks 3 and 4 and the lots planned for the extensions of Clementina and Tehama Streets. Pursuant to the terms of a purchase agreement between TJPA and OCII in August 2020, Transbay Block 2 was transferred at no cost to OCII.

The Sponsor, in coordination with the sponsor of Block 2 East, is pursuing a subdivision map to facilitate the Blocks 2 East and West projects. Per Condition 1, CCDC and Mercy will continue to work together on the subdivision. Mercy has taken the lead in preparing the subdivision map application and will oversee the mapping process.

Proposed Property Ownership Structure. OCII will retain fee interest in the land and, at the close of construction financing, will enter into a long-term residential ground lease with the Sponsor. The Sponsor will own the improvements. In addition, the Sponsor will form an affiliate limited liability company to construct and own the commercial improvements. OCII will enter into a long-term commercial ground lease with the commercial entity (see Sections 4.5 and 6.5.3 for additional discussion of the commercial structure).

- 4.2. Proposed Design. The schematic design for Block 2 West (along with the design for Block 2 East) was approved by the OCII Commission on November 1, 2022. The Block 2 West building will range from 5 stories in a townhouse-style wing along Clementina Street to 9 stories along Folsom and Beale Streets.

The exterior of the primary volume features a textured precast concrete façade above a base with retail storefronts and the lobby entry along Folsom Street, wrapping on to Beale Street. The townhouse-style volume along Clementina Street is scaled to reflect typical San Francisco neighborhood streets and will feature a light toned masonry façade.



The building is designed to foster resident community, reduce isolation, and support the greater Transbay neighborhood. Forming the western half of the block, the building enfolds a central courtyard and engages with a planned publicly accessible mid-block mews that runs east to west between the Block 2 West and Block 2 East buildings (connecting Folsom Street to the planned public park on Transbay Block 3 to the north). The ground floor retail spaces are located to activate key corners and provide flexible double-height ceilings.

The residential lobby and lounge welcome residents from Folsom Street and provide views and a direct connection to the mid-block courtyard. Adjacent to the lounge is the main laundry room and a multipurpose room.

At the sixth floor, a sunny shared roof deck overlooks the planned park and provides views out to the city. The community room with kitchen opens directly to the roof deck.

The Block 2 West design has been, and will continue to be, closely coordinated with the design of Block 2 East.

Residential SF:	106,710
Commercial SF:	2,945
<b>Building Total SF:</b>	<b>109,655</b>

UNIT TYPES	Avg Unit SF - This Project	CTCAC-Required Min. SF	Percentage Greater Than CTCAC Min.
Studio:	410	200	205%
1BR:	541	450	120%
2BR:	982	700	141%

4.3. Proposed Rehab Scope. N/A

4.4. Construction Supervisor/Construction Representative's Evaluation. The last time the Loan Committee reviewed this Project was for predevelopment financing in February 2021 when the analysis was based on a preliminary conceptual design. Since that time the Project team has completed the schematic design and bid key scopes including mechanical, electrical, and plumbing. The prime contract is expected to be finalized by November 2023, with construction scheduled to start by February 2024.

The design features 9 floors of Type I-B concrete construction containing 39 studios, 111 one-bedroom units, and one manager's two-bedroom unit. The building's gross square footage of approximately 109,655 square feet includes 2,945 square feet of commercial ground floor space, 1,950 square feet for utilities and trash, 2,100 square feet of residential common space, and a 1,690 square-foot ground floor courtyard. The building also includes a 1,230 square foot sixth floor residential common room. The building lobby fronts on Folsom Street to the south.

The construction cost estimate of \$99,008,758 (\$655,687/unit and \$903/square foot) is based on the 100% SD drawings. This includes full contingencies (5% hard cost, 3% design, 3% bid, and 2% plan check) as well as a cost escalation contingency of approximately 5% (held as part of hard cost contingency). This is a significant increase from the conceptual pricing in early 2021, when hard costs

were estimated at \$78,574,411 (\$513,558/unit and \$677/square foot) – an increase of over 25%. The increase is attributable to costs associated with addressing design requirements, the addition of another unit, and escalation.

The Engineering News-Record (ENR) which publishes the Construction Cost Index (CCI) History for San Francisco upon which the construction industry relies for cost data, gauges the annual escalation at 8% across all trades. Escalation, attributed to global supply chain and Covid-related personnel disruptions, is particularly affecting the costs of all metals, including the reinforcing bars for this all-concrete building (estimated 12% increase in the past year), cementitious materials, and lumber. This trend is predicted to continue through 2024.

Staff acknowledges that the per square foot cost is high when compared to the average of those comparable projects of similar type, scale, and target population in the pre-development pipeline and in construction, and those completed (since 2018) (\$903/SF for Transbay 2 West compared to the \$622/SF average of comparable projects). However, the per unit cost of \$655,687 is only slightly above the average of comparable projects at \$653,386. The high per square foot costs are mainly attributable to the tight site, studio and one-bedroom unit configurations, and the relatively less efficient mid-rise nature of the building.

The budget includes a \$600K allowance to account for the uncertainty related to PG&E approvals for temporary and permanent power and coordination adjacent to a high-pressure gas line on Beale Street. The budget also assumes an allowance for a second generator that may be needed in lieu of temporary power that would otherwise be provided through PG&E (PG&E has recently significantly extended its design and approvals schedule which has delayed both temporary and permanent power approvals).

Site Permit is anticipated in May 2023; it is dependent upon submittal and OCII approval of the Design Development drawing set.

#### 4.5. Commercial Space.

- Space Description. The Project includes a total of 2,945 square feet of commercial in three ground floor retail spaces:
  - Space A: 1,421 square feet (corner of Folsom Street and the mid-block pedestrian mews)
  - Space B: 905 square feet (corner of Folsom Street and Beale Street)
  - Space C: 619 square feet (corner of Beale Street and planned extension of Clementina Street)

In addition to the three spaces within the building, the Project features a pad in the courtyard along the public pedestrian mews between Block 2 West and Block 2 East that is intended to facilitate vendor carts.

The commercial spaces will be mapped as one non-contiguous air rights parcel. A tentative map application was submitted in November 2022. The Sponsor expects an approved tentative map by April 2023 and a final parcel map by November 2023.

- Commercial Leasing Plan. Mercy Commercial has prepared a Commercial Leasing Plan for Block 2 West that outlines a vision for the retail spaces as part of an overall strategy for Block 2. The plan describes potential target uses, market research, community outreach, racial equity, and a preliminary schedule. Mercy Commercial envisions retail that supports and strengthens a healthy, equitable, and resilient Transbay neighborhood.
  - Space A: will include infrastructure to accommodate a type I hood for cooking and target uses include a restaurant serving affordable food or a social enterprise restaurant. In addition, Mercy Commercial has identified a potential children’s cooking school.
  - Space B: will include infrastructure for a type 2 hood for certain types of cooking, accommodating a bakery or snack store. Alternatively, the space could accommodate a fitness use, affordable salon, traditional neighborhood retail, or nonprofit use.
  - Space C: will include infrastructure for a type 2 hood for certain types of cooking. Potential uses include a boba tea café, pizza or sandwich shop, or small community exercise space. The space is intended to complement and contribute to the activation of the planned public park across the street.
  - Vendor Cart Pad: infrastructure is to be determined in design development – may include power and/or water. Uses may include small, self-contained vendor carts such as those serving coffee, treats, or other food or retail items. The vendor is intended to activate the mews and provide uses that complement permanent retail tenants and the planned public park.

Specific tenants have not yet been confirmed. Pursuant to Condition 2, the Sponsor and Mercy Commercial will provide an updated Commercial Leasing Plan and endeavor to secure letters of intent for the spaces prior to the close of construction financing.

- Operating Pro Forma. Because of the separate loan structure as described above, commercial revenue and expenses will not flow through the residential operating budget. The commercial spaces will maintain a separate operating budget. Following full lease-up of the commercial spaces and stabilized occupancy, the Sponsor, in collaboration with Mercy Commercial, will seek a permanent commercial loan to be serviced by commercial rent revenue. Proceeds from the loan will be to used to pay back the OCII commercial loan to the extent feasible.

The commercial operating budget assumes a rent of \$2.75 per square foot per month, escalating at 3% per year. To allow for lease-up and tenant improvement build-out, the budget assumes 100% vacancy in years one and two, 50% vacancy in year three, and 25% vacancy from year four on. Expenses escalate at 3.5% per year and include management fees, taxes, insurance, maintenance, and reserves (replacement, insurance deductible (“incident”), leasing, and future tenant improvements).

- Tenant Improvement Build Out. The commercial development budget includes an allowance of \$441,750 for initial tenant improvements (\$150 per square foot), which, according to Mercy Commercial’s broker partner, should

be sufficient for restaurant or café spaces improved from a warm shell. Mercy Commercial will coordinate with tenants on oversight of design, permitting, and construction. Please see Section 6.5.3 for further discussion of the tenant improvement allowance.

- 4.6. Service Space. Resident services space includes three ground floor offices (totaling 390 square feet) for private, individual counseling. Resident activities and programming will be offered in a ground floor multi-purpose room, on a ground floor courtyard terrace, in the 6<sup>th</sup> floor community room, and on the adjacent 6<sup>th</sup> floor roof terrace. These spaces will offer venues appropriate for a wide variety of activities such as nutrition workshops, movie nights, coffee hours, health checks, bingo and game nights, and poetry and writing workshops in secure, well-lit settings.
- 4.7. Interim Use. N/A. While there is an interim use active on the Site, the use is overseen by OCII, not the Sponsor and the use will terminate prior to Project construction.
- 4.8. Infrastructure. N/A
- 4.9. Communications Wiring and Internet Access. Block 2 West will comply with the 2021 MOHCD Communications Systems Standards. Units will be equipped with Category 6, coax, and fiber optic cabling. In addition, Sponsor intends to provide wireless access in common areas.
- 4.10. Public Art Component. N/A
- 4.11. Marketing, Occupancy, and Lease-Up. Block 2 West will serve senior households (age 62+) at incomes ranging from 15% to 50% MOHCD AMI. 30 units will be set aside for occupancy by formerly homeless seniors, referred to the Project by HSH through the Coordinated Entry System. 60 units will serve extremely low-income seniors, with operating support from the SOS program.  
  
With the exception of the 30 LOSP-supported units, all affordable units will be marketed and leased through OCII's standard procedures, including early outreach to Certificate of Preference ("COP") holders, broad marketing and outreach, and applications and a lottery through the MOHCD DAHLIA system. DAHLIA applicants will be prioritized in accordance with preferences.  
  
As of April 19, 2019 the OCII Commission has authorized staff to apply the preferences in City Affordable Housing Programs, as amended from time to time, to affordable housing approved by OCII, to the extent that those preferences are consistent with redevelopment plans, enforceable obligations, and applicable law. The preferences applicable to the Project are:
  1. COP holders (including descendants of originally displaced household members)
  2. Displaced Tenant Preference Program for 20% of lottery units
  3. Neighborhood Resident Housing Preference for 40% of lottery units if the Project does not include State funding sources, and 25% of lottery units if the Project does include State funding sources (if such preference does not conflict with other financing sources)
  4. San Francisco residents or workers
  5. Members of the general public

Potential tenants, including those prioritized by preference must meet the Sponsor’s established screening requirements for the Project, and final selection will lie with the Sponsor. Any authorized preference shall be permitted only to the extent that such preference (a) does not have the purpose or effect of delaying or otherwise denying access to a housing development or unit based on race, color, ethnic origin, gender, religion, disability, age, sexual orientation, or other protected characteristic of any member of an applicant household; and (b) is not based on how long an applicant has resided or worked in the area. OCII will work with the Sponsor to resolve potential occupancy conflicts and determine marketing requirements and to ensure adherence to OCII occupancy preferences. Pursuant to Condition 11, Sponsor will submit Early Outreach and Marketing Plans in accordance with OCII program standards.

4.12. Relocation. N/A

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	Mithun Architects	N	N
Landscape Architect	Plural Studio	Y	N
Associate Architect	Kerman Morris	Y	N
General Contractor	Swinerton	N	N
Owner’s Rep/Construction Manager	Regent Construction Management	Y	N
Financial Consultant	CHPC	N	N
Legal	Gubb & Barshay	N	N

5.1. Procurement Plan. The Project is subject to OCII Small Business Enterprise (“SBE”) program and construction contracting goals and policies. Block 2 West is currently exceeding OCII’s 50% SBE participation goal for professional services contracts with 88.9% SBE participation. Among these, 84.8% are San Francisco-based SBEs.

CCDC has selected Swinerton Builders, in a joint venture partnership with Rubecon Builders (a San Francisco-Based SBE/Minority-owned business enterprise “MBE”), as the general contractor for the Project. During construction, the Block 2 West development and construction team will collaborate with OCII contract compliance staff to meet OCII’s 50% SBE construction subcontracting participation goal, along with OCII’s 50% local construction workforce hiring goal.

5.2. Opportunities for BIPOC-Led Organizations. Along with meeting SBE goals as described above, the development and construction teams are committed to providing opportunities for BIPOC-led organizations. To date, 10.3% of professional services contract funds have been awarded to MBEs. Of these, 2.8% have been awarded to woman-owned MBEs. CCDC will continue to closely track participation and collaborate with OCII contract compliance staff to identify additional opportunities.

6. FINANCING PLAN (See Attachment H for Cost Comparison of City Investment in Other Housing Developments; See Attachment G and H for Sources and Uses)

6.1. Prior MOHCD/OCII Funding:

Loan Source	Loan Date	Loan Amount	Interest Rate	Accrual Method	Repayment Terms	Maturity Date	Outstanding Principal Balance	Accrued Interest to Date
OCII Predev Loan	Apr. 6, 2021	\$3,500,000	3%	Simple	Deferred	Apr. 6, 2024	\$1,438,631	\$30,782

6.2. Disbursement Status. To date, a total of \$1,438,631 of the predevelopment loan has been disbursed. Pursuant to the approved Predevelopment Loan Evaluation dated February 19, 2021, costs incurred on or after November 12, 2020 are eligible for reimbursement so long as costs are deemed acceptable and correspond to the budget attached hereto.

6.3. Fulfillment of Loan Conditions. Below is the status of Loan Conditions since this project was last at Loan Committee for a predevelopment loan on February 15, 2021:

- Subject to OCII approval, Mercy and CCDC will enter into a joint development agreement that clearly defines the roles and responsibilities of Mercy and CCDC in the overall development of Transbay Block 2. The agreement will use as its basis the Term Sheet attached to the MOU dated September 10, 2020 between Mercy and CCDC and will clearly define Mercy’s role as lead developer, in close coordination with CCDC for the following matters: contract negotiations, including predevelopment loan terms, and ground leases; general contractor and consultants’ selection; retail programming, commercial shell design, marketing and leasing; lot split/subdivision mapping; streetscape and landscape design; respective liabilities for work performed under the agreement; and other matters to achieve cost efficiencies and cohesive development on Block 2.

**Status:** *Complete, Mercy and CCDC entered into a joint development agreement on March 20, 2021.*

- Sponsor will work closely with the sponsor of Block 2 East throughout predevelopment and will:
  - ensure that the design teams for Blocks 2 East and West collaborate and submit a single combined schematic design package, which demonstrates cohesive design between Blocks 2 East and West, particularly for the ground floor and mid-block pedestrian mews; and
  - use the same general contractor or joint venture for construction and coordinate construction timing between Blocks 2 East and West, either by construction of both sites at the same time or phased development.

**Status:** *Complete, the Block 2 East and 2 West teams have been working closely together since Conceptual Design and submitted Schematic Design packages demonstrating a cohesive design between East and West. The Sponsor and the 2 East developer have both hired the joint-venture of Swinerton/Rubecon Builders as contractor. The teams have been holding biweekly joint-owner/architect/contractor*

*meetings since 2021, led by Swinerton, and the developers meet weekly with OCII to discuss construction and schedule.*

- Sponsor will cooperate with OCII and the sponsor of Block 2 East to competitively solicit a general contractor with the intent of creating a joint venture or similar partnership opportunity, to the extent practicable and economically feasible, between a general contractor and an OCII-recognized SBE contractor. Furthermore, Sponsor will require the general contractor to exercise good faith efforts to select subcontractors who are SBEs or are willing to create joint ventures or similar partnership opportunities with SBEs.

**Status:** *In progress, partially complete. The Sponsor has worked collaboratively with the Block 2 East developer to select the joint-venture of Swinerton/Rubecon Builders as contractor, with Rubecon as the SBE. The contractor has made good faith efforts to solicit bids from SBE from design-build trades. To date, Block 2 West has achieved approximately 41% SBE participation. This condition is modified based on the development status and carried forward as Condition 10.*

- Prior to any application for Project financing, Sponsor will analyze financing application parameters and operations for senior housing and recommend, for OCII approval, an age limit for Project residents at age 55 or age 62.

**Status:** *Complete. The Project includes 60 units with SOS funding. The SOS program is restricted for seniors aged 62 and above (pursuant to Board of Supervisors Ordinance No. 174-19), thus this will be the age restriction for the Project.*

- Prior to any application for Project financing, Sponsor will review maximum income levels to confirm that they are appropriate for population to be served. Proposed income limits are subject to OCII review and approval.

**Status:** *Complete. Income levels have been reviewed for all populations to be served. Income levels for unsubsidized units have been reduced to the extent feasible, with a maximum of 50% MOHCD AMI. LOSP units will be restricted at 25% AMI and SOS units will be restricted at 15% and 25% AMI.*

- Prior to schematic design submittal, the Sponsor will work with OCII to assess the physical and financial feasibility of integrating a limited number of two-bedroom units into the Project to accommodate the needs of seniors in need of larger units.

**Status:** *Complete. The Sponsor explored the addition of “caregiver” units and ultimately concluded that the inclusion of two-bedroom units was financially infeasible and presented leasing and property management concerns. This finding was the result of discussions with an architect specializing in adaptive design, representatives from San Francisco’s Department of Aging and Adult Services, a developer of comparable senior housing, in-home supportive services providers, property management staff at Dr. Davis Senior Center, and a tax credit expert at Community Vision, CDFI and nonprofit lending institution.*

- Sponsor will work with OCII, MOHCD, and HSH to:
  - finalize the number of permanent supportive units, ensuring consistency with best practice case management ratios;

- coordinate with HSH to refine the services plan and budget; and
- establish assumptions for tenant-paid rent for LOSP-supported units.

**Status:** *Partially complete and carried forward as Condition 7. Sponsor has confirmed the number of permanent supportive units but is still working with HSH to refine a services plan and budget, and to confirm the assumption for tenant-paid rent for LOSP units.*

- Sponsor will evaluate the need for 24-hour desk coverage for the Project and will explore the potential for shared after hours front desk coverage/security between Blocks 2 West and East to improve efficiency and reduce costs.

**Status:** *Based on the planned tenant population at Block 2 West, which includes formerly homeless seniors and potentially high-acuity seniors, the Sponsor has determined that 24-hour desk coverage is necessary. The Sponsors of Blocks 2 West and East studied the possibility of shared desk coverage/security and found it infeasible due to the lack of shared sightlines into each building and into shared public spaces, and the overall number of residents that will be served in the two buildings (Block 2 East will provide 184 affordable family units).*

- Sponsor will monitor available funding sources such as AHP, MHP and others, review regulations, and submit timely applications, as appropriate. If necessary, Sponsor will recommend strategies and program modifications for OCII approval to improve the Project's likelihood of securing awards.

**Status:** *In progress, continued in part as Conditions 12 and 13. Sponsor has monitored notices of funding availability throughout the course of predevelopment. Sponsor determined, and OCII concurred, that Block 2 West would not be competitive for MHP financing. Sponsor has determined that Block 2 West will not be competitive for AHP funding based on current scoring criteria until it can achieve readiness and full site control points. Sponsor will evaluate AHP scoring for future rounds. Block 2 West will pursue a 2023 IIG application, as well as a CDLAC bond allocation.*

- Sponsor will ensure that the DSCR remains over 1.0:1 for the first 20 years of operations and will further analyze the potential for permanent debt and/or alternative ways to utilize surplus cash to support the Project and reduce the OCII gap loan.

**Status:** *In progress. Project currently cannot support permanent debt. To the extent that cash flow remains positive and can support it, Sponsor will explore the potential for permanent debt and/or adjust AMI levels to improve tiering to maximize opportunities for COP holders (Condition 3).*

- Sponsor will review local, state and federal rent and operating subsidy programs as appropriate for the target population and will assess program viability and pursue funding applications.

**Status:** *Complete. Sponsor will utilize the SOS program for 60 units, and LOSP for 30 units. Sponsor explored a HUD 202 application but determined 2 West would not be competitive and regulations prohibiting site work prior to construction were incompatible with project scope and schedule.*



- Sponsor will retain the services of Mercy Commercial for the design, marketing, and lease-up of the commercial spaces. Mercy Commercial in coordination with Sponsor, will:
  - ensure that commercial spaces are designed in accordance with the specifications established in the MOHCD Commercial Space Underwriting Guidelines and incorporate best practices from Mercy's San Francisco commercial experience;
  - provide a commercial financing plan for OCII review and approval; and
  - conduct early outreach to local small business organizations, non-profit entrepreneur organizations, and other entities, groups and organizations. In addition, Mercy Commercial and Sponsor will work with the San Francisco Office of Economic and Workforce Development regarding the retail space and the availability of City's small business, legacy business, and other programs to identify and assist potential local business tenants.

***Status:*** *In progress, continued as Condition 2. Sponsor has been coordinating closely with Mercy Commercial on a block-wide retail strategy and Mercy Commercial has been working with a broker to conduct outreach within Mercy's existing commercial portfolio, as well as to other businesses and organizations.*

- Sponsor will coordinate with OCII and the sponsor of Block 2 East to establish project boundaries and secure a subdivision map for Transbay Block 2.

***Status:*** *In progress, carried forward as a condition of this gap loan. A tentative map application was submitted in November 2022.*

- Prior to submittal of a site permit application and subdivision map application, Sponsor will collaborate with the sponsor of Block 2 East in recommending for OCII approval, a plan for the development of public or common use areas in Transbay Block 2, e.g. the mid-block pedestrian mews, that establishes the lot lines, allocation of development costs, a mechanism for ensuring public access, and responsibilities for construction and ongoing maintenance and security.

***Status:*** *Partially complete, carried forward as a condition to closing this gap loan. While Sponsor has determined the lot line, other aspects of development of the mid-block pedestrian mews are still to be determined.*

- Sponsor will provide for OCII review any RFP for debt and equity providers before it is finalized and released.

***Status:*** *Incomplete, carried forward as Condition 4. Sponsor anticipates issuing this RFP after securing a CDLAC allocation.*

- Sponsor, in coordination with the sponsor of Block 2 East, will work collaboratively on a community outreach plan, will conduct ongoing outreach to the Transbay community to solicit input, address concerns, and educate community members on various aspects of the Project. Mercy will take the lead in obtaining OCII approval for the community outreach plan.

***Status:*** *In progress and carried forward as Condition 15. Sponsor, in collaboration with the Block 2 East sponsor, conducted presentations to the East Cut Central Business District, IDEATE SF (Transbay resident*

*and business advocacy group), as well as the Transbay CAC. Sponsors will continue to conduct community outreach at key milestones to keep the community informed of project progress.*

**6.4. Proposed Predevelopment Financing**

**6.4.1. Predevelopment Sources Evaluation Narrative**

In addition to the previously approved \$3.5M predevelopment loan, the Sponsor is seeking \$3,086,119 for predevelopment activities. Activities will include early buyout for certain scopes, design fees for design-build scopes (mechanical, electrical, plumbing and fire), permit fees, and archeological testing.

**6.4.2. Predevelopment Uses Evaluation:**

<b>Predevelopment Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Acquisition Cost is based on appraisal	N/A	
Holding costs are reasonable	N/A	
Architecture and Engineering Fees are within standards	Y	Architecture and engineering fees total \$2,371,406 during predevelopment.
Consultant and legal fees are reasonable	Y	
Entitlement fees are accurately estimated	Y	
Construction Management Fees are within standards	Y	Construction management fees are \$80,000 in predevelopment, which is within the standards based on the predevelopment period
Developer Fee is within standards	Y	See Section 6.5.5 for a breakdown of the proposed developer fee. \$550k of the project management is payable during predevelopment, consistent with the developer fee policy.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%

**6.5. Proposed Permanent Financing**

**6.5.1. Permanent Sources Evaluation Narrative:** The Borrower proposes to use the following permanent financing sources:

- 4% Tax Credit Equity (\$59,847,539): Budget assumes a price of \$0.95 per credit. Pursuant to Condition 4, the Sponsor will provide

- the debt/equity request for proposals or solicitation package for OCII review and will share responses and draft term sheets.
- IIG Loan/Grant (\$6,008,973): Sponsor will pursue an IIG grant in the expected 2023 HCD NOFA. Based on the current published HCD schedule, applications will be due in June 2023, and funds awarded in December 2023. Depending on the actual timing of award announcements, it may be difficult or impossible to incorporate awarded funds into the budget should the Project succeed in securing a CDLAC award with a requirement to close on construction financing by February 19, 2024. Sponsor will closely monitor the timing, requirements, and scoring set forth in the upcoming HCD NOFA (expected in April 2023). To the extent that funds are not awarded or cannot be timely secured, Sponsor will seek to identify savings within the Project budget. To the extent that hard costs remain relatively stable, costs may be reduced through the removal/reduction of predevelopment contingencies (escalation, design, bid, plan check) and/or value engineering.
  - OCII Loan (\$65,011,065) (this request): The OCII loan amount is consistent with the maximum budgeted in the Fiscal Year 2023-24 Recognized Obligation Payment Schedule and is subject to approval by the OCII Commission. The total loan amount may be adjusted to be reduced, or reallocated between the residential and commercial portions, with the final allocation documented in the Project's Final Financial Plan.
    - Residential Loan (\$62,428,902): assumes 3%, amount is inclusive of the existing and requested predevelopment loan amounts. Term of 55 years, interest is assumed at 3% but may be adjusted to as low as 0%, if the need to do so is demonstrated in a true debt analysis. Repayment is based on residual receipts.
    - Commercial Loan (\$2,582,163): Term is 55 years with a 3% interest rate. Repayment will be based on residual receipts. Per Condition 2, Sponsor will pursue a permanent commercial loan to repay a portion of this loan following the conversion to permanent residential financing and stabilized occupancy of the commercial spaces.
  - General Partner Equity (\$500,100): The budget currently assumes a General Partner equity pay-in and related developer fee to generate additional eligible basis. However, this amount may be revised if needed to reduce total development costs and the overall amount of the tax-exempt bond allocation request to CDLAC to optimize the budget for competitive scoring.
  - Construction Loan (\$65,448,883): While not a permanent source, the budget assumes a tax-exempt construction loan of \$65,448,883 with an interest rate of 8.52% for 34 months. Pursuant to Condition 4, the Sponsor will provide the debt/equity request for proposals for OCII review and will share responses and draft term sheets.
  - AHP: The budget does not currently assume an AHP award. For 2023, the Sponsor conducted a scoring analysis and found that the Project would not be competitive at this stage, primarily because it

would not yet qualify for full readiness points with the site permit still pending. Pursuant to Condition 12, the Sponsor will evaluate AHP in future rounds and apply as appropriate.

- Permanent Loan: Based on projected cash flow, the Project cannot currently support a permanent loan. Debt cannot be secured on LOSP units and it is assumed that debt cannot be secured on SOS units, however, this is to be confirmed pending the publication of program standards. The rent from the non-subsidized units with rents at 30-50% is insufficient to service debt. Pursuant to Condition 3, Sponsor will continue to monitor cash flow as financial projections are refined and SOS assumptions are confirmed and explore the potential for a permanent loan and/or to adjust AMI tiering.

6.5.2 CDLAC Tax-Exempt Bond Application:

Block 2 West will apply for low-income housing tax credits and a tax exempt bond allocation in the second round of 2023 (application due May 23, 2023). The Project's financial consultant, CHPC, is cautiously optimistic about the Project's likelihood of securing an award. The Sponsor has endeavored to optimize scoring and bring down the residential cost by pursuing a separate commercial loan.

<b>CDLAC Self-Score</b>	
Opportunity Map Resource Level	Moderate Resource
TCAC Housing Type	Senior
Bond Allocation Request Amount	Approx. \$81M
Total Self-Score (out of 120 points)	119
Tiebreaker Score	149%

- 6.5.3 Commercial Space Sources and Uses Narrative: The cost of constructing the commercial spaces is estimated at approximately \$2.5M. To improve competitive CDLAC scoring by bringing down the total development cost of the residential project, the capital cost of constructing the commercial spaces, will be funded through a separate commercial loan from OCII and is not included in the capital budget for the residential project. The Sponsor will establish an affiliate limited liability company for construction and ownership of the commercial improvements. In addition to a separate loan agreement, OCII will enter into a separate commercial ground lease subject to terms in accordance with the MOHCD Commercial Space Underwriting Guidelines.

The Sponsor intends to finish the spaces to a warm shell condition. This includes restrooms with fixtures and accessories, finished floors, HVAC ductwork, exterior signage, and water and electrical meters. To build to this finish level in compliance with the MOHCD Commercial Space Underwriting Guidelines, the Sponsor has agreed to exercise good faith efforts to lease to tenants who meet the definition of Community Serving Use (see Condition 2).

In addition to a warm shell initial finish, the commercial capital budget includes an approximately \$442k tenant improvement allowance (\$150 per retail square foot). A tenant improvement allowance is not an eligible

use of MOHCD/OCII funds according to the Commercial Space Underwriting Guidelines. The Sponsor requests, and OCII staff preliminarily recommends, the inclusion of this allowance to enhance the Project's likelihood of securing community serving tenants in the current uniquely difficult current market conditions. High downtown commercial vacancy rates and overall reduced activity make retail leasing particularly difficult. Prior to finalizing the commercial loan, the Sponsor and Mercy Commercial shall seek to identify other potential tenant improvement sources such as programs offered through the Office of Economic and Workforce Development. In addition, the amount will be reviewed and may be reduced based on market study findings provided with the updated Commercial Space Plan should market conditions improve and/or the Plan or study identify uses or tenants that require less costly initial improvements (generally, uses that do not include food service). See Condition 2.

6.5.4. Permanent Uses Evaluation:

<b>Development Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Hard cost per unit is within standards	Y	\$655,687/unit  While hard costs per unit are comparable to other projects, the cost per square foot is high and costs have increased dramatically since conceptual design. Pursuant to Condition 10, the Sponsor will closely monitor costs and identify measures for cost maintenance or reduction.
Construction Hard Cost contingency is at least 5% (new construction)	Y	Hard Cost Contingency is 5% Note that the hard cost contingency in the sources and uses budget also includes one year of escalation at 5%
Architecture and engineering fees are within standards	Y	Architecture and engineering fees total \$3,372,538, which is approximately 4% of hard costs (excluding contingencies)
Construction management fees are within standards	Y	Construction management fees total \$200k, which is within the amount allowable based on the approximately 4 year predevelopment and construction period
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$1,100,000 At risk fee: \$1,100,000 GP equity: \$500,100 Commercial fee: \$425,000 Total fee: \$3,125,100

Consultant and legal fees are reasonable	Y	
Entitlement fees are accurately estimated	Y	
Construction loan interest is appropriately sized	Y	Construction loan interest assumes a rate of 8.52% for 34 months, which is conservative in comparison to recent rates, allowing for the likelihood of continued federal rate increases
Soft cost contingency is 10% per standards	Y	Soft Cost Contingency is 10%
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 3 months
Furnishings	Y	Pursuant to MOHCD standards, allowance includes \$2,500/unit for common area furnishings; \$3,000/unit for LOSP studio units for unit furnishings; \$5,000/unit for LOSP one-bed units; and \$650/unit for LOSP unit soft goods

6.5.5 Developer Fee Evaluation: The milestones for the payment of the developer fee to the sponsor are specified below:

<b>Total Developer Fee:</b>	<b>\$3,125,100</b>	
Project Management Fee Paid to Date:	\$357,500	32.5%
Amount of Remaining Project Management Fee:	\$742,500	67.5%
Amount of Fee at Risk (the "At Risk Fee"):	\$1,100,000	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	\$425,000	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$500,100*	
Milestones for disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
During predevelopment	\$192,500	17.5%
Close of construction financing	\$220,000	20%
Construction completion	\$220,000	20%
Project close-out	\$110,000	10%
Milestones for disbursement of that portion of Developer Fee defined as At Risk Fee		Percentage At Risk Fee
100% lease up and draft cost certification	\$220,000	20%
Permanent conversion	\$550,000	50%
Project close-out	\$330,000	30%
Milestones for Disbursement of that portion of Developer Fee defined as Commercial Fee		Percentage Commercial Fee

Completion of commercial parcel mapping	\$75,000	18%
Signed letters of intent for all commercial spaces	\$175,000	41%
Signed leases for all commercial spaces	\$87,500	21%
100% commercial occupancy	\$87,500	21%

*\* While the Project is currently modeling a GP Equity amount of \$500,100, consistent with MOHCD standards, the Sponsor may reduce or eliminate this amount if needed to reduce total development costs and thus improve scoring for its CDLAC application.*

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

7.5. Annual Operating Budget. Project income is comprised of residential tenant rent as well as LOSP and SOS funds. The Sponsor will seek 15-year grant agreements for both LOSP and SOS (see Conditions 5 and 9) from MOHCD.

Annual LOSP revenue is based on the pro rata share of operating expenses attributable to the 30 LOSP units (20%). The only expense that deviates from this split is the cost of desk clerks, for which 80% of costs are attributed to LOSP. Pursuant to Condition 5, this proposed split is subject to further review. The final split will be consistent with LOSP guidelines and current MOHCD practices, and will be documented in the Final Financial Plan and LOSP Grant Agreement.

SOS is a rent subsidy, calculated as the difference between the restricted rent for tenants with incomes at 15%/25% of MOHCD AMI and the rent at 60% MOHCD AMI (per Sections 7.4 and 7.5, SOS units are marketed at 15%/25% but restricted at 60%). Pursuant to SOS guidelines, rents are assumed to escalate at a rate of 4% per year. Funds from SOS may be provided through annual grant payments or a capitalized operating subsidy reserve, or a combination of both.

7.6. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	N/A	The Project will not service any permanent debt. Cash flow is positive through Year 20.
Vacancy rate meets TCAC Standards	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: 1% for LOSP Tenant Rents 4% for SOS subsidies 2.5% for unsubsidized rents 3% for commercial rents
Annual Operating Expenses are increased at 3.5% per year	Y	Expense escalation factor is 3.5%

<p>Base year operating expenses per unit are reasonable per comparables</p>	<p>Y</p>	<p>Total Operating Expenses are \$14,733 per unit per year, including reserves, base rent and bond fees.</p> <p>This is higher than the average but within the range of operating expenses for comparably sized senior projects that include supportive housing units, which average \$13,990 and range from \$10,249 to \$19,136. The Project budget is particularly higher than the average of comparables for supportive services. See Section 8.2 for discussion of supportive services.</p>
<p>Property Management Fee is at allowable HUD Maximum</p>	<p>Y</p>	<p>Total Property Management Fee is \$123,216 or \$68 PUPM</p>
<p>Property Management staffing level is reasonable per comparables</p>	<p>Y</p>	<p>Proposed staffing:          1 FTE Senior Property Manager (PM)          1 FTE Assistant PM          0.25 FTE Roving Assistant PM          1 FTE Administrative Assistant          4.2 FTE Desk Staff (24/7 coverage)          1 FTE Maintenance Lead          1 FTE Maintenance Tech          1 FTE Repair Staff</p> <p>At 10.45 FTE, the property management ratio (excluding resident services) is approximately 1 staff member for every 14.5 tenant units. This ratio is lower than that of recently occupied comparable senior properties such as 1296 Shotwell and 735 Davis, which were underwritten to ratios of 1:13 and 1:8.35, respectively.</p>
<p>Asset Management and Partnership Management Fees meet standards</p>	<p>Y</p>	<p>Annual AM Fee is \$24,280/yr          Annual PM Fee is \$24,270/yr</p> <p>Amounts reflect 2023 MOHCD Operating Fees policy</p>
<p>Replacement Reserve Deposits meet or exceed TCAC minimum standards</p>	<p>Y</p>	<p>Replacement Reserves are \$500 per unit per year</p>
<p>Limited Partnership Asset Management Fee meets standards</p>	<p>Y</p>	<p>\$5,000 per year</p>

7.7. Capital Needs Assessment & Replacement Reserve Analysis. N/A



7.8. Income Restrictions for All Sources.

UNIT SIZE		MAXIMUM INCOME LEVEL	
NON-LOTTERY	No. of Units	OCII/MOHCD	TCAC/CDLAC/HCD
1 BR – LOSP	22	50% MOHCD AMI	20% TCAC AMI
<b>Sub-Total</b>	<b>30</b>		
<b>LOTTERY</b>			
Studio – SOS*	8	15% MOHCD AMI	40% TCAC AMI
Studio – SOS*	8	25% MOHCD AMI	40% TCAC AMI
Studio	10	30% MOHCD AMI	50% TCAC AMI
Studio	5	50% MOHCD AMI	50% TCAC AMI
<b>Sub-Total</b>	<b>31</b>		
1 BR – SOS*	22	15% MOHCD AMI	40% TCAC AMI
1 BR – SOS*	22	25% MOHCD AMI	40% TCAC AMI
1 BR	14	30% MOHCD AMI	50% TCAC AMI
1 BR	31	50% MOHCD AMI	50% TCAC AMI
<b>Sub-Total</b>	<b>89</b>		
<b>STAFF UNITS</b>			
2 BR	1		
<b>TOTAL</b>	<b>151</b>		
<b>PROJECT AVERAGE</b>		<b>35%</b>	<b>40%</b>
<b>AVERAGE FOR LOTTERY UNITS ONLY</b>		<b>31%</b>	<b>45%</b>

\* SOS units will be marketed to households at 15/25% MOHCD AMI (prospective tenants will income qualify at this AMI level), however, the SOS units will be restricted at 60% MOHCD AMI for purposes of the Declaration of Restrictions as reflected in Section 7.5 below and consistent with the draft SOS Program Fund Policies and Procedures Manual.

7.9. MOHCD/OCII Restrictions.

Unit Size	No. of Units	Maximum Income Level	Rental/Operating Subsidy
Studio	8	50% of Median Income	LOSP
Studio	10	30% of Median Income	
Studio	5	50% of Median Income	
Studio	16	60% of Median Income*	SOS
1-BR	22	50% of Median Income	LOSP
1-BR	14	30% of Median Income	
1-BR	31	50% of Median Income	
1-BR	44	60% of Median Income*	SOS
2-BR	1	Manager's Unit	

\* SOS units will be restricted at 60% MOHCD AMI, consistent with the draft SOS Program Fund Policies and Procedures Manual, however the units will marketed to households at 15/25% (prospective tenants will income qualify and pay their portion of rent at the 15/25% AMI levels).

8. SUPPORT SERVICES

8.5. Services Plan. CCDC will provide resident services for all senior households as well as supportive services for formerly homeless senior households. Anticipated staffing is as follows:

Position	FTE	Description
Intensive Case Manager (serving households in supportive units)	2	Focused primarily on supportive housing residents, provides ongoing supportive counseling, conducts regular assessments, and provides individualized wrap-around case management.
Resident Services Supervisor (support for households in both supportive and non-supportive units)	0.5	Oversees, trains, and supports Case Managers and Resident Services Coordinators, and provides direct case management.
Resident Services Coordinator (serving all residents)	1.5	Provides information, referral, and linkage services and coordinates educational workshops, health activities, and social/recreational activities.
Total FTE	4	

8.6. Services Budget. Services will be funded through a separate contract with HSH and through the operating budget. HSH will fund case management services for the LOSP units at a rate of \$550/unit/month, consistent with HSH’s standard for adult buildings. The balance of services will be funded through the operating budget.

The number of staff supported through the operating budget at 2 FTE exceeds the MOHCD Underwriting Guidelines for a building of this size. The Underwriting Guidelines would allow funding for up to 1.4 FTE (at a ratio of 1:100 for general lottery units (equivalent to 0.6 FTE) and a rate of 1:75 for the SOS units (equivalent to 0.8 FTE)) pursuant to the draft SOS Program Fund Policies and Procedures Manual). Based on CCDC’s experience in operating 1296 Shotwell, which is a senior building with a similar population to that of Block 2 West that includes formerly homeless seniors and extremely low-income seniors supported by SOS, many seniors are presenting with high needs. Some extremely low-income seniors experienced homelessness immediately prior to securing a unit at 1296 Shotwell and require ongoing case management support. OCII staff recommends the higher staffing ratio to allow for adequate support to help tenants achieve long term housing stability.

Cost Type	HSH Budget	Operating Budget	Total
Intensive Case Management Salaries	\$140,000	--	\$140,000
Resident Services Supervisor	--	\$37,500	\$37,500
Resident Services Coordinator	--	\$90,000	\$90,000
Fringe	\$56,000	\$53,800	\$109,800

Operating expenses	\$2,000	\$31,700	\$33,700
Total	\$198,000	\$213,000	\$411,000

8.7. HSH Assessment of Service Plan and Budget. HSH has worked with OCII, MOHCD, and the Sponsor to discuss supportive service needs and funding sources for this Project. HSH has budgeted \$198,000 per year for Block 2 West, which is consistent with HSH’s standard rate for adult permanent supportive housing and is intended to fund case management at a minimum ratio of one case manager for every 25 units. To supplement case management and address the needs of an elderly population, HSH suggests that the Sponsor seek additional resources to support in home health care services, and other health and senior services with City agencies such as the Department of Public Health and Department of Disability and Aging Services, as well as other resources as appropriate and available. See Condition 8.

9. STAFF RECOMMENDATIONS

9.5. Proposed Loan/Grant Terms

<b>Financial Description of Proposed Loan (Residential)</b>	
Loan Amount:	\$62,428,902
Loan Term:	55 years
Loan Maturity Date:	2078
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	Up to 3% (interest rate may be adjusted to between 0% and 3% to conform with a future true debt analysis. Rate is to be determined prior to construction loan closing with approval of the OCII Executive Director and MOHCD Director and will be set forth in the Final Financial Plan.)
Date Loan Committee approves prior expenses can be paid:	November 12, 2020

<b>Financial Description of Proposed Loan (Commercial)</b>	
Loan Amount:	\$2,582,163
Loan Term:	55 years
Loan Maturity Date:	2078
Loan Repayment Type:	Residual Receipts, 40% net commercial cash flow due to OCII
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	April 7, 2023

9.6. Recommended Loan Conditions

1. Sponsor will work closely with the sponsor of Block 2 East throughout predevelopment and construction and will:
  - a. Finalize the tentative and final parcel map for the overall Block 2 site.
  - b. Collaborate on the scope and schedule of site work to ensure that work is complete prior to the Project's close of construction financing. Sponsor and Mercy shall amend the existing JDA to reflect the site work structure and/or enter into a memorandum of understanding or similar agreement.
  - c. Identify and implement strategies to improve construction efficiencies and optimize logistics between the Block 2 West and Block 2 East projects.
  - d. Determine and document roles and responsibilities for the shared maintenance of the publicly accessible pedestrian mews and any other shared open space elements, subject to the advance review and approval of OCII.
2. Sponsor shall continue to refine the commercial capital and operating budgets and, prior to the close of construction financing, Sponsor shall:
  - a. Submit an updated Commercial Space Plan that documents further outreach to prospective tenants, describes racial equity efforts and expected outcomes, and outlines plans to achieve community benefits pursuant to the below-referenced Community Commercial Services Agreement. The updated Commercial Space Plan shall include a third party prepared market study. In addition, the updated Commercial Space Plan shall include an analysis of resources available to fund tenant improvements such as, but not limited to, programs from OEWD.
  - b. Based on findings from the updated Commercial Space Plan and market study as referenced above, provide a recommended tenant improvement allowance responsive to current market conditions and anticipated tenant uses and related improvement cost estimates for OCII review and approval. The final tenant improvement allowance will be included as an attachment to the OCII commercial loan agreement.
  - c. Make good faith efforts to secure letters of intent with Community Serving Use tenants (as defined in the MOHCD Commercial Space Underwriting Guidelines).
  - d. Enter into a retail leasing agreement or similar document with Mercy Commercial to establish ongoing roles and responsibilities regarding the leasing, management, and operation of the commercial spaces.
  - e. Enter into a Community Commercial Services Agreement (as referenced in the MOHCD Commercial Space Underwriting Guidelines) or similar agreement to establish the terms and annual community benefit reporting requirements for the commercial spaces.

- f. Subject to OCII review and approval, execute a reciprocal easement agreement or similar document to establish the terms for access to spaces shared between the residential and commercial projects and the allocation of costs and responsibilities.
- g. Enter into a commercial space loan agreement and ground lease with OCII.

Following initial lease-up and a period of stabilized commercial occupancy as mutually agreed upon by the Sponsor, Mercy Commercial, and OCII, pursue a permanent commercial loan to reimburse OCII's commercial loan to the extent feasible.

3. To the extent that projected cash flow can support it, Sponsor shall explore the potential for permanent debt and/or continue to refine the income levels for the non-subsidized units and seek to incorporate a portion of units at a 40% AMI tier, with the intention of maximizing opportunities for COP holders. Any adjustments to AMI tiering will be balanced to ensure that cash flow remains positive for the first 20 years of operation. Final AMI tiering shall be reflected in the Final Financial Plan.
4. Sponsor shall provide for OCII review and approval: a) the request for proposals and/or solicitation package for equity investors and lenders before it is finalized and distributed; b) all raw financial data from developer or financial consultant prior to selection; c) proposals from all investors and lenders; and, d) all letters of intent from financial partners.
5. Sponsor shall work with OCII, MOHCD and HSH to finalize the LOSP budget and secure approval for a LOSP grant agreement in accordance with the timeframe and procedure set forth in the LOSP manual. Any proposed deviation(s) from a pro rata cost split between LOSP and the operating budget are subject to review and approval by OCII and MOHCD, and must be justified by the Sponsor.
6. If directed by OCII, MOHCD, and/or HSH, Sponsor shall submit an application for Continuum of Care rent and supportive services subsidies for all or a portion of the LOSP units.
7. Sponsor shall continue to refine the supportive services plan and budget for review and approval by OCII and HSH, and shall work with HSH to finalize a supportive services contract for the Project.
8. Sponsor shall explore partnerships and identify additional resources to serve such as in home health services, nursing, and other wellness resources to supplement on-site resident services and address the needs of the senior population.
9. Sponsor shall secure and maintain a SOS grant agreement in accordance with the parameters, process, and timeframe set forth in the SOS Policies and Procedures Manual as published by MOHCD.
10. Sponsor, in cooperation with OCII, shall continue to require the general contractor to exercise good faith efforts to select subcontractors who are either SBEs or, if they are not SBEs, are willing to create joint ventures or similar partnership opportunities with SBEs. In addition, Sponsor will work

closely with the general contractor and design team to monitor construction costs and identify opportunities for cost savings and efficiencies.

11. Sponsor shall provide an Early Outreach Plan one month after the start of construction and an initial draft Marketing Plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the Project to OCII's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents. In addition, the Marketing Plan will describe how the marketing is consistent with the Mayor's Racial Equity Statement and promotion of positive outcomes for African American San Franciscans.
12. Sponsor will evaluate scoring criteria for AHP and provide a self-score to OCII in 2024 and future rounds as appropriate. Sponsor will submit an application for AHP funding as directed by OCII.
13. Sponsor will monitor the timing and regulations of the HCD IIG NOFA for 2023 and/or future rounds, assess scoring, and apply for funding as directed by OCII.
14. Sponsor shall submit to OCII final permanent residential and commercial and residential sources and uses budgets and operating budgets, compliant with underwriting standards for OCII review and approval. The allocation of funds between the residential and commercial loans may be adjusted to optimize scoring and/or maximize tax credit basis. The final budgets will be incorporated into the Final Financial Plan, subject to approval by OCII and MOHCD.
15. Sponsor, in coordination with the sponsor of Block 2 East, will continue to conduct outreach to the Transbay community throughout predevelopment and construction to solicit input, address concerns, and educate community members on various aspects of the Project. Outreach should include updates to the Transbay CAC and other community organizations at key Project milestones.

## 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.

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

## Request for permanent gap loan for Transbay Block 2 West

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

Fri 4/7/2023 11:29 AM

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

approve

Eric D. Shaw

Director/ Interim Director HopeSF

Mayor's Office of Housing and Community Development

City and County of San Francisco

1 South Van Ness Avenue, 5th Floor



## GAP LOAN FOR TRANSBAY BLOCK 2 WEST

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

Mon 4/10/2023 11:42 AM

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

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

I support Chinatown Community Development Center request for permanent gap funding of up to \$65,011,065 for Transbay Block 2 West with the understanding that the transaction will require approval from the OCII Commission.

Best,

Salvador



Salvador Menjivar  
Director of Housing  
*Pronouns: He/Him*

San Francisco Department of Homelessness and Supportive Housing  
[salvador.menjivar1@sfgov.org](mailto:salvador.menjivar1@sfgov.org) | 415-308-2843

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

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## Request For Permanent Gap Loan For Transbay Block 2 West

Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>

Fri 4/7/2023 11:24 AM

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

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

Hi Vanessa,

I approve the above request on behalf of OCII.

Thanks!

Best Regards,

Thor



**Thor Kaslofsky**

Executive Director

---

One South Van Ness Avenue, 5th Floor

San Francisco, CA 94103

415.749.2588

[thor.kaslofsy@sfgov.org](mailto:thor.kaslofsy@sfgov.org)

[www.sfocii.org](http://www.sfocii.org)

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

## RE: Request for permanent gap loan for Transbay Block 2 West

Trivedi, Vishal (CON) <[vishal.trivedi@sfgov.org](mailto:vishal.trivedi@sfgov.org)>

Fri 4/7/2023 11:28 AM

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

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

Am I to submit a vote via email, did I understand that correctly?

If so, I vote "yes". Thanks!

**Vishal Trivedi** | Financial Analyst  
Office of Public Finance | City & County of San Francisco  
Email | [vishal.trivedi@sfgov.org](mailto:vishal.trivedi@sfgov.org)

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**Attachment A: Project Milestones and Schedule**

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	N/A	N/A
1	Acquisition/Predev Financing Commitment	Feb 2021	Complete
2.	Site Acquisition (Ground Lease)	Feb 2024	
3.	Development Team Selection		
a.	Architect	Nov 2020	Complete
b.	General Contractor	Jun 2021	Complete
c.	Owner's Representative	Apr 2021	Complete
d.	Property Manager	Nov 2020	Complete
e.	Service Provider	Nov 2020	Complete
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	Oct 2022	Complete
b.	Submittal of Design Development & Cost Estimate	Apr 2023	
c.	Submittal of 50% CD Set & Cost Estimate	Aug 2023	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	Oct 2023	
5.	Commercial Space		
a.	Commercial Space Plan submission (preliminary)	Feb 2023	Complete
b.	Commercial Space Plan submission (updated)	Dec 2023	
b.	LOI/s executed (target)	Feb 2024	
6.	Environ Review/Land-Use Entitlements		
b.	CEQA Environ Review Submission	Oct 2022	Complete
c.	NEPA Environ Review Submission	N/A	
7.	PUC/PG&E		
a.	Temp Power Application Submission	Mar 2023	Complete
b.	Perm Power Application Submission	Nov 2022	Complete
8.	Permits		
a.	Building / Site Permit Application Submitted	Aug 2022	Complete
b.	Addendum #1 Submitted	Nov 2023	
c.	Addendum #2 Submitted	Nov 2023	
9.	Request for Bids Issued	Aug 2023	
10.	Service Plan Submission		
a.	Preliminary	Feb 2023	Complete

b.	Final	Aug 2023	
11.	Additional City Financing		
a.	Gap Financing Application (this request)	Mar 2023	Complete
12.	Other Financing		
a.	HCD IIG Application	Jun 2023	
b.	Construction Financing RFP	Sep 2023	
c.	AHP Application	Mar 2024 or Mar 2025	
d.	CDLAC Application	May 2023	
e.	TCAC Application	May 2023	
g.	LOSP Funding Request	Nov 2024	
13.	Closing		
a.	Construction Loan Closing	Feb 2024	
b.	Conversion of Construction Loan to Permanent Financing	Dec 2025	
14.	Construction		
a.	Notice to Proceed	Feb 2024	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	Sept 2025	
15.	Marketing/Rent-up		
a.	Marketing Plan Submission	Sept 2024	
b.	Commence Marketing	Mar 2025	
c.	95% Occupancy	Mar 2026	
16.	Cost Certification/8609	Sept 2026	
17.	Close Out MOH/OCII Loan(s)	Sept 2026	

**Attachment B: Borrower Org Chart**

**Transbay 2 Senior, L.P. Organizational Chart**  
**As of March 2023**

**Residential Owner**

Transbay 2 Senior, L.P.  
Principal: Malcolm Yeung  
EIN: 86-3088603

**General Partner**

CCDC Transbay 2 LLC  
Principal: Malcolm Yeung  
0.01% interest  
EIN: 94-2514053

**Limited Partner**

TBD  
Principal: TBD  
99.99% interest  
EIN: TBD

**Sole Member/Manager**

Chinatown Community Development Center, Inc.  
Principal: Malcolm Yeung  
EIN: 94-2514053

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**Commercial Owner**

TBD Commercial LLC  
Principal: Malcolm Yeung  
EIN: TBD

**Sole Member/Manager**

Chinatown Community Development Center, Inc.  
Principal: Malcolm Yeung  
EIN: 94-2514053

The **residential** parcel of the property known as **Transbay 2 West** (Transbay Block 2 West) will be owned by **Transbay 2 Senior, L.P.** (the “limited partnership” or “LP”). The LP will have two partners: **CCDC Transbay 2 LLC** and an entity owned and controlled by the LIHTC equity investor (TBD). **CCDC Transbay 2 LLC** is the general partner. The LIHTC equity investor entity will be the limited partner.

Until the LIHTC equity investor entity is brought into the limited partnership, **Chinatown Community Development Center, Inc.** is the limited partner with a 99.99% interest in the partnership.

**Chinatown Community Development Center, Inc.**, a 501(c)(3) tax-exempt California nonprofit public benefit corporation, is the sole member/manager of **CCDC Transbay 2 LLC**.

The **commercial** air rights parcel will be owned by a separate LLC (**TBD Commercial LLC**). **Chinatown Community Development Center, Inc.**, a 501(c)(3) tax-exempt California nonprofit public benefit corporation, will be the sole member/manager of **TBD Commercial LLC**. The finances and operations of the commercial air rights parcel will be separate from the residential LP, and the rental income from commercial tenants will not flow up Transbay 2 Senior L.P.



**Attachment C: Development Staff Resumes**

# Joanna Ladd

Associate Director of Housing Development



Chinatown Community  
Development Center

華協中心

## EDUCATION

B.A., Environmental Analysis  
(Environmental Design Track)  
Panoma College, Claremont, CA

## RELATED AND PROFESSIONAL EXPERIENCE

Associate Director of Housing Development  
Chinatown Community Development Center  
San Francisco, CA (Jan 2021- Present)

- Lead the Housing Development Division as part of a two-person team with the Director of Housing Development.
- Direct responses to City of San Francisco requests for qualifications (RFQs) for new development sites.
- Perform financial feasibility analysis and evaluate alternate deal structures for prospective projects.
- Advise policymakers on state and local housing initiatives.
- Supervise a team of three Project Managers who are collectively developing or rehabilitating over 500 affordable apartments.

Senior Project Manager & Development Strategist  
(June 2018 – Jan 2021)

- Supervised a team of four Assistant Project Managers Supervise to help them support the department's Project Managers and lead small rehabilitation projects.
- Led the successful RFQ response for development rights to 730 Stanyan, a 160-unit affordable family and transition-aged youth housing site with ground floor commercial that will start construction in 2023.

Project Manager  
(Feb. 2014 to June 2018)

- Led all stages of the affordable housing development process Chinatown CDC acquired under the Rental Assistance Demonstration (RAD)
- Participated in the City of San Francisco's RAD Working Group and contributed to its Relocation Plan.

Assistant Project Manager (Feb 2013 – Feb 2014)  
Housing Development Asst., (July 2011-Feb. 2013)

- Provided substantive support to Project Managers for new construction and recapitalization projects.
- Led Chinatown CDC's efforts to improve the environmental sustainability of its portfolio and operations.

Program Intern

Local Initiative Support Corporate (LISC)  
San Francisco, CA (Sept. 2010- July 2011)

- Supported economic development initiatives in San Francisco and health initiatives in Richmond.
- Administered the AmeriCorps Program and managed a team of 12 AmeriCorps service members.
- Organized a symposium on arts facilities and economic development with over 150 attendees.

Executive Management Coordinator  
Tenderloin Management Coordinator  
San Francisco, CA (May – Aug. 2010)

- Interfaced with Board Members, civic leaders, and the public on behalf of the Executive Director
- Performed revenue stream analysis and managed budgets for Executive Director and Management Team
- Assisted the Housing Development Department with an RFP response for the Hugo Hotel

## PROFESSIONAL AFFILIATIONS & AWARDS

- Co-chair of the Non-Profit Housing Association of Northern California's Regulatory Working Group, August 2022-Present.
- Co-founder and member of the Community-Based Development Collective, October 2020-Present.
- Co-recipient of the Non-Profit Housing Association of Northern California's 2020 Building the Future Award for co-founding the Emerging Leaders Peer Network (ELPN), May 2014-June 2016.

# Abigail Brown

Project Manager



Chinatown Community  
Development Center

華協中心

## EDUCATION

Master of City Planning

University of California, Berkely

Bachelor of Arts, Cum Laude in Social Studies

Harvard University

## RELATED AND PROFESSIONAL EXPERIENCE

Project Manager

Chinatown Community Development Center

San Francisco, CA (April 2022 – Present)

- Project-managing new construction of 100% affordable senior project in Transbay neighborhood, including formerly homeless units, currently in predevelopment.
- Project-managing construction phase of occupied rehab of single-room occupancy (SRO) hotel with 70+ units.
- Project-managing completion of seismic safety retrofit of ground-floor commercial with occupied SRO units above.
- Supervising 2 assistant project managers

Assistant Project Manager

(April 2020 to April 2022)

- Project managed permanent conversion of \$76.3 million new construction project.
- Prepared and presented case study on occupied SRO rehab.

Planner Trainee III, Accessible Services

SF Municipal Transportation Agency (SFMTA)

San Francisco, CA (June 2019 – March 2020)

- Project-managed ~\$400,000 grant-implementation to increase access to medical appointments and grocery stores for low-income health clinic patients.
- Conducted and synthesized 8 department staff interviews to inform multi-year department strategy; facilitated 2 strategic planning retreat sessions; scoped 300+ community stakeholders for public outreach plan.
- 

- Evaluated 120+ bus stops for accessibility features and amenities.
- Drafted official SFMTA style guide section on alternative text, increasing website accessibility for low-vision users.
- Re-envisioned and reorganized official agency booklet explaining SFMTA bus/rail system with a focus on accessibility.

Planner Trainee II, Accessible Services

(June 2018 – Feb. 2019)

- Conducted community outreach in the Bayview Hunter's Point neighborhood to develop a community-based transportation plan.
- Conducted and updated case studies for Emerging Mobility Working Group white paper on transportation network companies delivering accessible services.
- Cleaned, geocoded, and mapped 80,000+ Free Muni recipient addresses; data has informed routes and engagement.
- Proposed, designed, implemented, and synthesized transportation-focused depth-interviews with 6 older adults.

Graduate Student Instructor

Dept of City and Regional Planning

UC Berkeley (Jan. 2019 – May 2019)

Planning Methods Gateway, Part II

- Co-designed and led graduate student lab sections.
- Graded and gave substantive feedback on four large assignments, smaller skill-building assignments, and final exam.

# Judy Kuang

Assistant Project manager



Chinatown Community  
Development Center

華協中心

## EDUCATION

Master in Teaching English as Second Language  
University of San Francisco

B.A. in Psychology; B.S. in Human Development  
University of California, Davis

## RELATED AND PROFESSIONAL EXPERIENCE

Assistant Project Manager  
Chinatown Community Development Center  
San Francisco, CA (Jan 2022- Present)

- Assist in a scattered site (3 buildings) rehabilitation project in Chinatown/North Beach
- Assist in a new 151-unit construction project in Transbay for seniors.

Youth Program Manager  
(~ 2018 – Jan 2021)

- Coached youth and staff on grant writing, in addition to working with Grant Manager to continue to source fundings.
- Led staff in response to virtual programming and activated the talent of youth and alumni to build a replica of Chinatown in Minecraft during the Pandemic to continue to give tours.

Senior Community Organizer  
(~2018 – 2022)

- Built community partnerships through collaborative projects and/or integrating volunteer groups in our service-learning projects run by youth leaders.

Community Organizer  
(~2010 – 2013)

- Trained youth leaders and implemented in-building earthquake preparedness and fire safety programs that educated over 2,000 residents and youth, and young children.

Youth Coordinator  
(August 2006 – 2010)

- Designed and developed Youth for Single Room Occupancies (YSRO) leadership empowerment program to educate immigrant youth and youth living in SROs to learn and work with SRO residents to address Chinatown SRO living conditions.

AmeriCorps Intern  
Bernal Heights Neighborhood Center  
San Francisco, CA (~2005 -2006)

- Outreached to Excelsior small Chinese business owners and residents for neighborhood improvement plans, like a transportation study and community fair.

## PROFESSIONAL DEVELOPMENT

- UCLA Ziman 2022 Levine Affordable Housing Development Program
- Neighbor Works Training Institute (May 2022)
  - 1) Fundamentals of affordable housing development
  - 2) Real Estate Finance Nuts and Bolts
  - 3) Rental housing development finance
- NPH Affordable Housing Conference Panelist (Sept. 2021)

Topic: Community Powered Resilience: Ensuring all Californians Are Safe from Disasters Workshop

### **Attachment D: Asset Management Evaluation of Project Sponsor**

Asset Management's (AM) role at CCDC is to manage portfolio risk and opportunities by monitoring & analyzing the financial and physical health of CCDC's portfolio. CCDC's AM staff currently oversee 38 properties comprised of 3,090 affordable housing units including 546 senior supportive housing units. This comes to an average of 82 units per project. Over 4,700 individuals or ~ 2,500 households live in CCDC homes. 78% of the households in CCDC portfolio are extremely low income.

#### **Sponsor's asset management staffing – job titles, FTEs, org chart and status of each**

The Asset Management Department (AM) is comprised of 5.625 FTE:

- Director of Asset Management
- Associate Director of Asset Management
- Asset Manager (2.0FTE)
- Asset Management Coordinator
- Asset Management Assistant (0.625 FTE)

Two positions, the Director of Asset Management and the Asset Management Coordinator are currently vacant.

#### **Description of scope and range of duties of sponsor's asset management team**

CCDC's Asset Management Department consists of a Director, Associate Director, an Asset Manager (2.0FTE), Asset Management Coordinator, and an Administrative Assistant. The Associate Director (1.0 FTE) and the Asset Managers (2.0 FTE) each oversee approximately 14 properties, or ~1,250 units. The ~1,250 units per FTE is within industry standards. This number includes properties in operations and those in the pipeline, approximately 3,750 units total. In operation the Associate Director, and two Asset Managers:

- Evaluate/Analysis monthly financial reports.
- Participate in lender, partner, and agency inspections.
- Commission and shepherd PNAs
- Act as CCDC's liaison with lenders and partners
- Plan for funding the properties' capital needs using reserves, grant funds, and recapitalizations.
- Establish, monitor, and analyze the CCDC 5YR Portfolio Plan financial and capital projections.
- Produce & analyze annual reports for REO, including contributing to and reviewing the property annual audits, tax returns, tax capital analysis and YR15 planning.

The Associate Director of Asset Management is assigned to all portfolio refinances, funding applications, and new projects. They are involved at the RFQ or acquisition phase and throughout the development process. They also review proformas, focusing on operating costs, debt service coverage ratio, and fee structure through stabilization and permanent conversion.

The Asset Management Coordinator provides administrative support for annual budget process, insurance renewal, and periodic claims, as well as cross portfolio reporting. The Asset Management Assistant organizes and produces all monthly and quarterly reporting. These two positions free up the Asset Managers, Associate Director, and Director for the higher-level activities.

#### **Description of sponsor's coordination between asset management and other functional teams, including property management, accounting, compliance, facilities management, etc.**

AM meets monthly with the Housing Development, Property Management, and Fiscal departments to discuss cross-department topics and coordinate the organization's approach to

property and portfolio issues. Even in a hybrid work environment, teams have coordinated closely through recurring interdepartmental meetings with department directors, as well as the monthly Small Sites coordination meeting with a focus on preservation projects with 25 units or fewer.

**Sponsor's budget for asset management team – shown as cost center for projects in SF.** CCDC maintains a separate budget for the Asset Management team.

**# of projects expected to be in sponsor's AM portfolio in 5 years and, if applicable, plans to augment staffing to manage growing portfolio**

CCDC has 5 projects in development that will provide over 650 units of affordable housing in the next 3-5 years:

- 730 Stanyan with TNDC (160 units)
- Transbay Block 2 West (151 units)
- 1515 South Van Ness with MEDA (161 units)
- Pier 70 with YCD (116 units)
- 772 Pacific/New Asia (~175 units)

In the short term, to manage the workflow generated by these 5 new projects in pre-development, CCDC is planning to fill the two vacant positions. CCDC is also currently developing a 5-year Asset Management Department plan to establish the priorities and staffing to manage these 5 projects along with its current portfolio for the next 5 years. In addition, CCDC has relationships with experienced consultants who can perform discrete projects to fill in any gaps.

**Attachment E: Threshold Eligibility Requirements and Ranking Criteria**

The RFP, issued by OCII on June 22, 2020, defined minimum threshold requirements to be considered for selection. The Sponsors satisfied these requirements.

The Sponsor was selected, as part of a team along with the Sponsor of Block 2 East, based on their submittal in response to the RFP. The team led by Mercy and CCDC had the highest score of the five proposals received, with 90 out of 100 possible points. Scoring criteria was as follows:

<b>Maximum Points</b>	<b>Criteria</b>
<b>50</b>	<b>Proposed Development Concept</b>
20	Proposed massing concept
15	Financial feasibility and level of OCII subsidy
10	Proposed services plan
5	Proposed marketing plan
<b>50</b>	<b>Developer Team Experience and Capacity</b>
10	Developer's experience: comparable mixed-use projects
10	Developer's experience: affordable housing financing; workload capacity
10	Workforce and contracting action plan
10	Architect experience and capacity
5	Service provider experience and capacity
5	Property manager experience and capacity
<b>100</b>	<b>Maximum Total Points</b>















**Attachment F: Site Map with amenities**





15-MIN WALK RADIUS (3/4-MILE)

### TRANSBAY BLOCK 2 AMENITIES

-  GROCERY STORE / PHARMACY
  -  RESTAURANT
  -  CAFE
  -  DAYCARE
  -  BANK
  -  PARK
  -  EDUCATION
  -  POST OFFICE / UPS
  -  MUSEUM
  -  TRANSIT STATION
  -  TRANSBAY REDEVELOPMENT PROJECT AREA
  -  TRANSBAY ZONE 1 SUB-AREA
  -  TRUE NORTH
  -  SOMA NORTH
- 0' 125' 250' 500'

**Attachment G: Elevations and Floor Plans**



**LEGEND**

- STUDIO
- NESTED 1 BED
- 1 BEDROOM
- 2 BEDROOM MANAGER
- COMMUNITY ROOM
- AMENITY
- CIRCULATION
- BACK OF HOUSE
- RETAIL
- MAIN BUILDING ENTRY
- DCDG PARCEL BOUNDARIES
- DCDG PARCEL BOUNDARY AND FUTURE PROPERTY LINE
- FUTURE PROPERTY LINE
- SETBACK

1 BEDROOM 492 SF  
 UNIT 1-P 559 SF  
 UNIT 1-Q



**Transbay Block 2W - Senior Building**

**Level 1 Plan**

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**LEGEND**

- STUDIO
- NESTED 1 BED
- 1 BEDROOM
- 2 BEDROOM MANAGER
- COMMUNITY ROOM
- AMENITY
- CIRCULATION
- BACK OF HOUSE
- RETAIL

- ▲ MAIN BUILDING ENTRY
- - - DCDG PARCEL BOUNDARIES
- - - DCDG PARCEL BOUNDARY AND FUTURE PROPERTY LINE
- - - FUTURE PROPERTY LINE
- - - SETBACK

STUDIO	415 SF	1 BEDROOM	536 SF
UNIT S-A	408 SF	UNIT 1-C	543 SF
UNIT S-B.1	438 SF	UNIT 1-F	576 SF
UNIT S-C	411 SF	UNIT 1-H	538 SF
UNIT S-D	401 SF	UNIT 1-J	522 SF
UNIT S-E	359 SF	UNIT 1-L	507 SF
UNIT S-F		UNIT 1-M	639 SF
		UNIT 1-N	
		NESTED 1-BEDROOM	
		UNIT N1-D	547 SF
		UNIT N1-E	504 SF
		UNIT N1-G	542 SF



**Transbay Block 2W - Senior Building**

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**Level 2 Plan**



**LEGEND**

- STUDIO
- NESTED 1 BED
- 1 BEDROOM
- 2 BEDROOM MANAGER
- COMMUNITY ROOM
- AMENITY
- CIRCULATION
- BACK OF HOUSE
- RETAIL
- MAIN BUILDING ENTRY
- DCDG PARCEL BOUNDARIES
- DCDG PARCEL BOUNDARY AND FUTURE PROPERTY LINE
- FUTURE PROPERTY LINE

- SETBACK
- STUDIO
- UNIT S-A 415 SF
- UNIT S-B 401 SF
- UNIT S-C 438 SF
- UNIT S-D 411 SF
- UNIT S-E 401 SF
- UNIT S-F 359 SF
- 1 BEDROOM
- UNIT 1-A.1 536 SF
- UNIT 1-A.2 560 SF
- UNIT 1-A.3 534 SF
- UNIT 1-A.4 534 SF
- UNIT 1-B 552 SF
- UNIT 1-C 536 SF
- UNIT 1-F 543 SF
- UNIT 1-H 575 SF
- UNIT 1-J 546 SF
- UNIT 1-K 635 SF
- UNIT 1-L 516 SF
- UNIT 1-M 507 SF
- UNIT 1-N 639 SF
- NESTED 1-BEDROOM
- UNIT N1-D 547 SF
- UNIT N1-E 504 SF
- UNIT N1-G 542 SF



**Transbay Block 2W - Senior Building**

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**Levels 3-5 Plans**





**LEGEND**

- STUDIO
- NESTED 1 BED
- 1 BEDROOM
- 2 BEDROOM MANAGER
- COMMUNITY ROOM
- AMENITY
- CIRCULATION
- BACK OF HOUSE
- RETAIL

- ▲ MAIN BUILDING ENTRY
- - - DCDG PARCEL BOUNDARIES
- - - DCDG PARCEL BOUNDARY AND FUTURE PROPERTY LINE
- - - FUTURE PROPERTY LINE
- - - SETBACK

- STUDIO
- UNIT S-A 415 SF
- UNIT S-B 401 SF
- UNIT S-C 438 SF
- UNIT S-D 411 SF
- 1 BEDROOM
- UNIT 1-A.1 536 SF
- UNIT 1-A.2 560 SF
- UNIT 1-A.3 534 SF
- UNIT 1-A.4 534 SF
- UNIT 1-B 554 SF
- UNIT 1-C 533 SF
- UNIT 1-F 543 SF
- NESTED 1-BEDROOM
- UNIT N1-D 547 SF
- UNIT N1-E 504 SF



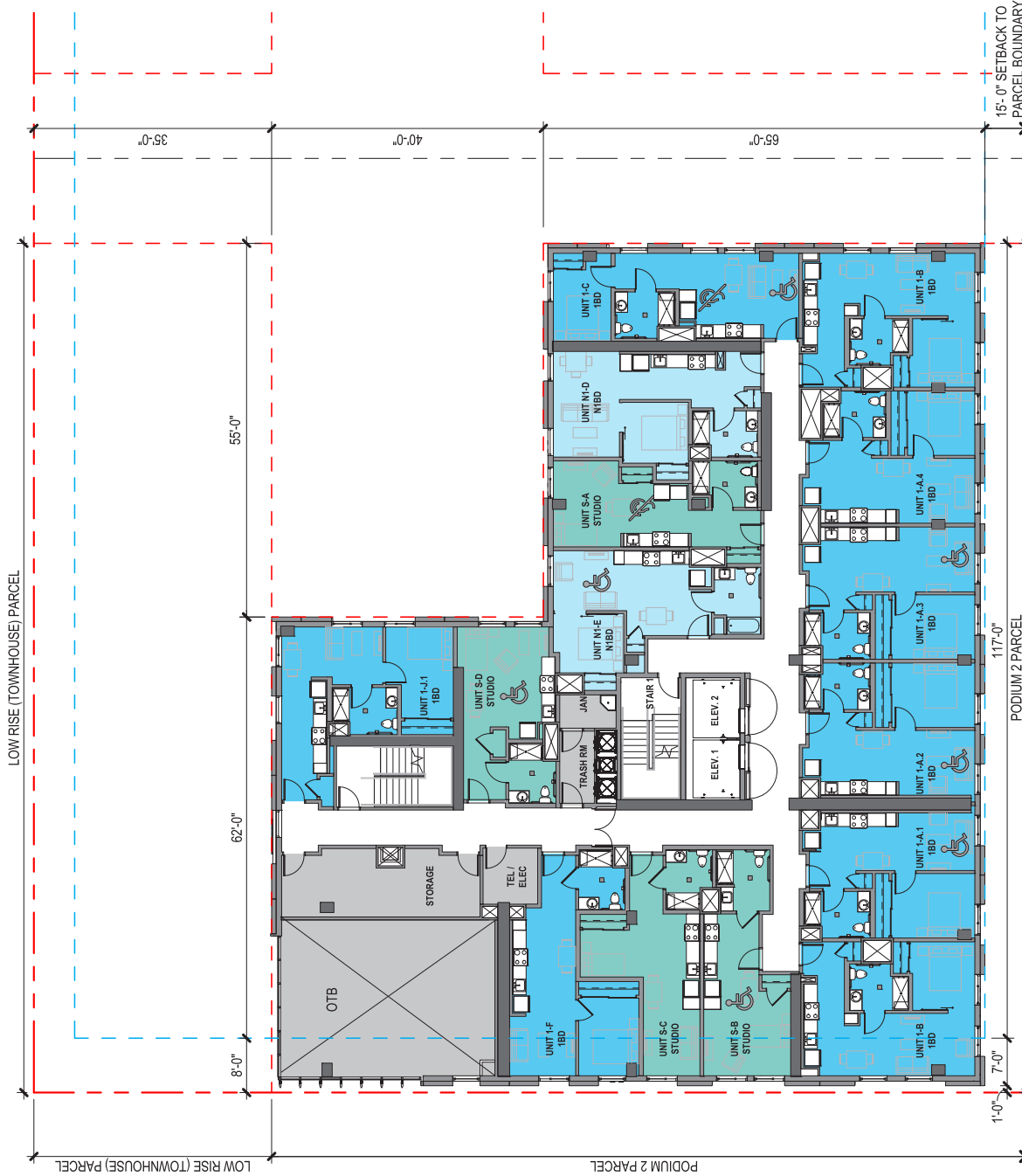
**Transbay Block 2W - Senior Building**

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**Level 6 Plan**







**LEGEND**

- STUDIO
- NESTED 1 BED
- 1 BEDROOM
- 2 BEDROOM MANAGER
- COMMUNITY ROOM
- AMENITY
- CIRCULATION
- BACK OF HOUSE
- RETAIL

- MAIN BUILDING ENTRY
- DCDG PARCEL BOUNDARIES
- DCDG PARCEL BOUNDARY AND FUTURE PROPERTY LINE
- FUTURE PROPERTY LINE
- SETBACK

STUDIO	415 SF
UNIT S-A	401 SF
UNIT S-B	438 SF
UNIT S-C	411 SF
UNIT S-D	
1 BEDROOM	
UNIT 1-A.1	536 SF
UNIT 1-A.2	560 SF
UNIT 1-A.3	534 SF
UNIT 1-A.4	534 SF
UNIT 1-B	554 SF
UNIT 1-C	533 SF
UNIT 1-F	543 SF
UNIT 1-J.1	572 SF
NESTED 1-BEDROOM	
UNIT N1-D	547 SF
UNIT N1-E	504 SF

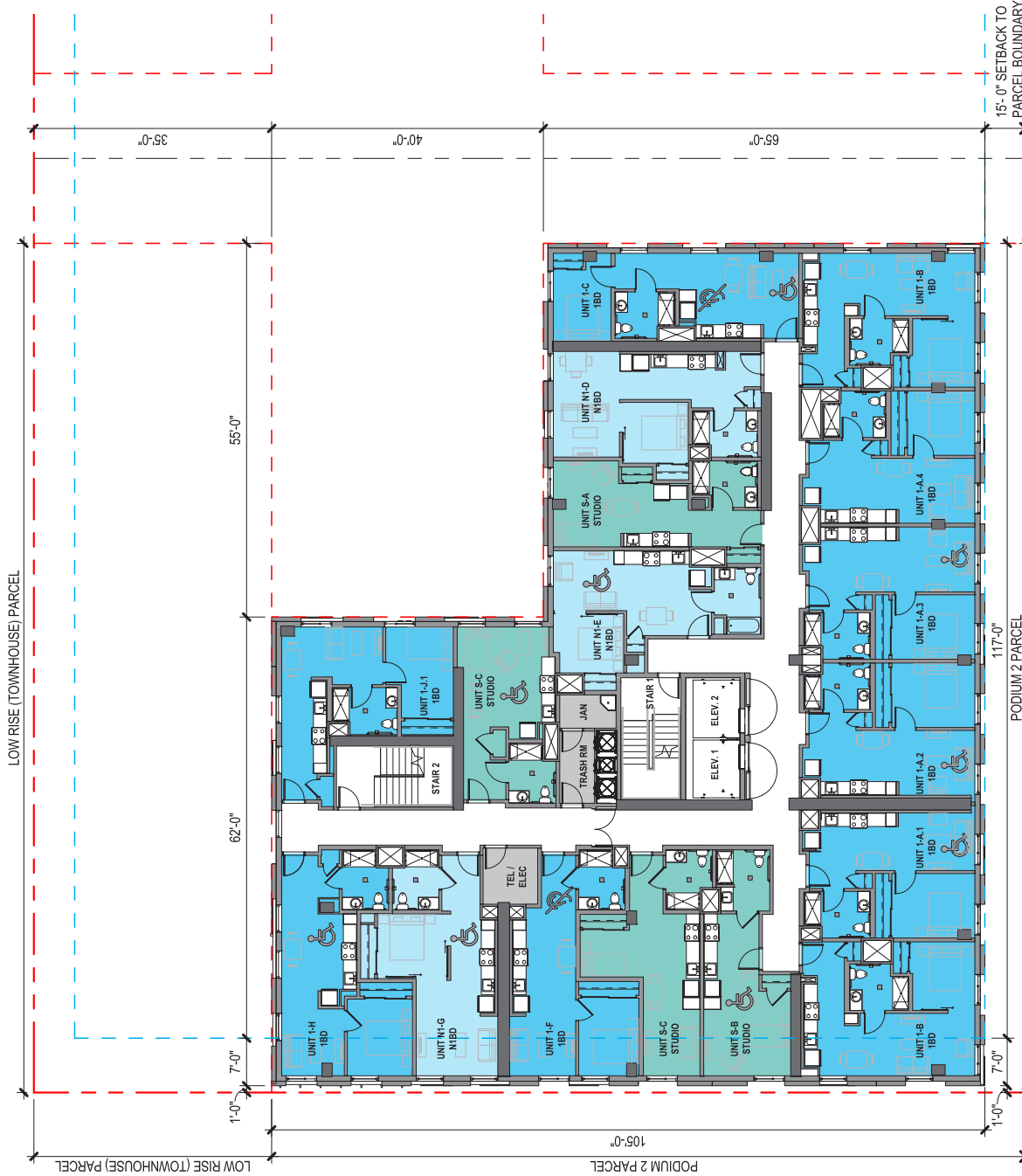


**Transbay Block 2W - Senior Building**

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**Level 7 Plan**



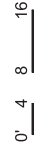


**LEGEND**

- STUDIO
- NESTED 1 BED
- 1 BEDROOM
- 2 BEDROOM MANAGER
- COMMUNITY ROOM
- AMENITY
- CIRCULATION
- BACK OF HOUSE
- RETAIL

- ▲ MAIN BUILDING ENTRY
- DCDG PARCEL BOUNDARIES
- - - DCDG PARCEL BOUNDARY AND FUTURE PROPERTY LINE
- - - FUTURE PROPERTY LINE
- - - SETBACK

STUDIO	415 SF
UNIT S-A	401 SF
UNIT S-B	438 SF
UNIT S-C	411 SF
UNIT S-D	
1 BEDROOM	
UNIT 1-A.1	536 SF
UNIT 1-A.2	560 SF
UNIT 1-A.3	534 SF
UNIT 1-A.4	534 SF
UNIT 1-B	554 SF
UNIT 1-C	533 SF
UNIT 1-F	543 SF
UNIT 1-H	590 SF
UNIT 1-J.1	572 SF
NESTED 1-BEDROOM	
UNIT N1-D	547 SF
UNIT N1-E	504 SF
UNIT N1-G	544 SF



**Transbay Block 2W - Senior Building**

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**Level 8 Plan**



**MITHÜN**



Creative Community Development Center  
香港中心





**LEGEND**

- STUDIO
- NESTED 1 BED
- 1 BEDROOM
- 2 BEDROOM MANAGER
- COMMUNITY ROOM
- AMENITY
- CIRCULATION
- BACK OF HOUSE
- RETAIL

- ▲ MAIN BUILDING ENTRY
- DCDG PARCEL BOUNDARIES
- - - DCDG PARCEL BOUNDARY AND FUTURE PROPERTY LINE
- - - FUTURE PROPERTY LINE
- SETBACK

- STUDIO
- UNIT S-A 415 SF
- UNIT S-B 401 SF
- UNIT S-C 438 SF
- 1 BEDROOM
- UNIT 1-A.1 536 SF
- UNIT 1-A.2 560 SF
- UNIT 1-A.3 534 SF
- UNIT 1-A.4 534 SF
- UNIT 1-B 554 SF
- UNIT 1-C 533 SF
- UNIT 1-F 543 SF
- UNIT 1-H 590 SF
- NESTED 1-BEDROOM
- UNIT N1-D 547 SF
- UNIT N1-E 504 SF
- UNIT N1-G 544 SF
- 2-BEDROOM
- UNIT 2-A 982 SF

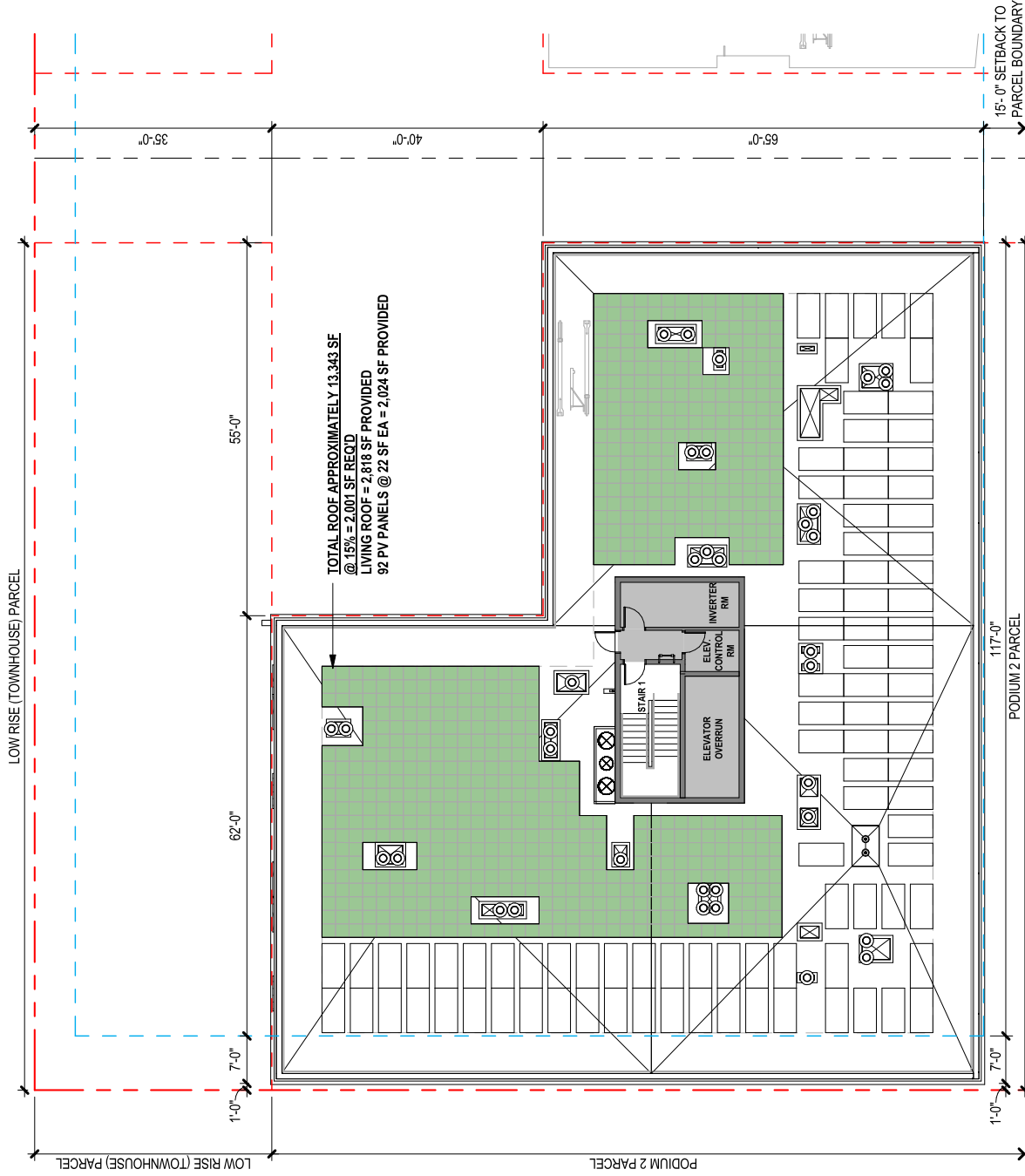


**Transbay Block 2W - Senior Building**

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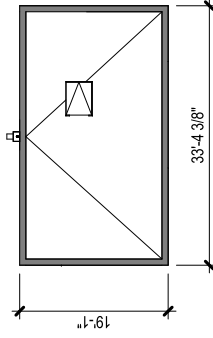
**Level 9 Plan**





**LEGEND**

- STUDIO
- NESTED 1 BED
- 1 BEDROOM
- 2 BEDROOM MANAGER
- COMMUNITY ROOM
- AMENITY
- CIRCULATION
- BACK OF HOUSE
- RETAIL
- MAIN BUILDING ENTRY
- DCDG PARCEL BOUNDARIES
- DCDG PARCEL BOUNDARY AND FUTURE PROPERTY LINE
- FUTURE PROPERTY LINE
- SETBACK



**Transbay Block 2W - Senior Building**

Schematic Design Document

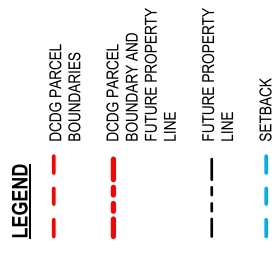
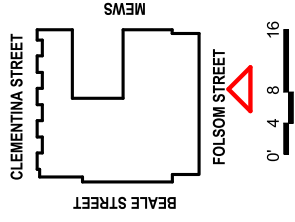
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**Roof Plan**

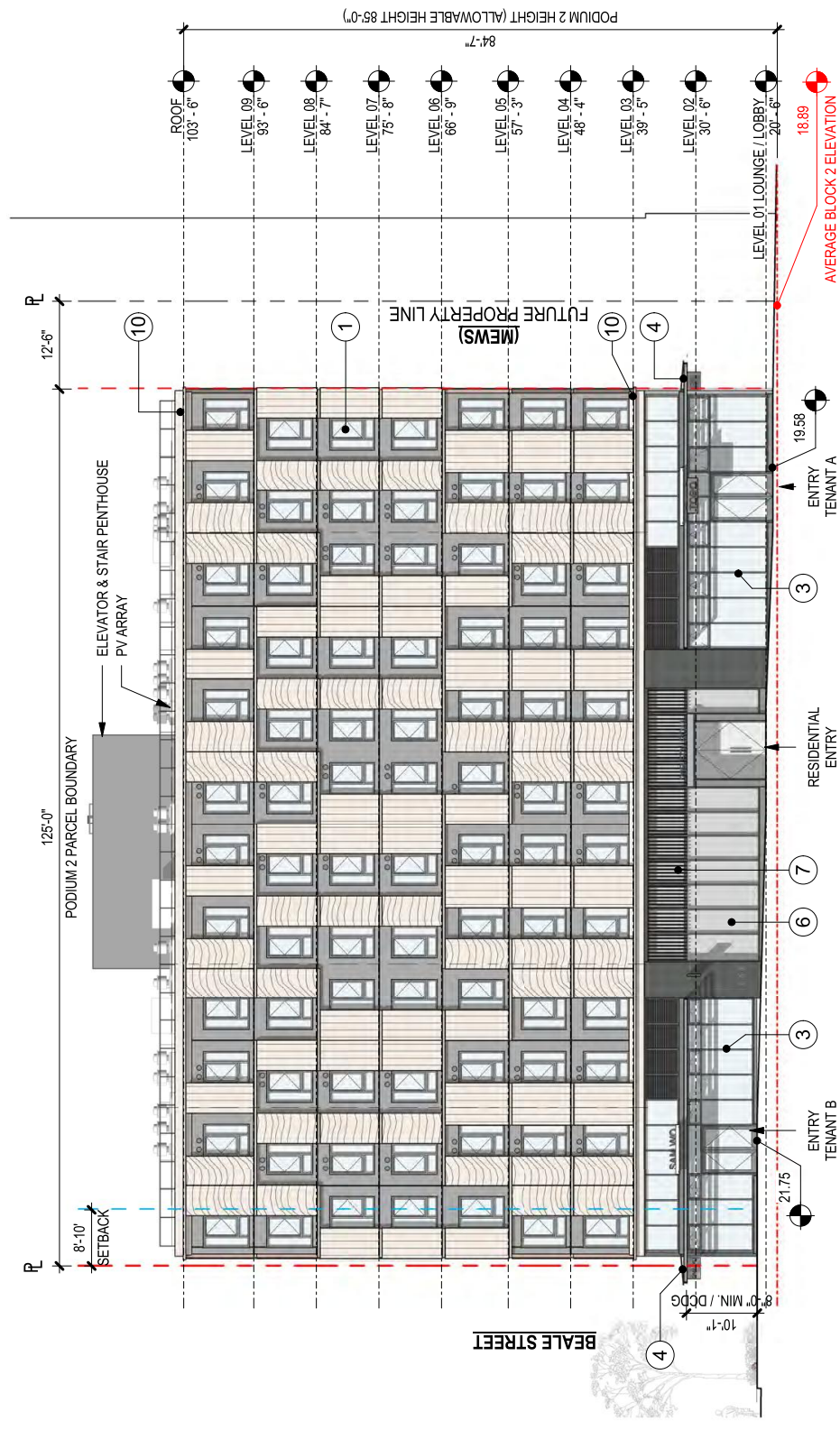


Greater Community Development Center  
普華中心



**NOTES**

- ALL RETAIL ESTABLISHMENTS & RESIDENTIAL UNITS WILL INCLUDE OPERABLE WINDOWS TO ALLOW FOR NATURAL VENTILATION OF INDOOR AREAS.
- ALUMINUM STOREFRONT W/ CLEAR NON-TINTED & LOW REFLECTIVITY GLAZING.
- VENTING FOR STAIRS, GARAGE SPACE OR OTHER APURTANCES ASSOCIATED WITH COMMERCIAL USES ADJACENT TO THE OPEN SPACE PARCELS TO BE INTEGRATED INTO THE BUILDING. NO DUCTS OR EXHAUST PIPES WILL ENCROACH IN AREAS DESIGNATED FOR OPEN SPACE.



**MATERIAL LEGEND:**

- CONCRETE FINISH 1
- CONCRETE FINISH 2
- CONCRETE FINISH 3
- CONCRETE FINISH 4
- PORCELAIN TILE PANELS
- WINDOW MULLION & FRAME 1A, WITH OBSCURED
- 10" VERTICAL SUNSHADES
- ALUMINUM STOREFRONT 3A, WITH OBSCURED
- METAL & WOOD AWNING
- CAST-IN-PLACE CONCRETE
- GLASS WITH INTEGRAL OKAWOOD
- VERTICAL WOOD SCREEN
- METAL CLADDING
- GLASS GUARD RAIL
- GLASS FIBER REINFORCED CONCRETE CORNICE

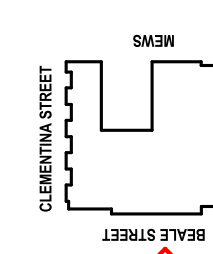
- CONCRETE FINISH 1
- CONCRETE FINISH 2
- CONCRETE FINISH 3
- CONCRETE FINISH 4
- PORCELAIN TILE PANELS
- WINDOW MULLION & FRAME 1A, WITH OBSCURED
- 10" VERTICAL SUNSHADES
- ALUMINUM STOREFRONT 3A, WITH OBSCURED
- METAL & WOOD AWNING
- CAST-IN-PLACE CONCRETE
- GLASS WITH INTEGRAL OKAWOOD
- VERTICAL WOOD SCREEN
- METAL CLADDING
- GLASS GUARD RAIL
- GLASS FIBER REINFORCED CONCRETE CORNICE

**Transbay Block 2W - Senior Building**

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**Folsom Street Elevation**





- LEGEND**
- DCDG PARCEL BOUNDARIES
  - DCDG PARCEL BOUNDARY AND FUTURE PROPERTY LINE
  - FUTURE PROPERTY LINE
  - SETBACK
- NOTES**
1. ALL RETAIL ESTABLISHMENTS & RESIDENTIAL UNITS WILL INCLUDE OPERABLE WINDOWS TO ALLOW FOR NATURAL VENTILATION OF INDOOR AREAS.
  2. ALUMINUM STOREFRONT W/ CLEAR, NON-TINTED & LOW REFLECTIVITY GLAZING.
  3. FINISHING FOR STAIRS, HALLWAYS, ELEVATOR CORES, STAIRWELLS & OTHER APURTANCES ASSOCIATED WITH COMMERCIAL USES ADJACENT TO THE OPEN SPACE PARCELS TO BE INTEGRATED INTO THE BUILDING. NO DUCTS OR EXHAUST PIPES WILL ENCROACH IN AREAS DESIGNATED FOR OPEN SPACE.

- MATERIAL LEGEND:**
- CONCRETE FINISH 1
  - CONCRETE FINISH 2
  - CONCRETE FINISH 3
  - CONCRETE FINISH 4
  - EGRESS DOOR
  - CORRIDOR WINDOW
  - STAFF RM WINDOW
  - FIRE PUMP RM DOOR
  - TRASH RM DOOR
  - ELECTRICAL RM DOOR
  - ELECTRICAL RM DOOR
  - LOUVER
  - AWNING
  - ENTRY RETAIL TENANT B
  - GLASS GUARD RAIL
  - GLASS WITH INTEGRAL OKAWOOD
  - CAST-IN-PLACE CONCRETE
  - METAL & WOOD AWNING
  - ALUMINUM STOREFRONT 3A WITH OBTUSCED
  - 10" VERTICAL SUNSHADES
  - WINDOW MULLION & FRAME 1A WITH OBTUSCED
  - PORCELAIN TILE PANELS
  - CONCRETE FINISH 1
  - CONCRETE FINISH 2
  - CONCRETE FINISH 3
  - CONCRETE FINISH 4
  - CONCRETE FINISH 1
  - METAL CLADDING
  - GLASS FIBER REINFORCED CONCRETE CORNICE

**Transbay Block 2W - Senior Building**

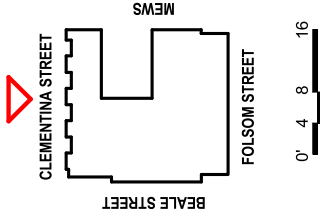
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**Beale Street Elevation**

plural km MITHÜN

City and County of San Francisco  
Department of Public Works  
Planning Center  
華華中心

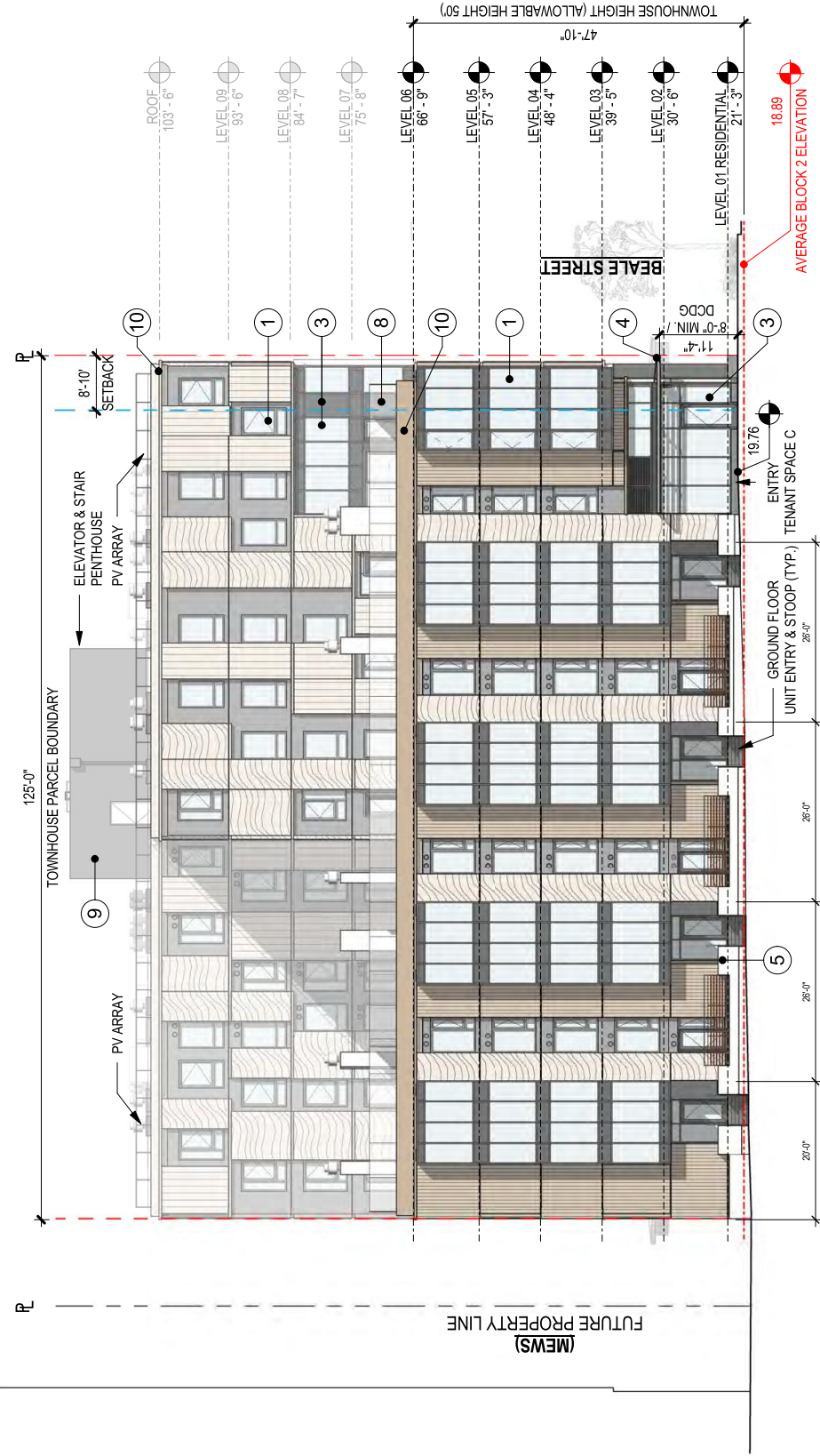




- LEGEND**
- DCDG PARCEL BOUNDARIES
  - DCDG PARCEL BOUNDARY AND FUTURE PROPERTY LINE
  - FUTURE PROPERTY LINE
  - SETBACK

**NOTES**

- ALL RETAIL ESTABLISHMENTS & RESIDENTIAL UNITS WILL INCLUDE OPERABLE WINDOWS TO ALLOW FOR NATURAL VENTILATION OF INDOOR AREAS.
- ALUMINUM STOREFRONT W/ CLEAR NON-TINTED & LOW REFLECTIVITY GLAZING.
- VENTILATION SYSTEMS, STAIRS, ELEVATOR SHAFTS, & OTHER APPLIANCES ASSOCIATED WITH COMMERCIAL USES ADJACENT TO THE OPEN SPACE PARCELS TO BE INTEGRATED INTO THE BUILDING. NO DUCTS OR EXHAUST PIPES WILL ENCROACH IN AREAS DESIGNATED FOR OPEN SPACE.



**MATERIAL LEGEND:**

- CONCRETE FINISH 1
- CONCRETE FINISH 2
- CONCRETE FINISH 3
- CONCRETE FINISH 4
- CONCRETE TILE PANELS
- WINDOW MULLION & FRAME 1A, WITH OBSCURED
- 10" VERTICAL SUNSHADES
- ALUMINUM STOREFRONT 3A, WITH OBSCURED
- SHEET NOTE #2
- METAL & WOOD AWNING
- CAST-IN-PLACE CONCRETE
- GLASS WITH INTEGRAL OKAWOOD
- VERTICAL WOOD SCREEN
- GLASS GUARD RAIL
- METAL CLADDING
- GLASS FIBER REINFORCED CONCRETE CORNICE

**Transbay Block 2W - Senior Building**

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**Clementina Street Elevation**





- LEGEND**
- DODG PARCEL BOUNDARIES
  - DODG PARCEL BOUNDARY AND FUTURE PROPERTY LINE
  - FUTURE PROPERTY LINE
  - SETBACK
- NOTES**
- ALL RETAIL ESTABLISHMENTS & RESIDENTIAL UNITS WILL INCLUDE OPERABLE WINDOWS TO ALLOW FOR NATURAL VENTILATION OF INDOOR AREAS.
  - ALUMINUM STOREFRONT W/ CLEAR NON-TINTED & LOW REFLECTIVITY GLAZING.
  - VENTING FOR STAIRS, GARAGE SPACES & OTHER APURTANCES ASSOCIATED WITH COMMERCIAL USES ADJACENT TO THE OPEN SPACE PARCELS TO BE INTEGRATED INTO THE BUILDING. NO DUCTS OR EXHAUST PIPES WILL ENCROACH IN AREAS DESIGNATED FOR OPEN SPACE.

**MATERIAL LEGEND:**

- CONCRETE FINISH 1
- CONCRETE FINISH 2
- CONCRETE FINISH 3
- CONCRETE FINISH 4
- CONCRETE TILE PANELS
- WINDOW MULLION & FRAME 1A WITH OBSCURED GLAZING
- 10" VERTICAL SUNSHADES
- ALUMINUM STOREFRONT 3A WITH OBSCURED GLAZING
- METAL & WOOD AWNING
- CAST-IN-PLACE CONCRETE
- GLASS WITH INTEGRAL OKAWOOD SCREEN
- VERTICAL WOOD SCREEN
- GLASS GUARD RAIL
- METAL CLADDING
- GLASS FIBER REINFORCED CONCRETE CORNICE

**Transbay Block 2W - Senior Building**

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**Mews Elevation**



**MITHÜN**



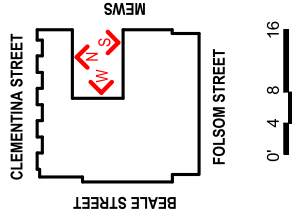


**NOTES**

1. ALL RETAIL ESTABLISHMENTS & RESIDENTIAL UNITS WILL INCLUDE:
  - 1.00% NATURAL VENTILATION
  - 1.00% NATURAL EXHAUSTION OF INDOOR AREAS
  - ALUMINUM STOREFRONT (W/ CLEAR NON-TINTED & LOW REFLECTIVITY GLAZING)
  - VENTING / EXHAUST STANDARD SPACE FOR THE LOCATION OF DUCT'S EXHAUST PIPES & OTHER APPLIANCES ASSOCIATED WITH THE OPEN SPACE PARCELS TO BE INTEGRATED INTO THE BUILDING. NO DUCTS OR EXHAUST PIPES WILL ENCRUCH IN AREAS DESIGNATED FOR OPEN SPACE.
2. DCDG PARCEL BOUNDARIES
3. DCDG PARCEL BOUNDARY AND FUTURE PROPERTY LINE

**LEGEND**

- DCDG PARCEL BOUNDARIES
- DCDG PARCEL BOUNDARY AND FUTURE PROPERTY LINE
- FUTURE PROPERTY LINE
- SETBACK



**COURTYARD ELEVATION - WEST**

**COURTYARD ELEVATION - NORTH**

**COURTYARD ELEVATION - SOUTH**

**MATERIAL LEGEND:**

- CONCRETE FINISH 1
- CONCRETE FINISH 2
- CONCRETE FINISH 3
- CONCRETE FINISH 4
- PORCELAIN TILE PANELS
- WINDOW MULLION & FRAME 1A: WITH OBSCURED GLAZING
- 10" VERTICAL SUNSHADES
- ALUMINUM STOREFRONT 3A: WITH OBSCURED GLAZING
- SHEET NOTE #2
- METAL & WOOD AWNING
- CAST-IN-PLACE CONCRETE
- GLASS WITH INTEGRAL OAKWOOD SCREEN
- VERTICAL WOOD SCREEN
- GLASS GUARD RAIL
- METAL CLADDING
- GLASS FIBER REINFORCED CONCRETE CORNICE

**Transbay Block 2W - Senior Building**

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**Courtyard Elevation**

plural



**MITHÜN**



City Planning Center  
Urban Design Center  
華星中心

Eye level perspective - View from the corner of Folsom and Beale



**Transbay Block 2W - Senior Building**

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plural

km

**MITHŪN**



Greater Community  
Development Center  
普華中心



Eye level perspective - View from the corner of Beale and Clementina



**Transbay Block 2W - Senior Building**

Schematic Design Document

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plural

km

**MITHŪN**



Greater Downtown  
Community  
Development Center  
普華中心

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



**Attachment I: Predevelopment Budget**



Application Date: 3/17/2023 # Units: 151  
 Project Name: Tranway 2 West # Bedrooms: 152  
 Project Address: 200 Polk St # Beds: 152  
 Project Sponsor: Chinatown Community Development Center LOSP Project

SOURCES	Total Sources					Comments
	\$2,428,992	807,860	500,100	\$9,847,539	6,008,973	
	Actual	Deferred Interest	GP Capital	Limited Partner Equity	IG	

USES	Name of Sources	MCHCD/DCI	Deferred Interest	GP Capital	Limited Partner Equity	IG	
<b>ACQUISITION</b>							
Acquisition cost or value							0
Legal/Conveyance costs/ Broker's Fee							0
Marketing Costs							0
Transfer Tax							0
<b>TOTAL ACQUISITION</b>		0	0	0	0	0	0

<b>CONSTRUCTION (HARD COSTS)</b>									
1	Unit Construction/Wahab	8,100,562			59,847,539	3,484,425	71,421,526	Inclusive of MEPF design fees	
	Commercial Shell Construction						0	overall: residential 0.1m + amenity 2.157m + terrace/roof 2.84m + onsite 3.184m (minus 162.7k to demo line) + system 67.3k + 150k /20 + 1.52m GC contingency	
1	Demolition					373,529	373,529	309k piles to onsite line, 66.6k class 2 soil to onsite line, 181k class 1 soil to onsite line	
	Environmental Remediation					181,800	181,800	DCI breakout: 150k /20 power poles IG breakout: 67.3k columns, 63k onsite utilities, 2.7m remaining earthwork	
	Costly Improvements/Architecting						0	overall: site demo 474k + 2.5k abatement + 150k exist util + 50k trees	
	Costly Improvements	1,745,168				1,745,168	1,745,168	DCI breakout: 32k blkg demo, 2.5k abatement, 67.5k onsite demo, 150k existing utility removal, 50k tree removal	
	Infrastructure Improvements						0	IG: remaining demo	
	GC Bond Premium/GC Insurance/GC Taxes	2,009,056				2,009,056	2,009,056	DCI: 300k pile removal (from res line)	
	GC Overhead & Profit	1,962,752				1,962,752	1,962,752	minus 311.5k to demo line, 75k offsite part trench, 259k courtyard, 247k mezz	
	GC General Conditions	6,152,987				6,152,987	6,152,987	DCI breakout: 66k gen imp test, 110k temp power (i.e. gen cond + gen equip + permit (res + amenity equipment))	
	Design Contingency (Amount at DCI)	12,244,329	0	0	59,847,539	0	6,765,322	6,765,322	IG: remaining demo
	Res Contingency (Amount at Ind)	2,602,310					2,602,310	2,602,310	5% up to \$10MM HC, 4% \$10-\$45MM, 3% \$45MM+
	Plan Check Contingency (Amount/Reduce during Plan Rev)	1,750,310					1,750,310	1,750,310	5% up to \$10MM HC, 4% \$10-\$45MM, 3% \$45MM+
	Hard Cost Construction Contingency	8,224,570					8,224,570	8,224,570	total in this line: 5% new construction + 4.8% escalation (per guidance of construction manager and financial advisor)
	<b>TOTAL CONSTRUCTION COSTS</b>	<b>33,366,897</b>	<b>0</b>	<b>0</b>	<b>59,847,539</b>	<b>0</b>	<b>5,765,322</b>	<b>99,008,756</b>	Construction fee line costs as % of new cost: 2.4%

<b>SOFT COSTS</b>								
<b>Architecture &amp; Design</b>								
	Architect design fees	1,515,262				108,770	1,624,032	See MCHCD A&E Fee Guidelines: <a href="http://mchcd.org/documents-reports-and-forms">http://mchcd.org/documents-reports-and-forms</a>
	Design Subconsultants to the Architect (incl. Fees)	770,247				55,291	825,538	IG: amount retained by proportion of IG hard costs. 1/1/21 @ 0.066975
	Architect Construction Admin	650,134				48,968	731,102	CA phase by Mithun and KMA
	Renderings	19,951				3,961	23,912	
	Additional Services	113,409				8,141	121,550	
	Other Third Party design consultants (not included under architect contract)	50,000	0	0	0	222,429	3,922,429	30k 3rd party geotech review
	<b>Total Architecture &amp; Design</b>	<b>3,150,909</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>222,529</b>	<b>3,372,938</b>	
<b>Engineering &amp; Environmental Studies</b>								
	Sooner	15,000					15,000	
	Geotechnical studies	162,800					162,800	
	Phase I & II Reports	77,000					77,000	
	CEQA / Environmental Review consultants	25,000					25,000	
	NEPA / IIS Review	0					0	
	CDARMA (state only)	0					0	
	Other environmental consultants	557,725				7,550	565,275	IG: proportional amount of joint trench consultant, 111.2k
	<b>Total Engineering &amp; Environmental Studies</b>	<b>838,025</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,550</b>	<b>845,675</b>	
<b>Financing Costs</b>								
	Construction Loan Origination Fee	433,948					433,948	
	Construction Loan Interest	10,902,115					10,902,115	
	Title & Recording	109,000					109,000	
	CDLAC & CDCAF fees	26,336					26,336	CDLAC (23.3k), CDCAF (3k)
	Bond Issuance Costs	667,613					667,613	MCHCD loan fee
	Other Bond Cost of Issuance	236,446					236,446	lower fee amount during const.
	City A/E Issuance Financial Advisor, Trustee Fee, COI Costs	131,333					131,333	City A/E (50k) + Issuance fee (50k) + Trustee fee during const (11.3k)/DCI contingency (20k)
	Permanent Financing Costs	12,499,791	0	0	0	0	12,499,791	
	Permanent Loan Origination Fee	0					0	No perm debt
	Credit Enhance & Appr. Fee	10,000					10,000	
	Title & Recording	10,000					10,000	
	Sub-Total Perm. Financing Costs	12,509,791	0	0	0	0	12,509,791	
	<b>Total Financing Costs</b>	<b>12,509,791</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,509,791</b>	
<b>Legal Costs</b>								
	Borrower Legal fees	180,000					180,000	Legal const cost (50k) + perm debt (10k) + all partnership (20k) + synd SP (50k) + synd LP (50k)
	Lend. Legal /CEQA/Attorney fees	413,436					413,436	All rights legal and admin (commercial)
	Bond Counsel	100,000					100,000	
	Construction Lender Counsel	75,000					75,000	
	Permanent Lender Counsel	0					0	
	Other Lender Equipment, Contracts Attorney	113,000					113,000	Const lender eq. 63k, contracts 50k
	<b>Total Legal Costs</b>	<b>468,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>468,000</b>	
<b>Other Development Costs</b>								
	Escrow	10,000					10,000	
	Market Study	15,000					15,000	
	Insurance	2,275,300					2,275,300	
	Property Taxes	0					0	0 exempt as 100% affordable housing
	Architecting / Audit	50,000					50,000	
	Operational Costs	10,000					10,000	
	Entertainment / Permit Fees	1,853,571					1,853,571	Local Dev impact fees (50k)/permits and fees (1.45m)
	Marketing / Rent-up	154,799					154,799	
	Furnishing	531,000					531,000	\$2,000,000. See MCHCD/LOSP Guidelines on: <a href="http://mchcd.org/documents-reports-and-forms">http://mchcd.org/documents-reports-and-forms</a>
	DCI / Utility Fees	762,800					762,800	
	HOAC App / Alloc / Member Fees	125,899					125,899	
	Financial Consultant fees	90,000					90,000	
	Construction Management Fees / Owner's Rep	186,428				13,572	200,000	
	Security during Construction	500,000					500,000	
	Relocation	0					0	
	Construction Inspections	420,000					420,000	300k special inspections during construction, 100k window water testing, 20k elevator monitoring
	Resident Services Set Up	62,920					62,920	Covers longing staff on board and office set up prior to move-in during, lease up period
	Escrow/Deferred Interest	887,690					887,690	
	<b>Total Other Development Costs</b>	<b>8,637,297</b>	<b>807,860</b>	<b>0</b>	<b>0</b>	<b>13,572</b>	<b>7,668,729</b>	Per Ind Cost Contingency as % of Total Soft Costs: 10.9%
	Sub Cost Contingency	2,405,514	0	0	0	0	2,405,514	Should be either 10% or 5% of total soft costs
	<b>TOTAL SOFT COSTS</b>	<b>26,298,634</b>	<b>807,860</b>	<b>0</b>	<b>0</b>	<b>243,651</b>	<b>27,350,145</b>	

<b>RESERVES</b>								
	Operating Reserves	534,369					534,369	Residential
	Replacement Reserves	0					0	
	Tenant Improvements Reserves	0					0	
	Other	0					0	
	<b>TOTAL RESERVES</b>	<b>534,369</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>534,369</b>	

<b>DEVELOPER COSTS</b>								
	Developer Fee - Cash-out Prior at Milestones	1,100,000					1,100,000	
	Developer Fee - Cash-out At Risk	1,100,000					1,100,000	
	Commercial Developer Fee	0					0	
	Developer Fee - CD Equity (also show as source)	500,100					500,100	
	Developer Fee - Deferred (also show as source)	0					0	
	Development Consultant Fees	0					0	Need MCHCD approval for this cost, N/A for most projects.
	<b>TOTAL DEVELOPER COSTS</b>	<b>2,200,000</b>	<b>0</b>	<b>500,100</b>	<b>0</b>	<b>0</b>	<b>2,700,100</b>	

<b>TOTAL DEVELOPMENT COST</b>								
	Development Cost/Unit by Source	413,436	3,261	3,312	396,341	0	38,765	858,114
	Development Cost/Unit as % of TDC by Source	48.2%	0.6%	0.4%	48.2%	0.0%	4.6%	100.0%
<b>Acquisition Cost/Unit by Source</b>								
	Acquisition Cost/Unit by Source	0	0	0	0	0	0	0
<b>Construction Cost (inc Const Contingency)/Unit by Source</b>								
	Construction Cost (inc Const Contingency)/Unit by Source	221,165	0	0	396,341	0	38,181	655,887
	Construction Cost (inc Const Contingency)/SF	304.55	0.00	0.00	545.79	0.00	52.88	902.91
<b>*Possible non-eligible GO Bond/COF Amount:</b>								
	City Subsidy/Unit	413,436						
<b>Tax Credit Equity Pricing</b>								
	Construction Bond Amount	65,443,863						
	Construction Loan Term (in months)	34 months						
	Construction Loan Interest Rate (as %)	8.52%						

**Attachment J: Development Budget**

Application Date: 3/17/2023 # Units: 151  
 Project Name: Tranway 2 West # Bedrooms: 152  
 Project Address: 200 Polk St # Beds: 152  
 Project Sponsor: Chinatown Community Development Center LOSP Project

SOURCES	Total Sources					Comments
	\$2,428,992	807,860	500,100	\$9,847,539	6,008,973	
	Actual	Deferred Interest	GP Capital	Limited Partner Equity	IG	

USES	Name of Sources	MCHCD/DCI	Deferred Interest	GP Capital	Limited Partner Equity	IG	Comments
<b>ACQUISITION</b>							
Acquisition cost or value							0
Legal/Concess costs/ Broker's fee							0
Marketing Costs							0
Transfer Fee							0
<b>TOTAL ACQUISITION</b>		0	0	0	0	0	0

<b>CONSTRUCTION (HARD COSTS)</b>								
1	Unit Construction/Wahab	8,100,562			59,847,539	3,484,425	71,421,526	Inclusive of MEPF design fees
	Commercial Shell Construction							overall: residential 6.1m + amenity 2.157m + terrace/roof 2.84m + onsite 3.184m (minus 162.7k to demo line) + system 67.3k + 150k /20 + 1.52m GC contingency
1	Demolition					373,529	373,529	309k piles to onsite line, 66.6k class 2 soil to onsite line, 181k class 1 soil to onsite line
	Environmental Remediation					181,800	181,800	DCI breakout: 150k /20 power poles IG breakout: 67.3k columns, 63k onsite utilities, 2.7m remaining earthwork
	Costly Improvements					1,745,148	1,745,148	overall: site demo 474k + 2.5k abatement + 150k exist util + 50k trees
	Infrastructure Improvements							DCI breakout: 32k blkg demo, 2.5k abatement, 67.5k onsite demo, 150k existing utility removal, 50k tree removal
	GC Bond Premium/DCI Insurance/DCI Taxes					2,009,056	2,009,056	IG: remaining demo
	GC Overhead & Profit					1,062,752	1,062,752	DCI: 300k pile removal (from res line) minus 311.5k to demo line, 75k offsite part trench, 259k courtyard, 247k mezz
	GC General Conditions					6,152,887	6,152,887	DCI breakout: 66k gen imp test, 110k temp power (i.e. gen cond + gen equip + permit (res + amenity equipment))
	Design Contingency (Amount at DCI)					8,765,322	8,765,322	IG: remaining demo
	Res Contingency (Amount at Ind)					2,692,310	2,692,310	5% up to \$10MM HC, 4% \$10-\$45MM, 3% \$45MM+
	Plan Check Contingency (Amount/Reduce during Plan Rev)					1,752,510	1,752,510	5% up to \$10MM HC, 3% \$10-\$45MM, 2% \$45MM+
	Hard Cost Construction Contingency					8,224,470	8,224,470	total in this line: 5% new construction + 4.8% escalation (per guidance of construction manager and financial advisor)
	<b>TOTAL CONSTRUCTION COSTS</b>					<b>58,947,539</b>	<b>58,947,539</b>	<b>99,008,156</b>

<b>SOFT COSTS</b>								
<b>Architecture &amp; Design</b>								
	Architect design fees					108,770	1,624,932	See MCHCD A&E Fee Guidelines: <a href="http://mchcd.org/documents-reports-and-forms">http://mchcd.org/documents-reports-and-forms</a>
	Design Subconsultants to the Architect (incl. Fees)					55,291	825,538	IG: amount retained by proportion of IG hard costs
	Architect Construction Admin					48,968	731,100	1% (DCI) + 0.06697%
	Renderings					3,963	20,918	CA phase by Mithun and KMA
	Additional Services					8,141	121,950	
	Other Third Party design consultants (not included under Architect contract)					222,429	3,922,438	30k 3rd party geotech review
	<b>Total Architecture &amp; Design</b>					<b>222,522</b>	<b>3,372,958</b>	
<b>Engineering &amp; Environmental Studies</b>								
	Sooner					15,000	15,000	
	Geotechnical studies					162,800	162,800	
	Phases I & II Reports					77,000	77,000	
	CEQA / Environmental Review consultants					25,000	25,000	
	NEPA / IIS Review					0	0	
	CDARMA (state only)					0	0	
	Other environmental consultants					7,500	565,275	IG: proportional amount of joint trench consultant, 111.2k
	<b>Total Engineering &amp; Environmental Studies</b>					<b>7,500</b>	<b>845,075</b>	
<b>Financing Costs</b>								
	Construction Loan Origination Fee					433,948	433,948	
	Construction Loan Interest					10,902,115	10,902,115	
	Title & Recording					103,000	103,000	
	CDLAC & CDCAF fees					26,336	26,336	CDLAC (23.3k) CDCAF (3k)
	Bond Issuance Costs					667,813	667,813	MCHCD loan fee
	Other Bond Cost of Issuance					236,446	236,446	lower fee amount during consult
	City A/E Issuance Financial Advisor, Trustee Fee, DCI Costs					131,333	131,333	City A/E (50k) + Issuance fee (50k) + Trustee fee during cover (11.3k)/DCI contingency (20k)
	Permanent Financing Costs					12,499,791	12,499,791	
	Permanent Loan Origination Fee					0	0	No perm debt
	Credit Enhance & Appr. Fee					10,000	10,000	
	Title & Recording					10,000	10,000	
	Sub-Total Perm. Financing Costs					10,000	10,000	
	<b>Total Financing Costs</b>					<b>12,600,791</b>	<b>12,600,791</b>	
<b>Legal Costs</b>								
	Borrower Legal fees					180,000	180,000	Legal consult cost (50k) + geom slope (10k) + all partnership (20k) + synd SP (50k) + synd LP (50k)
	Lend. Legal /CEQA Attorney fees					0	0	All rights legal and admin (commercial)
	Bond Counsel					100,000	100,000	
	Construction Lender Counsel					75,000	75,000	
	Permanent Lender Counsel					0	0	
	Contract Lender Equipment Contracts Attorney					113,000	113,000	Contract lender eq. 63k, contracts 50k
	<b>Total Legal Costs</b>					<b>468,000</b>	<b>468,000</b>	
<b>Other Development Costs</b>								
	Escrow					10,000	10,000	
	Market Study					15,000	15,000	
	Insurance					2,275,300	2,275,300	
	Property Taxes					0	0	0 exempt as 100% affordable housing
	Architecting / Audit					50,000	50,000	
	Operational Costs					0	0	
	Entertainment / Permit Fees					1,853,571	1,853,571	Local Dev impact fees (50k)/permits and fees (1.45m)
	Marketing / Rent-up					154,799	154,799	
	Finishing					531,000	531,000	
	DCI / Utility Fees					762,800	762,800	\$2,000,000. See MCHCD/LOSP Guidelines on: <a href="http://mchcd.org/documents-reports-and-forms">http://mchcd.org/documents-reports-and-forms</a>
	HOAC App / Alloc / Member Fees					125,899	125,899	
	Financial Consultant fees					90,000	90,000	
	Construction Management Fees / Owner's Rep					186,428	200,000	
	Security during Construction					500,000	500,000	
	Relocation					0	0	
	Construction Inspections					420,000	420,000	300k special inspections during construction, 100k window water testing, 20k elevator monitoring
	Resident Services Set Up					62,920	62,920	Covers longing staff on board and office set up prior to move-in/occupancy during lease up period
	Escrow/Deferred Interest					887,890	887,890	
	<b>Total Other Development Costs</b>					<b>8,637,297</b>	<b>7,068,729</b>	
	Sub Cost Contingency					2,405,514	2,405,514	Should be either 10% or 5% of total soft costs
	<b>TOTAL SOFT COSTS</b>					<b>24,298,634</b>	<b>807,860</b>	<b>27,390,147</b>

<b>RESERVES</b>								
	Operating Reserves					534,369	534,369	Residential
	Replacement Reserves					0	0	
	Tenant Improvements Reserves					0	0	
	Other					0	0	
	<b>TOTAL RESERVES</b>					<b>534,369</b>	<b>534,369</b>	

<b>DEVELOPER COSTS</b>								
	Developer Fee - Cash-out Prior at Milestones					1,100,000	1,100,000	
	Developer Fee - Cash-out at Risk					1,100,000	1,100,000	
	Commercial Developer Fee					0	0	
	Developer Fee - CD Equity (also show as source)				500,100	500,100	500,100	
	Developer Fee - Deferred (also show as source)				0	0	0	Need MCHCD approval for this cost, N/A for most projects.
	Development Consultant Fees					0	0	
	<b>TOTAL DEVELOPER COSTS</b>					<b>2,200,000</b>	<b>2,200,000</b>	

<b>TOTAL DEVELOPMENT COST</b>								
	Development Cost/Unit by Source					413,436	598,274	
	Development Cost/Unit as % of TDC by Source					48.2%	100.0%	
	Acquisition Cost/Unit by Source					0	0	
	Construction Cost (inc Const Contingency)/Unit by Source					221,165	655,887	
	Construction Cost (inc Const Contingency)/SF					304.55	902.91	
	Tax Credit Equity Pricing					11,908,110		
	Construction Bond Amount					413,436		
	Construction Loan Term (in months)					66.44(mths)		
	Construction Loan Interest Rate (as %)					8.52%		

**Attachment K: 1<sup>st</sup> Year Operating Budget**



Application Date:	3/17/2023	Non-LOSP Units		Project Name:	Transbay 2 West
Total # Units:	151	30	121	Project Address:	200 Folsom St
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	2026	LOSP/non-LOSP Allocation		Project Sponsor:	Chinatown Community Development Center
		20%	80%		
	LOSP	non-LOSP	Total		Comments
<b>INCOME</b>					
Residential - Tenant Rents	108,000	1,129,764	1,237,764	Links from New Proj - Rent & Unit Mix Worksheet	Alternative LOSP Split
Residential - Tenant Assistance Payments (Non-LOSP)	0	687,336	687,336	Links from New Proj - Rent & Unit Mix Worksheet	Residential - Tenant Assistance Payments (N
Residential - LOSP Tenant Assistance Payments	442,913	0	442,913		
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	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	2,356	9,422	11,778	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: 0%	Alternative LOSP Split
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		Withdrawal from Capitalized Reserve (deposit
<b>Gross Potential Income</b>	<b>563,269</b>	<b>1,826,522</b>	<b>2,379,791</b>		
Vacancy Loss - Residential - Tenant Rents	(5,516)	(66,959)	(72,475)	Vacancy loss is 5% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	0	(34,367)	(34,367)	Vacancy loss is 5% of Tenant Assistance Payments.	
Vacancy Loss - Commercial	0	0	0	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 0%	
<b>EFFECTIVE GROSS INCOME</b>	<b>547,751</b>	<b>1,735,196</b>	<b>2,282,947</b>	<b>PUPA: 15,119</b>	
<b>OPERATING EXPENSES</b>					
<b>Management</b>					
Management Fee	24,643	96,573	123,216	1st Year to be set according to HUD schedule. - AB: \$68/PUPY	Alternative LOSP Split
Asset Management Fee	4,856	19,424	24,280	AM fee above the line	Management Fee
<b>Sub-total Management Expenses</b>	<b>29,499</b>	<b>117,997</b>	<b>147,496</b>	<b>PUPA: 977</b>	
<b>Salaries/Benefits</b>					
Office Salaries	25,989	103,954	129,943		Alternative LOSP Split
Manager's Salary	14,514	58,057	72,571		Office Salaries
Health Insurance and Other Benefits	31,939	127,754	159,693	Health insurance + benefits (138.7k) + 403b (19k)	Health Insurance and Other Benefits
Other Salaries/Benefits	120,263	32,322	152,585	Desk clerk salaries	Other Salaries/Benefits
Administrative Rent-Free Unit	0	0	0		Administrative Rent-Free Unit
<b>Sub-total Salaries/Benefits</b>	<b>201,734</b>	<b>322,089</b>	<b>523,823</b>	<b>PUPA: 3,469</b>	
<b>Administration</b>					
Advertising and Marketing	1,020	4,080	5,100		
Office Expenses	12,308	49,234	61,542	Includes telephone (36.5k), office supplies (10k), computer (15k)	Alternative LOSP Split
Office Rent	0	0	0		Projected LOSP Split
Legal Expense - Property	2,000	8,000	10,000		Legal Expense - Property
Audit Expense	4,288	17,154	21,442		
Bookkeeping/Accounting Services	3,443	13,771	17,214		Projected LOSP Split
Bad Debts	2,330	9,261	11,601		Bad Debts
Miscellaneous	4,832	19,328	24,160	Misc admin	
<b>Sub-total Administration Expenses</b>	<b>30,212</b>	<b>120,847</b>	<b>151,059</b>	<b>PUPA: 1,000</b>	
<b>Utilities</b>					
Electricity	19,237	76,955	96,192		Projected LOSP Split
Water	14,647	58,588	73,235		Electricity
Gas	0	0	0		
Sewer	22,469	89,875	112,344		
<b>Sub-total Utilities</b>	<b>46,353</b>	<b>225,413</b>	<b>281,766</b>	<b>PUPA: 1,866</b>	
<b>Taxes and Licenses</b>					
Real Estate Taxes	1,903	7,610	9,513	\$63 PUPY (based on avg comps across CCDC residential senior portfolio)	Alternative LOSP Split
Payroll Taxes	7,635	30,541	38,176		Real Estate Taxes
Miscellaneous Taxes, Licenses and Permits	2,023	8,094	10,117	\$67 PUPY (based on avg comps across CCDC residential senior portfolio)	Payroll Taxes
<b>Sub-total Taxes and Licenses</b>	<b>11,561</b>	<b>46,245</b>	<b>57,806</b>	<b>PUPA: 383</b>	
<b>Insurance</b>					
Property and Liability Insurance	35,696	142,786	178,482	Quote from Sept 2022. Update pending, contacted broker Feb and March 2023	
Fidelity Bond Insurance	0	0	0		Alternative LOSP Split
Worker's Compensation	3,962	15,910	19,962		Worker's Compensation
Director's & Officers' Liability Insurance	0	0	0		
<b>Sub-total Insurance</b>	<b>39,689</b>	<b>158,755</b>	<b>198,444</b>	<b>PUPA: 1,314</b>	
<b>Maintenance &amp; Repair</b>					
Payroll	63,174	252,895	316,069	Maintenance payroll	Alternative LOSP Split
Supplies	6,614	26,455	33,069	Misc and supplies	Payroll
Contracts	0	0	0		Supplies
Garbage and Trash Removal	14,453	57,811	72,264		Contracts
Security Payroll/Contract	0	0	0		Alternative LOSP Split
HVAC Repairs and Maintenance	4,017	16,066	20,083		Security Payroll/Contract
Vehicle and Maintenance Equipment Operation and Repairs	11,265	45,058	56,323	Repairs	
Miscellaneous Operating and Maintenance Expenses	12,127	48,507	60,634	Grounds (30k) + exterminating contract (10.4k) + elevator (20.21k)	
<b>Sub-total Maintenance &amp; Repair Expenses</b>	<b>111,548</b>	<b>446,594</b>	<b>558,242</b>	<b>PUPA: 3,697</b>	
<b>Supportive Services</b>					
Supportive Services	42,600	170,400	213,000	1.5 Res Services Coordinators + fringe, .5 Supervisor + fringe + 31.7k RS expenses (out of	Alternative LOSP Split
Commercial Expenses	0	0	0	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 0%	Supportive Services
<b>TOTAL OPERATING EXPENSES</b>	<b>523,297</b>	<b>1,608,339</b>	<b>2,131,636</b>	<b>PUPA: 14,117</b>	
<b>Reserves/Ground Lease Base Rent/Bond Fees</b>					
Ground Lease Base Rent	3,000	12,000	15,000	Ground lease with MOHCD	
Bond Monitoring Fee	300	2,000	2,300		Alternative LOSP Split
Replacement Reserve Deposit	15,100	60,400	75,500		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 Reserves, Commercial	0	0	0	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 0%	
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>	<b>18,600</b>	<b>74,400</b>	<b>93,000</b>	<b>PUPA: 616</b>	
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)</b>	<b>541,897</b>	<b>1,682,739</b>	<b>2,224,636</b>	<b>PUPA: 14,733</b>	
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>	<b>5,854</b>	<b>52,457</b>	<b>58,311</b>	<b>PUPA: 386</b>	
<b>DEBT SERVICE/MUST PAY PAYMENTS (hard debt/ amortized loans)</b>					
Hard Debt - First Lender	0	0	0	Provide additional comments here, if needed.	Alternative LOSP Split
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lien)	0	0	0	Provide additional comments here, if needed.	Hard Debt - First Lender
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0	Provide additional comments here, if needed.	Hard Debt - Second Lender (HCD Program 0
Hard Debt - Fourth Lender	0	0	0	Provide additional comments here, if needed.	Hard Debt - Third Lender (Other HCD Progr
Commercial Hard Debt Service	0	0	0	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 0%	Hard Debt - Fourth Lender
<b>TOTAL HARD DEBT SERVICE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>PUPA: 0</b>	
<b>CASH FLOW (NOI minus DEBT SERVICE)</b>	<b>5,854</b>	<b>52,457</b>	<b>58,311</b>		
Commercial Only Cash Flow	0	0	0		
Allocation of Commercial Surplus to LOSP/Non-LOSP (residual income)	0	0	0		Allocation of Commercial Surplus to LOSP/No
<b>AVAILABLE CASH FLOW</b>	<b>5,854</b>	<b>52,457</b>	<b>58,311</b>		
<b>USES OF CASH FLOW BELOW (This row also shows DSCR)</b>					
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>					
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)	0	0	0		
Partnership Management Fee (see policy for limits)	4,854	19,416	24,270	should be in our pro forma	Alternative LOSP Split
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,000	4,000	5,000	should be in ours and mags.	Partnership Management Fee
Other Payments	0	0	0		Investor Service Fee
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.	Other Payments
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.	Non-amortizing Loan Pmt - Lender 1 (select
Deferred Developer Fee (Enter amt <= Max Fee from call #130)	0	0	0	Def. Develop. Fee split: 0%	Non-amortizing Loan Pmt - Lender 2 (select
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>	<b>5,854</b>	<b>23,416</b>	<b>29,270</b>	<b>PUPA: 194</b>	
<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>	<b>(0)</b>	<b>29,041</b>	<b>29,041</b>		
<b>Residual Receipts Calculation</b>					
Does Project have a MOHCD Residual Receipt Obligation?		Yes	Project has MOHCD ground lease?	Yes	
Will Project Defeat Developer Fee?		No			
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:		33%			Sum of DD F from LOSP and non-LOSP:
% of Residual Receipts available for distribution to soft debt lenders in		67%			Ratio of Sum of DD F and calculated 50%:
<b>Soft Debt Lenders with Residual Receipts Obligations</b>					
MOHCD/OCIL - Soft Debt Loans			(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCIL - Ground Lease Value or Land Acq Cost			All MOHCD/OCIL Loans payable from res. recs.	\$85,308,148	92.77%
HCD (soft debt loan) - Lender 3				\$150,000	0.23%
Other Soft Debt Lender - Lender 4					0.00%
Other Soft Debt Lender - Lender 5					0.00%
<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>					
MOHCD Residual Receipts Amount Due	19,361	19,361	67% of residual receipts, multiplied by 100% - MOHCD's pro rata share of all soft debt		
Proposed MOHCD Residual Receipts Amount to Loan Repayment	19,361	19,361	Enter/revise 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 repaym.		
<b>REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>					
<b>DEBT SERVICE</b>		<b>9,680</b>			
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>					
HCD Residual Receipts Amount Due		0			
Lender 4 Residual Receipts Due		0			
Lender 5 Residual Receipts Due		0			
<b>Total Non-MOHCD Residual Receipts Debt Service</b>		<b>0</b>			
<b>REMANDER (Should be zero unless there are distributions below)</b>					
Owner Distributions/Incentive Management Fee		9,680	100% of Borrower share of 33% of residual receipts		
Other Distributions/Uses		0			
<b>Final Balance (should be zero)</b>		<b>0</b>			

Application Date: 3/17/2023  
 Total # Units: 151  
 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				Approved By (reqt)
Residential - Tenant Assistance Payments (Non-LOSP)	0.00%	non-LOSP	100.00%	
Residential - LOSP Tenant Assistance Payments				
Commercial Space				
Residential Parking				
Miscellaneous Rent Income	LOSP	non-LOSP		Approved By (reqt)
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 (reqt)
Withdrawal from Capitalized Reserve (deposit to operating account)				(to operating account)
<b>Gross Potential Income</b>				
Vacancy Loss - Residential - Tenant Rents				
Vacancy Loss - Residential - Tenant Assistance Payments				
Vacancy Loss - Commercial				
<b>EFFECTIVE GROSS INCOME</b>				

OPERATING EXPENSES				
<b>Management</b>				
Management Fee	LOSP	non-LOSP		Approved By (reqt)
Asset Management Fee				
<b>Sub-total Management Expenses</b>				
<b>Salaries/Benefits</b>				
Office Salaries	LOSP	non-LOSP		Approved By (reqt)
Manager's Salary				
Health Insurance and Other Benefits				
Other Salaries/Benefits	80.00%	20.00%		
Administrative Rent-Free Unit				
<b>Sub-total Salaries/Benefits</b>				
<b>Administration</b>				
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	20.00%	80.00%		
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	20.00%	80.00%		
Miscellaneous				
<b>Sub-total Administration Expenses</b>				
<b>Utilities</b>				
Electricity	LOSP	non-LOSP		(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	20.00%	80.00%		
Gas				
Sewer				
<b>Sub-total Utilities</b>				
<b>Taxes and Licenses</b>				
Real Estate Taxes	LOSP	non-LOSP		Approved By (reqt)
Payroll Taxes				
Miscellaneous Taxes, Licenses and Permits				
<b>Sub-total Taxes and Licenses</b>				
<b>Insurance</b>				
Property and Liability Insurance				
Fidelity Bond Insurance	LOSP	non-LOSP		Approved By (reqt)
Worker's Compensation				
Director's & Officers' Liability Insurance				
<b>Sub-total Insurance</b>				
<b>Maintenance &amp; Repair</b>				
Payroll	LOSP	non-LOSP		Approved By (reqt)
Supplies	20.00%	80.00%		(LOSP-specific expenses must be tracked at entry level in project)
Contracts				
Garbage and Trash Removal	LOSP	non-LOSP		Approved By (reqt)
Security Payroll/Contract				
HVAC Repairs and Maintenance				
Vehicle and Maintenance Equipment Operation and Repairs				
Miscellaneous Operating and Maintenance Expenses				
<b>Sub-total Maintenance &amp; Repair Expenses</b>				
<b>Supportive Services</b>				
Commercial Expenses				

<b>TOTAL OPERATING EXPENSES</b>				
<b>Reserves/Ground Lease Base Rent/Bond Fees</b>				
Ground Lease Base Rent				
Bond Monitoring Fee	LOSP	non-LOSP		Approved By (reqt)
Replacement Reserve Deposit				
Operating Reserve Deposit				
Other Required Reserve 1 Deposit				
Other Required Reserve 2 Deposit				
Required Reserve Deposits, Commercial				
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>				
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>				
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>				
<b>DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)</b>				
Hard Debt - First Lender	LOSP	non-LOSP	100.00%	Approved By (reqt)
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender 4.2% pymt. or other 2nd Lender)	0.00%			
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				
Hard Debt - Fourth Lender				
Commercial Hard Debt Service				
<b>TOTAL HARD DEBT SERVICE</b>				

<b>CASH FLOW (NOI minus DEBT SERVICE)</b>				
Commercial Only Cash Flow				
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	non-LOSP (residual income)			
<b>AVAILABLE CASH FLOW</b>				
<b>USES OF CASH FLOW BELOW (This row also shows DSCR)</b>				
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>				
Partnership Management Fee (see policy for limits)				
Below-the-line Asset Mgt Fee (uncommon in new projects, see policy)				
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	LOSP	non-LOSP		Approved By (reqt)
Other Payments				
Non-amortizing Loan Pymt - Lender 1 (select lender in comments field)				lender in comments field
Non-amortizing Loan Pymt - Lender 2 (select lender in comments field)				
Deferred Developer Fee (Enter amt <= Max Fee from call 1130)	0.00%		100.00%	
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>				
<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)</b>				
<i>Residual Receipts Calculation</i>				
Does Project have a MOHCD Residual Receipt Obligation?				
Will Project Defeat Developer Fee?				
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:			0	
% of Residual Receipts available for distribution to soft debt lenders in	#VALUE!			
<b>Soft Debt Lenders with Residual Receipts Obligations</b>				
MOHCD/OCIL - Soft Debt Loans				
MOHCD/OCIL - 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				
<b>MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>				
MOHCD Residual Receipts Amount Due				
Proposed MOHCD Residual Receipts Amount to Loan Repayment				
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease				
<b>REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>				
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>				
HCD Residual Receipts Amount Due				
Lender 4 Residual Receipts Due				
Lender 5 Residual Receipts Due				
Total Non-MOHCD Residual Receipts Debt Service				
<b>REMAINDER (should be zero unless there are distributions below)</b>				
Owner Distributions/Incentive Management Fee				
Other Distributions/Uses				
Final Balance (should be zero)				

**Attachment L: 20-year Operating Proforma**

Transbay 2 West

	Total # Units:		LOSP Units		Non-LOSP Units		Year 1 2026			Year 2 2027			Year 3 2028		
	151	30	121	80.00%	121	80.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
<b>INCOME</b>															
Residential - Tenant Rents	1.0%	2.5%	1.0%	2.5%	1.0%	2.5%	178,000	1,129,764	1,307,764	169,000	1,156,008	1,325,008	169,000	1,186,588	1,355,588
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a	n/a	n/a	n/a	n/a	-	687,336	687,336	-	802,289	802,289	-	834,381	834,381
Residential - LOSP Tenant Assistance Payments	n/a	n/a	n/a	n/a	n/a	n/a	442,813	-	442,813	460,196	-	460,196	478,231	-	478,231
Commercial Space	n/a	3.0%	n/a	3.0%	n/a	3.0%	-	-	-	-	-	-	-	-	-
Residential Parking	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2,396	9,422	11,778	2,414	9,658	12,072	2,475	9,899	12,374
Tenant Charges	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	3.0%	n/a	3.0%	n/a	3.0%	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	n/a	n/a	n/a	n/a	-	-	-	-	-	-	-	-	-
<b>Gross Potential Income</b>							553,369	1,836,532	2,379,791	571,690	1,969,855	2,501,771	590,871	2,011,239	2,562,070
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	n/a	n/a	n/a	n/a	(5,616)	(56,959)	(62,477)	(5,454)	(57,900)	(63,354)	(5,509)	(59,349)	(64,856)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	n/a	n/a	n/a	n/a	(34,367)	(34,367)	-	(40,114)	(40,114)	-	(41,779)	(41,779)	-
Vacancy Loss - Commercial	n/a	n/a	n/a	n/a	n/a	n/a	-	-	-	-	-	-	-	-	-
<b>EFFECTIVE GROSS INCOME</b>							547,751	1,735,196	2,282,947	566,236	1,871,940	2,438,417	585,362	1,930,172	2,497,214
<b>OPERATING EXPENSES</b>															
<b>Management</b>															
Management Fee	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	24,843	88,573	123,216	25,506	102,023	127,529	26,398	105,594	131,992
Asset Management Fee	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	-	-	-	-	-	-	-	-	-
<b>Sub-total Management Expenses</b>							24,843	88,573	123,216	25,506	102,023	127,529	26,398	105,594	131,992
<b>Salaries/Benefits</b>															
Office Salaries	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	25,989	103,964	129,843	26,898	107,593	134,491	27,840	111,398	138,186
Manager's Salary	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	14,514	58,057	72,571	15,032	60,089	75,111	15,548	62,192	77,740
Health Insurance and Other Benefits	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	31,939	127,754	159,693	33,056	132,226	165,282	34,213	136,854	171,067
Other Salaries/Benefits	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	12,893	32,323	161,816	13,818	33,455	167,217	13,802	34,663	175,127
Administrative Rent-Free Unit	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	-	-	-	-	-	-	-	-	-
<b>Sub-total Salaries/Benefits</b>							201,734	322,089	523,823	208,795	333,382	542,157	216,103	346,030	581,132
<b>Administration</b>															
Advertising and Marketing	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	1,020	4,080	5,100	1,066	4,223	5,279	1,093	4,271	5,483
Office Expenses	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	12,308	49,234	61,542	12,739	50,957	63,698	13,185	52,740	65,926
Office Rent	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	-	-	-	-	-	-	-	-	-
Legal Expenses - Property	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	2,000	8,000	10,000	2,070	8,280	10,350	2,143	8,570	10,712
Audit Expense	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4,298	17,194	21,442	4,438	17,724	22,192	4,594	18,376	22,969
Bookkeeping/Accounting Services	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3,443	13,771	17,214	3,563	14,253	17,816	3,688	14,782	18,440
Bad Debts	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	2,320	9,281	11,601	2,401	9,606	12,007	2,485	9,942	12,427
Miscellaneous	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4,932	19,328	24,160	5,001	20,004	25,006	5,176	20,708	25,891
<b>Sub-total Administration Expenses</b>							30,712	120,847	151,059	31,269	125,077	156,346	32,364	129,455	161,818
<b>Utilities</b>															
Electricity	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	19,237	76,950	96,187	19,911	79,643	99,554	20,600	82,430	103,038
Water	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	14,647	58,588	73,235	15,160	60,639	75,798	15,690	62,781	78,451
Gas	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	22,469	89,875	112,344	23,265	92,021	116,276	24,069	95,277	120,546
Steam	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	56,335	225,413	281,766	58,326	233,302	291,628	60,367	241,468	301,835
<b>Sub-total Utilities</b>							106,688	414,826	511,532	108,656	428,515	521,676	107,655	418,946	523,870
<b>Taxes and Licenses</b>															
Rear Estate Taxes	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	1,903	7,610	9,513	1,989	7,877	9,846	2,039	8,162	10,131
Payroll Taxes	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	7,635	30,541	38,176	7,922	31,610	39,512	8,177	32,716	40,895
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	2,023	8,094	10,117	2,094	8,377	10,471	2,168	8,670	10,838
<b>Sub-total Taxes and Licenses</b>							11,561	46,245	57,806	11,966	47,863	59,829	12,385	49,539	61,923
<b>Insurance</b>															
Property and Liability Insurance	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	35,696	142,786	178,482	36,846	147,783	184,729	38,239	152,946	191,194
Fidelity Bond Insurance	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	-	-	-	-	-	-	-	-	-
Workers Compensation	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	3,922	15,670	19,592	4,132	16,529	20,661	4,277	17,107	21,384
Director's & Officers' Liability Insurance	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	-	-	-	-	-	-	-	-	-
<b>Sub-total Insurance</b>							39,618	158,456	198,074	41,078	164,312	205,390	42,516	170,063	212,578
<b>Maintenance &amp; Repair</b>															
Payroll	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	63,174	252,695	315,869	65,385	261,540	326,924	67,673	270,693	338,387
Supplies	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	6,614	26,455	33,069	6,845	27,381	34,226	7,085	28,339	35,424
Contractors	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	-	-	-	-	-	-	-	-	-
Garbage and Trash Removal	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	14,493	57,811	72,284	14,959	59,835	74,793	15,482	61,929	77,411
Security Payroll/Contract	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	4,017	16,068	20,083	4,157	16,629	20,786	4,303	17,211	21,513
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	11,205	45,068	56,273	11,609	46,625	59,294	12,017	48,268	60,538
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%	3.5%	3.5%	3.5%	3.5%	12,127	48,507	60,634	12,551	50,205	62,756	12,971	51,942	64,893
<b>Sub-total Maintenance &amp; Repair Expenses</b>							111,648	446,594	558,242	115,556	462,224	577,780	119,601	478,402	598,003
<b>Supportive Services</b>															
Commercial Expenses	n/a	n/a	n/a	n/a	n/a	n/a	42,600	170,400	213,000	44,091	176,364	220,455	45,634	182,537	228,171
<b>TOTAL OPERATING EXPENSES</b>							523,297	1,608,339	2,131,636	541,612	1,664,631	2,206,243	560,569	1,722,893	2,283,442
<b>RESERVES/GROUND LEASE BASE RENT/BOND FEES</b>															
PUPA (w/o Reserves/Gl Base Rent/Bond Fees)							14,117	-	-	-	-	-	-	-	-
Ground Lease Base Rent							3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000
Bond Monitoring Fee							500	2,000	2,500	500	2,000	2,500	500	2,000	2,500
Replacement Reserve Deposit							15,100	60,400	75,500	15,100	60,400	75,500	15,100	60,400	75,500
Operating Reserve Deposit							-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit							-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit							-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial							-	-	-	-	-	-	-	-	-
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>							18,600	74,400	93,000	18,600	74,400	93,000	18,600	74,400	93,000
<b>TOTAL OPERATING EXPENSES (w/ Res</b>															

Transbay 2 West

	Total # Units:		LOSP		Non-LOSP		Year 4		Year 5		Year 6		Year 7	
	Units	2029	Units	2029	Units	2029	2030	2030	2030	2030	2031	2031	2031	2032
<b>NCMCE</b>	% annual inc	% annual LOSP	% annual increase	Comments (related to annual inc assumptions)	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
Residential - Tenant Rents	1.0%	1.0%	4.0%	SOB Subsidy row	867,756	867,756	-	902,466	902,466	-	936,565	936,565	-	976,108
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a	n/a	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation: 0%	-	-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a	n/a	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation: 0%	496,925	516,299	516,299	-	516,299	536,379	-	536,379	-	557,188
Commercial Space	n/a	n/a	3.0%	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation: 0%	-	-	-	-	-	-	-	-	-	-
Residential Parking	2.5%	2.5%	2.5%	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation: 0%	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%	2.5%	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation: 0%	-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%	2.5%	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation: 0%	-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%	2.5%	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation: 0%	-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%	2.5%	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation: 0%	10,147	12,684	2,600	10,401	13,001	2,665	10,661	13,326	2,732	10,927
Tenant Charges	2.5%	2.5%	2.5%	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation: 0%	-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%	2.5%	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation: 0%	-	-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	n/a	3.0%	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation: 0%	-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	n/a	Unit from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-	-
<b>Gross Potential Income</b>					2,044,535	2,705,369	631,284	2,159,016	2,791,199	692,563	2,327,460	3,880,003	674,564	3,297,215
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	n/a	Enter formula manually per relevant MOH policy; annual increasing usually not appropriate.	(60,832)	(60,395)	(5,610)	(62,522)	(67,872)	(6,670)	(63,911)	(69,587)	(75,732)	(85,509)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	n/a		(43,389)	(43,388)	-	(45,123)	(45,123)	-	(46,929)	(46,929)	-	(48,805)
Vacancy Loss - Commercial	n/a	n/a	n/a		-	-	-	-	-	-	-	-	-	-
<b>EFFECTIVE GROSS INCOME</b>					1,900,316	2,595,486	625,665	2,092,439	2,678,104	646,877	2,116,610	2,763,488	668,832	2,182,901
<b>OPERATING EXPENSES</b>														
<b>Management</b>														
Management Fee	3.5%	3.5%	3.5%	1st Year to be set according to PMO schedule.	109,289	136,612	26,279	113,115	141,393	29,268	117,074	146,342	30,293	121,171
Asset Management Fee	3.5%	3.5%	3.5%	per MOHCD policy	21,638	26,500	5,572	22,289	27,862	5,787	23,079	28,837	5,968	23,877
<b>Sub-total Management Expenses</b>					130,927	163,511	31,851	135,404	169,255	35,055	140,153	175,179	36,262	145,048
<b>Salaries/Benefits</b>														
Office Salaries	3.5%	3.5%	3.5%		115,266	144,070	29,823	119,290	149,113	30,865	123,465	154,332	31,847	127,786
Manager's Salary	3.5%	3.5%	3.5%		64,389	80,481	16,656	66,622	83,271	17,239	68,963	86,192	17,842	71,367
Health Insurance and Other Benefits	3.5%	3.5%	3.5%		141,644	177,054	36,650	146,601	183,251	37,933	151,732	189,665	38,261	157,043
Other Salaries/Benefits	3.5%	3.5%	3.5%		35,837	179,187	148,366	37,092	185,458	153,569	38,390	191,949	158,934	39,733
Administrative Rent-Free Unit	3.5%	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
<b>Sub-total Salaries/Benefits</b>					357,106	580,772	231,485	369,604	601,099	239,597	382,540	622,137	247,883	385,929
<b>Administration</b>														
Advertising and Marketing	3.5%	3.5%	3.5%		4,524	5,654	1,170	4,682	5,852	1,211	4,846	6,067	1,254	5,015
Office Expenses	3.5%	3.5%	3.5%		34,508	68,233	14,124	66,497	70,621	14,619	68,474	73,093	16,130	61,627
Office Rent	3.5%	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expenses - Property	3.5%	3.5%	3.5%		8,970	11,087	2,295	9,180	11,475	2,315	9,501	11,677	2,450	9,834
Audit Expense	3.5%	3.5%	3.5%		19,019	23,773	4,921	19,684	24,605	5,093	20,373	25,466	5,272	21,086
Bookkeeping/Accounting Services	3.5%	3.5%	3.5%		15,288	19,085	3,957	15,803	19,753	4,089	16,356	20,445	4,232	16,928
Bad Debts	3.5%	3.5%	3.5%		10,280	12,862	2,662	10,690	13,312	2,758	11,023	13,778	2,852	11,408
Miscellaneous	3.5%	3.5%	3.5%		21,429	26,787	5,545	22,179	27,724	5,739	22,956	29,685	5,949	23,759
<b>Sub-total Administration Expenses</b>					133,985	167,482	34,669	138,675	173,344	35,882	143,529	179,411	37,138	148,552
<b>Utilities</b>														
Electricity	3.5%	3.5%	3.5%		85,315	106,644	22,075	88,301	110,377	22,649	91,392	114,240	23,648	94,591
Water	3.5%	3.5%	3.5%		64,959	81,197	16,808	67,231	84,039	17,396	69,584	86,980	18,605	72,020
Gas	3.5%	3.5%	3.5%		99,646	124,558	25,783	103,124	128,917	26,688	106,744	133,429	27,620	110,480
Steam	3.5%	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
<b>Sub-total Utilities</b>					249,919	312,399	64,667	258,666	323,333	66,930	267,720	334,650	69,272	277,090
<b>Taxes and Licenses</b>														
Rear Estate Taxes	3.5%	3.5%	3.5%		8,438	10,547	2,183	8,733	10,816	2,260	9,039	11,286	2,339	9,355
Payroll Taxes	3.5%	3.5%	3.5%		33,867	42,326	8,762	35,046	43,808	9,099	36,273	45,341	9,386	37,542
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%	3.5%		9,974	11,217	2,322	9,988	11,609	2,403	9,613	12,016	2,487	9,949
<b>Sub-total Taxes and Licenses</b>					51,279	64,091	13,267	53,667	66,334	13,741	64,924	78,665	14,212	56,847
<b>Insurance</b>														
Property and Liability Insurance	3.5%	3.5%	3.5%		158,309	197,886	40,962	163,850	204,812	42,396	169,585	211,981	43,880	175,520
Fidelity Bond Insurance	3.5%	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Workers' Compensation	3.5%	3.5%	3.5%		17,706	22,132	4,581	18,326	22,907	4,742	18,967	23,709	4,908	19,631
Director's & Officers' Liability Insurance	3.5%	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
<b>Sub-total Insurance</b>					176,015	220,018	45,544	182,177	227,719	47,138	188,551	235,690	48,788	195,151
<b>Maintenance &amp; Repair</b>														
Payroll	3.5%	3.5%	3.5%		280,168	350,210	72,493	289,974	362,467	75,031	300,123	375,153	77,657	316,627
Supplies	3.5%	3.5%	3.5%		29,331	36,664	7,589	30,358	37,947	7,855	31,420	39,276	8,130	32,520
Contractors	3.5%	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Garbage and Trash Removal	3.5%	3.5%	3.5%		64,098	80,120	16,585	66,540	82,925	17,165	68,662	85,827	17,766	71,065
Security Payroll/Contract	3.5%	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%	3.5%	3.5%		17,813	22,266	4,609	18,437	23,046	4,770	19,082	23,852	4,927	19,720
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%	3.5%		49,807	62,446	12,926	51,708	64,835	13,279	53,916	66,894	13,847	55,388
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%	3.5%		33,781	67,226	13,916	35,663	69,878	14,403	67,811	72,014	14,807	59,628
<b>Sub-total Maintenance &amp; Repair Expenses</b>					495,146	618,933	126,119	512,476	640,596	132,603	530,413	663,016	137,244	548,978
<b>Supportive Services</b>														
Commercial Expenses	3.5%	3.5%	3.5%	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation: 0%	188,926	236,157	48,884	195,638	244,422	50,595	202,382	252,977	52,366	209,465
<b>TOTAL OPERATING EXPENSES</b>					1,783,194	2,363,383	600,495	1,845,606	2,446,101	621,512	1,910,202	2,531,715	643,265	1,977,060
<b>Reserves/Ground Lease Base Rent/Bond Fees</b>														
Reserves/Ground Lease Base Rent/Bond Fees														
Ground Lease Base Rent					12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000
Bond Monitoring Fee					2,000	2,500	500	2,000	2,500	500	2,000	2,500	500	2,000
Replacement Reserve Deposit					60,400	75,500	15,100	60,400	75,500	15,100	60,400	75,500	15,100	60,400
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial					-	-	-	-	-	-	-	-	-	-
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>					74,400	93,000	18,600	74,400	93,000	18,600	74,400	93,000	18,600	74,400
<b>TOTAL OPERATING EXPENSES (w/ Reserves/Gl Base Rent/Bond Fees)</b>					1,857,594	2,456,383	619,095	1,920,006	2,539,101	640,112	1,984,602	2,624,715	661,865	2,051,460
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>					132,721	139,103	6,570	132,433	139,003	6,765	132,008	138,773	6,967	131,441
<b>DEBT SERVICE/MUST PAY PAYMENTS (hard debt/amortized loans)</b>														

Transbay 2 West

	Total # Units:		LOSP Units		Non-LOSP Units		Year 8 2033			Year 9 2034			Year 10 2035		
	20,00%	80,00%	30	127											
<b>NCMCE</b>	% annual inc	% annual inc	Comments (related to annual inc assumptions)		Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
Residential - Tenant Rents	1.0%	1.0%			1,424,824	175,797	1,349,024	1,458,725	176,849	1,378,508	1,493,456	178,171	1,410,920	1,528,038	
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	4.0%	SOB Subsidy row		976,108	-	1,015,152	1,015,152	-	1,055,758	1,055,758	-	1,097,988	1,097,988	
Residential - LOSP Tenant Assistance Payments	n/a	n/a	Non-Commercial/Op. Budget Worksheet Commercial to Residential allocation: 0%		557,188	578,754	-	578,754	601,103	-	601,103	624,267	-	624,267	
Commercial Space	n/a	3.0%			-	-	-	-	-	-	-	-	-	-	
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%			13,659	2,800	11,200	14,600	2,870	11,460	14,350	3,942	11,767	14,709	
Tenant Charges	2.5%	2.5%			-	-	-	-	-	-	-	-	-	-	
Miscellaneous Residential Income	2.5%	2.5%			-	-	-	-	-	-	-	-	-	-	
Other Commercial Income	n/a	3.0%	Non-Commercial/Op. Budget Worksheet Commercial to Residential allocation: 0%		-	-	-	-	-	-	-	-	-	-	
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	LPS from Reserve Section below, as applicable		-	-	-	-	-	-	-	-	-	-	
<b>Gross Potential Income</b>					2,971,779	697,345	2,369,287	3,066,631	720,971	2,443,746	3,164,667	745,231	2,538,676	3,365,997	
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formula manually per relevant MOH policy; annual increasing usually not appropriate.		(71,241)	(5,790)	(67,147)	(72,538)	(5,847)	(66,820)	(74,673)	(5,900)	(70,540)	(76,452)	
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a			(48,805)	-	(50,750)	(50,750)	-	(52,789)	(52,789)	-	(54,899)	(54,899)	
Vacancy Loss - Commercial	n/a	n/a			-	-	-	-	-	-	-	-	-	-	
<b>EFFECTIVE GROSS INCOME</b>					2,851,733	691,555	2,251,382	2,942,938	715,074	2,322,133	3,037,206	739,415	2,365,230	3,134,646	
<b>OPERATING EXPENSES</b>															
<b>Management</b>															
Management Fee	3.5%	3.5%	1st Year to be set according to PMO schedule		151,404	31,353	125,412	156,705	32,450	129,802	162,282	33,896	134,345	167,531	
Asset Management Fee	3.5%	3.5%	per MOHCD policy		-	-	-	-	-	-	-	-	-	-	
<b>Sub-total Management Expenses</b>					151,404	31,353	125,412	156,705	32,450	129,802	162,282	33,896	134,345	167,531	
<b>Salaries/Benefits</b>															
Office Salaries	3.5%	3.5%			189,733	33,065	152,259	185,324	34,272	158,888	171,110	35,426	141,679	177,099	
Manager's Salary	3.5%	3.5%			89,208	16,466	70,864	92,331	18,115	76,450	95,562	19,781	79,125	98,907	
Health Insurance and Other Benefits	3.5%	3.5%			196,303	40,635	162,539	203,174	42,057	168,228	210,285	43,529	174,116	217,645	
Other Salaries/Benefits	3.5%	3.5%			198,667	164,497	47,124	205,821	170,254	42,563	212,817	176,213	44,083	220,286	
Administrative Rent-Free Unit	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	
<b>Sub-total Salaries/Benefits</b>					643,911	256,662	409,787	666,449	265,645	424,129	618,775	274,943	438,974	713,917	
<b>Administration</b>															
Advertising and Marketing	3.5%	3.5%			8,269	1,298	5,191	8,489	1,343	6,372	8,716	1,290	6,561	8,951	
Office Expenses	3.5%	3.5%			76,651	15,660	62,639	78,209	16,208	64,831	81,030	16,775	67,100	83,875	
Office Rent	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	
Legal Expenses - Property	3.5%	3.5%			12,393	2,545	10,176	12,723	2,634	10,524	13,168	2,738	10,893	13,629	
Audit Expense	3.5%	3.5%			26,338	5,455	21,824	27,280	5,647	22,589	28,235	5,845	23,279	29,223	
Bookkeeping/Accounting Services	3.5%	3.5%			21,180	4,380	17,527	21,901	4,534	18,134	22,668	4,692	18,789	23,461	
Bad Debts	3.5%	3.5%			14,261	2,952	11,808	14,760	3,085	12,271	15,276	3,163	12,649	15,611	
Miscellaneous	3.5%	3.5%			29,699	6,149	24,997	30,738	6,363	24,997	31,914	6,596	26,342	32,529	
<b>Sub-total Administration Expenses</b>					185,690	38,438	153,751	192,189	39,783	159,133	188,916	41,176	164,702	205,878	
<b>Utilities</b>															
Electricity	3.5%	3.5%			118,238	24,475	97,907	122,377	25,332	101,329	126,660	26,210	104,874	131,093	
Water	3.5%	3.5%			90,625	18,635	74,540	93,175	19,287	77,149	96,437	19,862	79,649	99,812	
Gas	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	
Stover	3.5%	3.5%			138,099	28,587	114,245	142,532	29,587	118,248	147,508	30,622	122,491	153,113	
<b>Sub-total Utilities</b>					346,962	71,697	286,788	358,485	74,206	296,826	317,032	76,804	307,215	384,018	
<b>Taxes and Licenses</b>															
Rear Estate Taxes	3.5%	3.5%			11,694	2,421	9,698	12,103	2,505	10,601	12,527	2,593	10,972	12,965	
Payroll Taxes	3.5%	3.5%			46,528	9,714	36,855	46,371	10,054	40,216	50,271	10,405	41,624	52,030	
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%			12,436	2,574	10,297	12,872	2,664	10,658	13,322	2,758	11,091	13,788	
<b>Sub-total Taxes and Licenses</b>					71,658	14,709	56,836	73,545	15,224	60,896	76,119	15,757	63,627	78,784	
<b>Insurance</b>															
Property and Liability Insurance	3.5%	3.5%			219,400	45,416	181,663	227,079	47,005	188,021	235,027	48,651	194,602	243,253	
Fidelity Bond Insurance	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	
Workers' Compensation	3.5%	3.5%			24,538	5,079	20,719	25,307	5,257	21,029	26,286	5,441	21,765	27,208	
Director's & Officers' Liability Insurance	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	
<b>Sub-total Insurance</b>					243,938	50,495	201,981	252,476	52,263	209,506	261,313	54,092	216,367	270,459	
<b>Maintenance &amp; Repair</b>															
Payroll	3.5%	3.5%			388,284	80,375	321,499	401,874	83,168	332,751	415,939	86,099	344,398	430,497	
Supplies	3.5%	3.5%			40,650	8,415	33,658	42,073	8,709	34,839	43,546	9,074	36,056	45,070	
Contractors	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	
Garbage and Trash Removal	3.5%	3.5%			88,831	18,388	73,552	91,540	19,032	76,129	95,158	19,698	78,791	98,488	
Security Payroll/Contract	3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	
HVAC Repairs and Maintenance	3.5%	3.5%			24,897	5,110	20,447	25,251	5,289	21,156	26,445	5,474	21,897	27,711	
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%			69,253	14,332	52,227	71,669	14,833	59,253	74,187	15,362	61,410	76,762	
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%			74,535	15,429	61,715	77,143	15,969	63,875	79,843	16,528	66,110	82,638	
<b>Sub-total Maintenance &amp; Repair Expenses</b>					686,222	142,408	568,192	710,240	147,020	588,078	735,098	152,165	608,661	760,827	
<b>Supportive Services</b>	3.5%	3.5%	Non-Commercial/Op. Budget Worksheet Commercial to Residential allocation: 0%		281,831	54,199	216,796	270,805	56,096	224,384	280,480	58,050	232,238	290,297	
<b>Commercial Expenses</b>					-	-	-	-	-	-	-	-	-	-	
<b>TOTAL OPERATING EXPENSES</b>					2,620,325	665,780	2,046,257	2,712,036	688,082	2,117,876	2,806,958	713,200	2,192,001	2,905,201	
<b>Reserves/Ground Lease Base Rent/Bond Fees</b>															
PUPA (w/o Reserves/GL Base Rent/Bond Fees)															
Ground Lease Base Rent					15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	
Bond Monitoring Fee					2,500	500	2,000	2,500	500	2,000	2,500	500	2,000	2,500	
Replacement Reserve Deposit					75,000	15,000	60,400	75,000	15,000	60,400	75,000	15,000	60,400	75,000	
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-	-	
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-	-	
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-	-	
Required Reserve Deposits, Commercial					-	-	-	-	-	-	-	-	-	-	
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>					93,000	18,600	74,400	93,000	18,600	74,400	93,000	18,600	74,400	93,000	
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)</b>					2,713,325	684,380	2,120,657	2,805,036	707,682	2,192,276	2,899,558	731,800	2,266,401	2,998,201	
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>															
					138,408	7,176	130,726	137,901	7,392	129,857	137,249	7,616	128,829	136,445	
<b>DEBT SERVICE/MUST PAY PAYMENTS (hard debt/amortized loans)</b>															
Hard Debt - First Lender					-	-	-	-	-	-	-	-	-	-	
Hard Debt - Second Lender (HCD Program 0.42% p/yr, or other 2nd Lender)					-	-	-	-	-	-	-	-	-	-	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-	-	
<b>TOTAL HARD DEBT SERVICE</b>					-	-	-	-	-	-	-	-	-	-	
<b>CASH FLOW (NOI minus DEBT SERVICE)</b>					138,408	7,176	130,726	137,901	7,392	129,857	137,249	7,616	128,829	136,445	
<b>Commercial Only Cash Flow</b>															
Allocation of Commercial Surplus to LOPS/Non-LOSP (residual @ income)															
<b>AVAILABLE CASH FLOW</b>					138,408	7,176	130,726	137,901	7,392	129,857	137,249	7,616	128,829	136,445	
<b>USES OF CASH FLOW BELOW (This row</b>															









Transbay 2 West

	Total # Units:		LOSP		Non-LOSP		Year 18			Year 19			Year 20				
	Units	Units	Units	Units	Units	Units	2043	2044	2045	2043	2044	2045	2043	2044	2045		
	20,00%	80,00%	% annual inc	% annual inc	Comments (related to annual inc assumptions)			Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
<b>NCOME</b>																	
Residential - Tenant Rents	1,833,780	1,833,780	1.0%	2.5%			1,833,780	1,833,780	1,833,780	1,833,780	1,833,780	1,833,780	1,833,780	1,833,780	1,833,780	1,833,780	1,833,780
Residential - Tenant Assistance Payments (Non-LOSP)			n/a	4.0%	SOB Subsidy row		1,444,878	1,444,878	1,444,878	1,444,878	1,444,878	1,444,878	1,444,878	1,444,878	1,444,878	1,444,878	1,444,878
Residential - LOSP Tenant Assistance Payments			n/a	n/a	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation 0%		811,603	842,365	874,236	874,236	874,236	874,236	874,236	874,236	874,236	874,236	874,236
Commercial Space			n/a	3.0%			-	-	-	-	-	-	-	-	-	-	-
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%			17,485	3,594	14,337	17,922	3,674	14,696	18,370	3,766	15,063	18,829	
Tenant Charges			2.5%	2.5%			-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income			2.5%	2.5%			-	-	-	-	-	-	-	-	-	-	-
Other Commercial Income			n/a	3.0%	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation 0%		-	-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)			n/a	n/a	Use from Reserve Section below, as applicable		-	-	-	-	-	-	-	-	-	-	-
<b>Gross Potential Income</b>							4,077,745	972,855	3,236,080	4,208,935	1,007,004	3,339,522	4,346,616	1,041,494	3,446,453	4,487,948	
Vacancy Loss - Residential - Tenant Rents			n/a	n/a	Enter formula manually per relevant MOH policy; annual increasing usually not appropriate.		(90,189)	(6,395)	(85,950)	(92,349)	(6,459)	(86,102)	(94,562)	(6,524)	(90,305)	(96,829)	
Vacancy Loss - Residential - Tenant Assistance Payments			n/a	n/a			(72,244)	-	(72,244)	(75,134)	-	(75,134)	(78,139)	-	(81,250)	(84,265)	
Vacancy Loss - Commercial			n/a	n/a			-	-	-	-	-	-	-	-	-	-	-
<b>EFFECTIVE GROSS INCOME</b>							3,915,312	967,459	3,074,993	4,042,452	1,000,634	3,173,281	4,173,915	1,034,971	3,274,882	4,309,853	
<b>OPERATING EXPENSES</b>																	
<b>Management</b>																	
Management Fee			3.5%	3.5%	1st Year to be set according to PMO schedule		213,655	44,227	176,900	221,133	45,774	183,089	228,872	47,377	189,506	236,883	
Asset Management Fee			3.5%	3.5%	per MOHCD policy		25,576	52,941	211,766	264,707	54,794	219,178	273,972	56,712	226,849	283,561	
<b>Sub-total Management Expenses</b>							239,231	97,168	388,666	485,840	100,568	402,267	502,844	104,089	416,355	490,444	
<b>Salaries/Benefits</b>																	
Office Salaries			3.5%	3.5%			276,319	48,641	186,504	233,268	48,274	183,054	241,308	49,063	199,852	248,818	
Manager's Salary			3.5%	3.5%			125,837	26,048	104,193	132,241	26,890	107,840	134,800	27,904	111,614	139,518	
Health Insurance and Other Benefits			3.5%	3.5%			276,605	57,319	229,278	288,507	59,326	237,302	296,628	61,402	245,608	307,010	
Other Salaries/Benefits			3.5%	3.5%			280,240	232,039	58,010	290,048	240,160	60,040	300,200	248,566	62,141	310,707	
Administrative Rent-Free Unit			3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total Salaries/Benefits</b>							908,302	362,047	578,045	940,092	374,719	598,276	972,996	387,634	619,216	1,007,500	
<b>Administration</b>																	
Advertising and Marketing			3.5%	3.5%			8,843	1,821	7,222	9,153	1,895	7,579	9,473	1,961	7,844	9,805	
Office Expenses			3.5%	3.5%			106,713	22,090	88,358	110,448	22,883	91,457	114,314	23,663	94,652	118,315	
Office Rent			3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	-
Legal Expenses - Property			3.5%	3.5%			17,340	3,589	14,357	17,847	3,716	14,869	18,575	3,848	15,380	19,235	
Audit Expense			3.5%	3.5%			37,180	7,696	30,785	38,441	7,966	31,863	39,828	8,244	39,978	41,222	
Bookkeeping/Accounting Services			3.5%	3.5%			29,849	6,179	24,715	30,894	6,395	25,580	31,075	6,610	26,475	33,004	
Bad Debts			3.5%	3.5%			20,116	4,164	16,656	20,800	4,310	17,239	21,549	4,461	17,842	22,303	
Miscellaneous			3.5%	3.5%			41,863	8,972	34,667	43,389	8,973	35,922	44,977	9,291	37,159	48,448	
<b>Sub-total Administration Expenses</b>							261,934	54,220	216,882	271,102	56,118	224,472	280,590	58,082	232,329	290,411	
<b>Utilities</b>																	
Electricity			3.5%	3.5%			166,787	34,625	138,100	172,624	35,733	137,666	36,994	147,930	38,600	184,620	
Water			3.5%	3.5%			126,988	26,287	105,146	131,433	27,207	108,827	136,033	28,159	112,636	140,794	
Gas			3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	-
Sewer			3.5%	3.5%			194,803	40,234	161,297	201,621	41,736	166,942	208,678	43,196	173,785	215,981	
<b>Sub-total Utilities</b>							468,578	101,136	404,543	505,679	104,675	416,702	523,377	106,339	433,536	541,696	
<b>Taxes and Licenses</b>																	
Rear Estate Taxes			3.5%	3.5%			16,495	3,415	13,055	17,073	3,534	14,336	17,670	3,655	14,631	18,289	
Payroll Taxes			3.5%	3.5%			68,197	13,703	54,611	68,514	14,782	56,729	70,912	14,679	56,715	73,363	
Miscellaneous Taxes, Licenses and Permits			3.5%	3.5%			17,543	3,631	14,528	18,197	3,758	15,034	18,792	3,890	16,560	19,580	
<b>Sub-total Taxes and Licenses</b>							100,235	20,749	82,994	103,743	21,475	85,699	107,374	22,226	88,906	111,132	
<b>Insurance</b>																	
Property and Liability Insurance			3.5%	3.5%			309,485	64,063	256,254	320,317	66,306	265,223	331,528	68,626	274,506	343,132	
Fidelity Bond Insurance			3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	-
Workers' Compensation			3.5%	3.5%			34,614	7,165	28,660	35,825	7,416	29,663	37,079	7,675	30,702	38,377	
Director's & Officers' Liability Insurance			3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	-
<b>Sub-total Insurance</b>							344,099	71,229	284,914	356,143	73,722	294,886	368,608	76,302	305,207	381,509	
<b>Maintenance &amp; Repair</b>																	
Payroll			3.5%	3.5%			547,712	113,376	453,506	566,882	117,345	469,379	586,723	121,452	485,807	607,259	
Supplies			3.5%	3.5%			97,341	11,870	47,478	99,348	12,285	49,140	61,425	12,715	50,860	63,575	
Contractors			3.5%	3.5%			125,305	25,938	103,752	129,690	26,846	107,394	134,230	27,786	111,124	138,958	
Garbage and Trash Removal			3.5%	3.5%			-	-	-	-	-	-	-	-	-	-	-
Security Payroll/Contract			3.5%	3.5%			34,024	7,268	26,854	36,042	7,491	29,843	37,334	7,722	30,898	38,610	
HVAC Repairs and Maintenance			3.5%	3.5%			97,663	20,216	89,865	101,062	20,924	83,698	104,619	21,056	89,625	109,281	
Vehicle and Maintenance Equipment Operation and Repairs			3.5%	3.5%			105,139	21,764	87,055	108,818	22,625	80,102	112,827	23,314	93,255	116,659	
Miscellaneous Operating and Maintenance Expenses			3.5%	3.5%			967,984	200,373	801,491	1,001,863	207,386	829,543	1,036,928	214,644	858,577	1,073,221	
<b>Sub-total Maintenance &amp; Repair Expenses</b>							967,984	200,373	801,491	1,001,863	207,386	829,543	1,036,928	214,644	858,577	1,073,221	
<b>Supportive Services</b>			3.5%	3.5%	Non-Commercial Op. Budget Worksheet Commercial to Residential allocation 0%		369,339	76,452	305,813	382,206	79,129	316,616	395,645	81,899	327,594	409,493	
<b>Commercial Expenses</b>							-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>							3,696,227	939,148	2,886,447	3,825,595	972,018	2,987,473	3,959,491	1,006,039	3,092,034	4,098,073	
<b>Reserves/Ground Lease Base Rent/Bond Fees</b>																	
<b>PUPA (w/o Reserves/GL Base Rent/Bond Fees)</b>																	
Ground Lease Base Rent							15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	
R																	

**Attachment M: Commercial Development Budget**

Application Date: 3/17/2023 # Commercial Spaces: 3  
 Project Name: Transbay 2 West  
 Project Address: 200 Folsom St  
 Project Sponsor: Chinatown Community Development Center

COMMERCIAL SPACE	Space 1	Space 2	Space 3	Space 4	Space 5	%	Total Building Costs in Commercial Budget
Commercial Use - Description	Retail A	Retail B	Retail C			2.28%	Total Commercial SF
Gross SF	1421	905	619				2,945

SOURCES	Name of Sources	1,465,858	662,897	453,407	-	-	Total Sources	Comments
USE\$	OCII	OCII	OCII				2,582,163	

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

CONSTRUCTION (HARD COSTS)	Unit Construction/Rehab							
Commercial Warm Shell Construction	542,360	345,416	236,257				1,124,033	See MOHCD Commercial Underwriting Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
Commercial Cold Shell Construction								
Demolition								
Environmental Remediation								
Onsite Improvements/Landscaping								
Offsite Improvements								
Infrastructure Improvements								
Parking								
GC Bond Premium/GC Insurance/GC Taxes								0.0%
GC Overhead & Profit								0.0%
CG General Conditions								0.0%
Sub-total Construction Costs	542,360	345,416	236,257	0	0	0	1,124,033	
Design Contingency (remove at DD)								0.0%
Bid Contingency (remove at bid)								0.0%
Plan Check Contingency (remove/reduce during Plan Review)								0.0%
Hard Cost Construction Contingency	27,118	17,271	11,813				56,202	5.0%
Sub-total Construction Contingencies	27,118	17,271	11,813	0	0	0	56,202	
<b>TOTAL CONSTRUCTION COSTS</b>	<b>569,478</b>	<b>362,687</b>	<b>248,070</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,180,235</b>	

SOFT COSTS	Architecture & Design							
Architect design fees								See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
Architecture design fees for Schematic Drawings for tenant-paid tenant improvements								
Design Subconsultants to the Architect (incl. Fees)								
Architect Construction Admin								
Reimbursables								
Additional Services								
Sub-total Architect Contract	0	0	0	0	0	0	0	
Other Third Party design consultants (not included under Architect contract)								
<b>Total Architecture &amp; Design</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Engineering & Environmental Studies	Survey							
Geotechnical studies								
Phase I & II Reports								
CEQA / Environmental Review consultants								
NEPA / 106 Review								
CNA/PNA (rehab only)								
Other environmental consultants								Name consultants & contract amounts
<b>Total Engineering &amp; Environmental Studies</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Financing Costs	Construction Financing Costs							
Construction Loan Origination Fee								
Construction Loan Interest								
Title & Recording								
CD/LAC & CD/JAC fees								
Bond Issuer Fees								
Other Bond Cost of Issuance								
Other Lender Costs (specify)								
Sub-total Const. Financing Costs	0	0	0	0	0	0	0	
<b>Permanent Financing Costs</b>								
Permanent Loan Origination Fee								
Credit Enhance. & Appl. Fee								
Title & Recording								
Commercial Loan Origination Fee								
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	
<b>Total Financing Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Legal Costs	Borrower Legal fees							
Land Use / CEQA Attorney fees								
Tax Credit Counsel								
Bond Counsel								
Construction Lender Counsel								
Permanent Lender Counsel								
All rights legal and admin (commercial)	24,126	15,365	10,509				50,000	
<b>Total Legal Costs</b>	<b>24,126</b>	<b>15,365</b>	<b>10,509</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,000</b>	

Other Development Costs	Appraisal							
Market Study								
Insurance								
Property Taxes								
Accounting / Audit								
Organizational Costs								
Entitlement / Permit Fees								
Marketing / Lease-up								
Franchising								
PGE / Utility Fees								
TCAC App / Alloc / Monitor Fees								
Financial Consultant fees								
Construction Management fees / Owner's Rep								
Security during Construction								
Relocation								
<b>Total Other Development Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

Soft Cost Contingency	Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,206	788	525			2,500	5%
<b>TOTAL SOFT COSTS</b>	<b>25,332</b>	<b>16,153</b>	<b>11,035</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>52,500</b>	<b>5.6%</b>

RESERVES	Operating Reserves	93,149	59,324	40,577			193,050	11 soft costs 43k, permitting 150k
Replacement Reserves	21,713	13,829	9,456				45,000	3 years
Tenant Improvements Reserves	213,150	135,750	92,850				441,750	Commercial TI allowance (150*retail sf)
Commercial Lease-Up Reserves	32,897	20,951	14,330				68,178	pre-leasing 54.6k, marketing 7.5k, market analysis 6k
3 Year Commercial vacancy reserve	85,139	54,223	37,087				176,450	Pro-rata share of real estate taxes, insurance, and 10K insurance deductible
<b>TOTAL RESERVES</b>	<b>446,048</b>	<b>284,077</b>	<b>194,303</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>924,428</b>	

DEVELOPER COSTS	Commercial Developer Fee - Cash-out Paid at Milestones	425,000					425,000	
Other (specify)								
Other (specify)								
<b>TOTAL DEVELOPER COSTS</b>	<b>425,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>425,000</b>	

TOTAL DEVELOPMENT COST	Development Cost/SF by Source	1,465,858	662,897	453,407	0	0	2,582,163	
Development Cost/Unit as % of TDC by Source		1,032	732	732				

Acquisition Cost/SF by Source		0	0	0			0	
Construction Cost (inc Const. Contingency)/SF by Source		401	401	401				
Construction Cost (inc Const. Contingency)/SF		400.76	400.76	400.76			10.76	

Commercial Loan Amount:  Fill in with value or 'N/A' if not applicable.  
 Commercial Loan Term (in years):  Fill in with value or 'N/A' if not applicable.  
 Commercial Interest Rate (as %):  Fill in with value or 'N/A' if not applicable.

Construction line item costs as a % of hard costs

Total Soft Cost Contingency as % of Total Soft Costs

**Attachment N: Commercial Operating Proforma**

