



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

1130 Filbert Street

\$3,750,000 Permanent Financing Request

Evaluation of Request for:	Permanent Financing
Loan Committee Date:	August 4, 2023
Prepared By:	Amanda Fukutome-Lopez, Project Manager
Sources and Amounts of New Funds Recommended:	\$2,325,000 Housing Stability Funds \$1,425,000 2016 GO Bond (Series 2020C) \$3,750,000 Total
NOFA/PROGRAM/RFP:	Small Sites Program
Applicant/Sponsor(s) Name:	San Francisco Community Land Trust

Applicant: San Francisco Community Land Trust
Project Name and Address: 1130 Filbert Street



EXECUTIVE SUMMARY

Date:	August 4, 2023
From:	Amanda Fukutome-Lopez, Project Manager
NOFA/Program:	2019 Acquisition and Rehabilitation Financing for Small Sites Program Properties
Applicant:	San Francisco Community Land Trust
Co-Applicant:	N/A
Project Name (if any):	1130 Filbert Street
Project Address (with cross street):	1130 Filbert Street (between Leavenworth and Hyde Streets)
Number of Units with Unit Mix:	4 units (3 2-bedroom, and 1 1-bedroom)
Supervisor and District	District 3/Supervisor Aaron Peskin
Amount of SSP Funds Recommended:	\$2,325,000
Amount of PASS ("Prop C") Funds Recommended:	\$1,425,000
Type of Financing:	Permanent Financing

1. SUMMARY/BRIEF PROJECT UPDATE

San Francisco Community Land Trust ("SFCLT," "1130 Filbert LLC," or the "Sponsor") requests \$1,425,000 in Preservation and Seismic Safety ("PASS") Program funding and \$2,325,000 in Small Sites Program ("SSP") funding from the Mayor's Office of Housing and Community Development ("MOHCD") for the permanent financing of the property located at 1130 Filbert Street in the Russian Hill neighborhood of San Francisco (the "Project"). SFCLT acquired the Project after they were made aware that the building housed vulnerable residents and was at high risk for eviction to be followed by TIC conversion. The tenants are low-income, and two households are seniors on fixed incomes. Prior to redistricting, it was the first affordable housing project in District 2. The close of escrow was March 31, 2022.

On January 2, 2022, MOHCD issued an initial soft commitment letter for the Project. After the completion of the initial underwriting, the Project received a second soft commitment letter increasing the loan amount on March 30, 2022. The Project went through the San Francisco Housing Accelerator Fund ("SFHAF") for its acquisition and rehabilitation, and the SFHAF provided approximately \$3,409,589 in acquisition and rehabilitation financing. The requested loan will pay off the existing SFHAF loan, fund replacement and operating reserves, and pay for

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additional closing costs. The Sponsor will record an amended Declaration of Restrictions that will be in effect for the life of the Project, surviving expiration of the Loan Term, default, foreclosure, and/or loan repayment.

Background

Constructed in 1905, 1130 Filbert Street is a four-story, four-unit residential property, with a one-bedroom unit on the ground floor and three two-bedroom units on the upper floors. The Project has a total of 4,575 square feet and is located in the Russian Hill neighborhood of San Francisco.

All the units are occupied, and all the households have income certified. At Project acquisition, all three two-bedroom units were occupied. The one-bedroom unit remained vacant during rehabilitation, to accommodate structural work and to be used for temporary relocation for the other three units. The one-bedroom unit was leased in June 2023. At acquisition, the average household AMI was 41%, and the average rent AMI of occupied units was 103.9%. The Project currently has an average household AMI of 86% and an average rent AMI of 92%. **SFCLT is requesting an exception to the PASS Program Regulations requirement that “the Project’s combined average rents are no higher than 80% of AMI” in order to support an increased PASS loan and reduce the amount of SSP financing to the Project.** As the building experiences turnover, the Project will try to achieve an average of 80% AMI to the extent feasible, per SSP Guidelines. See **Section 5.7** for more information on the project’s affordability.

Additionally, at acquisition, MOHCD approved an exception to size the Project’s operating reserve at 75% of the Project’s operating expenses plus 25% of the Project’s yearly debt service, as opposed to 25% of the Project’s operating expenses plus yearly debt service, in order to mitigate the risk of this being a small building where one vacancy could lead to operational shortfalls. For more on this exception, see **Section 6.2.1**.

At the time of purchase, the building was in average condition. The completed rehabilitation scope included voluntary seismic upgrades, window replacement, electrical upgrades, common area unit improvements, and lead abatement. For more on the rehab scope during the SFHAF rehabilitation period, please see **Section 6.5**.



	Initial Soft Commitment Amount (Jan 2022)	March 2022 Soft Commitment Amount	July 2023 Funding Request
SSP	\$2,480,000 \$620,000/unit	\$2,530,000 \$632,500/unit	\$2,325,000 \$581,250/unit
PASS	\$1,306,000 \$326,500/unit	\$1,234,000 \$308,500/unit	\$1,425,000 \$356,250/unit
Total Development Cost	\$3,786,000 \$946,500/unit	\$3,764,000 \$941,500/unit	\$3,750,000 \$937,500/unit

The total development cost (“TDC”) of the Project is 3,750,000. The proposed City soft subsidy for the Project is \$2,325,000, which is \$205,000 less than MOHCD’s March 2022 soft commitment amount of \$2,530,000. The PASS Program allows the Project to leverage \$1,425,000 in PASS senior debt. This is more than more than MOHCD’s March 2022 soft commitment of \$1,234,000 in PASS funding. The Project can support more PASS debt than initially projected because, pending Loan Committee’s approval of the SFCLT’s request for a waiver of an average rent AMI of 80%, current rents are higher than the Project’s originally underwritten rents, allowing the Project to assume more PASS debt.

2. PRINCIPAL DEVELOPMENT ISSUES

Higher Operating Expenses. When MOHCD issued its soft commitment letter to the Project in 2022, operating expenses without reserves and bond fees were estimated to be \$35,785 annually, or \$8,946 per unit per year (“PUPY”). Since the issuance of the March 2022 soft commitment letter, the Project’s operating expenses without reserves and bond fees have increased to \$49,776 annually, or \$12,444 PUPY. This is primarily due to the cost of insurance, increasing from \$4,000 per year to \$12,995 per year, and the increased Asset Management and Property Management fees provided under the updated SSP Guidelines published in November 2022. Based on current income information, the Project can support the increased operating expenses because the rents for the units are higher than projected at initial underwriting.

3. BORROWER/GRANTEE PROFILE

San Francisco Community Land Trust (SFCLT) is a nonprofit organization whose mission is to create permanently affordable housing for low to moderate-income people through community ownership of land. Guided by the principles of anti-displacement and racial justice, SFCLT aspires to participate in stabilizing neighborhoods and creating greater access to housing and

Applicant: San Francisco Community Land Trust
 Project Name and Address: 1130 Filbert Street



home ownership opportunities with a focus on BIPOC communities previously excluded from access to wealth, and, in particular access to home ownership.

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

3.1 Asset Management Performance & Capacity

SFCLT's first acquisition in 2007 was 53 Columbus Avenue, a building of 21 residential units and 1 commercial ground floor unit. The 53 Columbus project was stabilized by SFCLT in 2011 and has been consistently cash flow positive for the last ten years.

Since the completion of eight Small Site acquisitions from 2015-2017, SFCLT has been working on stabilizing the buildings. Major renovations focused on health and safety concerns; seismic retrofits have been done to all buildings. The renovation program will be completed for all buildings acquired under SSP this year. SFCLT's major focus has been to lease up all vacant units. Its Asset Management Team has worked diligently with MOHCD to streamline the process and procedures for the lease-up of SSP properties.

In late 2022, SFCLT acquired 2 buildings – the 42-unit 285 Turk building in the Tenderloin, and this building.

Additionally, three years ago, SFCLT moved to using an auditing firm with experience with SSP and MOHCD financing. The Annual Monitoring Reports from SSP properties have been delivered on time.

SFCLT Asset Management Goals:

- Increase revenue consistent with SFCLT affordable housing mission.
- Reduce operating costs and expenses including debt service.
- Ensure long-term capital needs of the property are addressed through an up-to-date Capital Needs Plan.
- Ensure there is sufficient capacity available to the organization to scale and operate an expanded portfolio.

Asset Management Plan:

- Build on the successful experience of the asset management of 12 buildings over the last 5 years.
- Hired Samir Habash as a full-time Asset Manager to focus on the Small Sites portfolio.
- Develop and implement a recapitalization plan for the portfolio to reduce debt service and release equity from the buildings. This work has started and one building was refinanced in 2022 with another five buildings in the process of refinancing, which is expected to be complete in Q3 2023.



- Leverage the experience of Board members in tenant engagement and communication.
- Work with MOHCD to improve the process and reduce lease-up times. Implement waitlists for all Small Site buildings.
- Ensure annual rent increases for Small Sites are implemented at a rate of between 2% to 3.5%.
- Implement the recommendations of each building's Capital Needs Assessment study. Ensure every seven years a new study is undertaken.
- Look at opportunities to bring in new revenue by adding or expanding units through an ADU program.

3.2 Development Experience

SFCLT has successfully completed the rehab of 70 units in 10 buildings acquired with the assistance of MOHCD since 2016.

3.3 Property Management Plan for 1130 Filbert

Kalco Property Management serves as the property manager of 1130 Filbert as part of SFCLT's Scattered Site contract. Kalco manages over 750 affordable housing units across San Francisco and has been in the industry for more than 40 years. Kalco manages most properties in SFCLT's portfolio.

3.4 How Selected.

Small Sites Program Funding

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

Revised guidelines for the SSP program were published in November 2022. While the SSP scoring rubric was not in use when the Project was underwritten in early 2022, the Project would receive a score of 84 if it were underwritten today, meeting the minimum threshold of 70 points, and indicating that it meets most of the core goals of the SSP Program, including community stabilization and housing affordability goals.

SSP Scoring Rubric (Baseline Score): 1130 Filbert Street

Category	Points
Housing Affordability	35/35



Community Stabilization	35/35
Geographic Equity (D3)	14/30
Total	84/100

Preservation and Seismic Safety Program (PASS)

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

4. SITE

4.1 Brief Site Description.

Located in the Russian Hill neighborhood between Leavenworth and Hyde Streets, 1130 Filbert is a four-story, four-unit building, with three two-bedroom units and one one-bedroom unit. Built in 1905, the Project has a total of 4,575 sf.

4.2 Site Characteristics.

1. Address, Lot/Block: 1130 Filbert Street, 007/0094
2. Lot Square footage: 2,186 sf
3. Building age: 1905
4. Number of buildings: 1
5. Number of floors: 4
6. Building typology: Apartment 4 units or less
7. Unusual characteristics (including surrounding uses): n/a
8. Recently completed rehab work: See **Section 6.5**

4.3 Article 34 Authority.

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



5. DEVELOPMENT PLAN

5.1 Site Control.

Purchase Price: \$2,400,000

Status of Purchase & Sale Contract: Executed

P & S Contingencies: N/A

Hard Closing Date and other deadlines: March 31, 2022

5.2 Appraisal.

1130 Filbert Street was appraised by R. Blum + Associates on February 7, 2022. The value conclusions were:

Market Value As Is:	\$2,550,000
Hypothetical As Stabilized at Market Rents:	\$3,100,000
Hypothetical As Stabilized at MOHCD Restricted Rents:	\$1,600,000

5.3 Title Issues.

No title issues were identified.

5.4 Proposed Property Ownership Structure.

1130 Filbert LLC owns fee title to the land and the improvements of the subject property.

5.5 Completed Rehab Scope.

At the time of purchase, the building was in average condition. The rehabilitation scope was determined by a CNA completed by Association Reserves on January 28, 2022, that evaluated the existing conditions and proposed to keep the building sustainable for at least 20 years. The following scope was completed during the Project's rehabilitation period:

1. Foundations/Structural: Underwent voluntary seismic upgrade.
2. Electrical system: Installed GFCI outlets in each bathroom and kitchen.
3. Rooftop: Replaced rooftop deck and wind guards.
4. Exterior: Replaced façade siding and repainted the full exterior.



5. Sewer: Hydro jetted sewer mainline.
6. Windows: Replaced 22 wood windows and 44 vinyl windows, including screens flashing, and caulking.
7. Common Area: Replaced carpet and smoke detectors and underwent fire life safety upgrade, including wireless sounders.
8. Unit Upgrades: Renovated kitchens in three units, including new flooring, cabinets, and appliances; replaced water heater in one unit; replaced bathroom flooring in select units; replaced shower surround/enclosure in select units; and abated lead and painted in select units.
9. HVAC: Replaced kitchen hoods and exhaust fans, in select units.
10. Other: Lead-based paint (LBP) was identified in the residential units, common areas, and the building exterior. For more on LBP testing and environmental issues, please see **Appendix B, Section 1**. Most of the lead paint at the Project was abated, and the Project also underwent renovation, repair, and painting activities (RRP). The RRP activities were performed as an interim control to minimize lead hazards and according to EPA standards. An Operations and Maintenance (O&M) Program for remaining lead-based paint will be required as a condition of this loan.

5.6 Population to Be Served

Residents in the building include, BIPOC residents, seniors, families, and a formerly displaced resident.

5.7 Proposed Unit Mix & Affordability

The average AMI for the households at the Project is 86%. The average rent AMI of the Project is 92.3%. There are no vacancies, and all households have provided income certifications. At acquisition, the Project had one vacancy. Since acquisition, the vacancy has been filled, and the other units are all occupied by the tenants that occupied the units at acquisition. Though there is one household that is at 120% AMI, the Project qualifies for the SSP program with at least 66% of the Project (ie. three of four households) earning an average income at or below 80% AMI.

5.8 Marketing & Occupancy Preferences.

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



6. FINANCING PLAN

6.1 Sources and Uses. (attached)

Sources	Interest Rate	Amount
MOHCD SSP	3%	\$2,325,000
MOHCD PASS Program	2.47201%	\$1,425,000
- PASS market rate	3.87289%	\$867,825
- PASS below market rate	0.95763%	\$478,800
- PASS deferred	0.95763%	\$78,375

1. Term: 40 years
2. DSCR: At least 1.15 throughout the first 20 years of the Project.
3. SSP Repayment: Residual receipts
4. PASS Repayment: The market-rate and below-market rate loans require monthly payments and are fully amortized over the term; the deferred loan requires a balloon payment at maturity.
5. SSP Priority: Subordinate to senior financing and the City's Declaration of Restrictions
6. PASS Priority: Senior, in first position, but will subordinate to the City's Declaration of Restrictions

6.2 Development Budget

1. Sufficiency of Reserves

Replacement Reserves: Replacement reserves in the amount of \$157,367 satisfy the SSP Guidelines that require the higher of \$2,000 per unit or the amount necessary to pay replacement costs for the next 20 years, as specified in an approved CNA. SFCLT received a welfare tax exemption rebate of \$28,588, which has already been deposited into the Project's Replacement Reserves.

Operating Reserves: Capitalized operating reserves in the amount of \$56,401 (75% of the first-year operating expenses and 25% of the yearly debt service)



are budgeted to support unanticipated operating costs for at least 20 years. This cost deviates from the SSP guidelines, which require operating reserves in the amount of 25% of the first-year operating budget. At acquisition, MOHCD staff approved underwriting the Project with a higher-than-normal operating reserve to mitigate the risk of this being a small building where one vacancy could lead to operational shortfalls.

2. Developer Fee

Developer fee in the amount of \$120,000 meets the SSP guidelines of \$80,000, paid at acquisition by the SFHAF, and \$10,000 per unit payable at the end of rehabilitation will be disbursed to SFCLT at the time of closing of the permanent financing.

6.3 **Disbursement**

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

7. PROJECT OPERATIONS

7.1 **Annual Operating Budget (attached)**

7.2 **Annual Operating Budget Analysis/Comments.**

1. PUPY Operating Expense: (w/out reserves): \$12,444. This is in line with projects of this size and expenses are based on actuals.
2. Annual Reserve Deposits: \$1,600 per SSP Underwriting Guidelines of \$400/PUPY for a building with <10 units.
3. Property Taxes: The Project will qualify for a partial welfare tax exemption. The one unit, with a household income of 120% AMI, is not tax exempt. SFCLT is budgeting \$6,104 per year to cover property taxes, licenses, and annual certifications.
4. Surplus Cash: \$8,490 in Year 1.
5. Annual Monitoring Fees: \$5,000 (\$2,500 for loan servicing and \$2,500 for monitoring) per PASS Program Regulations.



7.3 20-year Cash Flow (attached)

1. Does Cash Flow Remain Positive for 20 years: Yes
2. Income Assumptions: 2.5% escalation per year
3. Expense Assumptions: 3.5% escalation per year
4. Replacement Reserve Analysis: Replacement reserves are funded through Year 20.
5. DSCR: DSCR starts at 1.15 in Year 1 and steadily rises, hitting its maximum DSCR in Year 19 at 1.597. The DSCR falls to 1.15 in Year 20, with an anticipated cash-out refinance.
6. Refinancing Plan: updated SSP Underwriting Guidelines offer conservative underwriting parameters, including a 1.15 DSCR and a 10% vacancy loss assumption. Operating and replacement reserves are projected to be funded through Year 20 of the Project's lifecycle, ensuring that refinancing should not be required until at least that time.

8. STAFF RECOMMENDATIONS

8.1 Proposed Acquisition/Rehabilitation Loan Terms.

Staff recommends the amount and terms of the financing plan outlined in Section 6.

8.2 Recommended Loan Conditions.

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

Attachments:

Appendix A.	Experience of Key Staff
Appendix B.	SFHAF Appendix
Exhibit A.	Sources and Uses
Exhibit B.	Annual Operating Budget
Exhibit C.	20-Year Cash Flow



LOAN APPROVAL RECOMMENDATION

APPROVE. DISAPPROVE.

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

Date: _____

APPROVE. DISAPPROVE.

Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

Date: _____

APPROVE. DISAPPROVE.

Salvador Menjivar, Housing Director
Department of Homelessness and Supportive Housing

Date: _____

APPROVE. DISAPPROVE.

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

Date: _____

\$3.75M Permanent Financing for 1130 Filbert Street

Shaw, Eric (MYR)

Fri 8/4/2023 11:24 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

1130 Filbert Small Sites Loan Request

Colomello, Elizabeth (CII)

Fri 8/4/2023 11:53 AM

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

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

Hi Vanessa –

I approve the subject request on behalf of OCII.

Thanks-

Elizabeth



Elizabeth Colomello

Housing Program Manager

📍 One South Van Ness Avenue, 5th Floor

San Francisco, CA 94103

📞 415.749-2488, Cell 415.407-1908

🏠 www.sfocii.org

PERMANENT FINANCING FOR 1130 FILBERT STREET.

Menjivar, Salvador (HOM)

Fri 8/4/2023 12:25 PM

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

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

I approve the San Francisco Community Land Trust request for \$2,325,000 in Small Sites Program funding and \$1,425,000 in Preservation and Seismic Safety Program Funding from the Mayor's Office of Housing and Community Development for the permanent financing of 1130 Filbert Street.

Best,

Salvador Menjivar

Re: \$3.75M Permanent Financing for 1130 Filbert Street

Trivedi, Vishal (CON)

Fri 8/4/2023 11:23 AM

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

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

I vote yes on this item.

Vishal Trivedi | Financial Analyst

Office of Public Finance | City & County of San Francisco

Email | vishal.trivedi@sfgov.org



Appendix A: Experience of Key Staff.

Saki Bailey (JD & PhD), Executive Director, has a decade of experience in nonprofit management and program development roles, as well as in teaching and training roles both in the academic and non-profit sectors with a focus on the legal regulation around Community Land Trusts, Co-op formation, and incorporation. Saki is an attorney and real estate developer and worked at Bay Area Community Land Trust prior to joining SFCLT and developed the first Small Sites program project in Berkeley, at the Stuart Street Apartments.

Samir Habash, Director of Finance, Asset Management, is an experienced Asset Manager and Analyst who previously worked for Ballast Investments where he managed 3,200 units of multi-family housing. A Bay Area native, Samir graduated from Saint Mary's College of California with a Major in Economics and Minor in Politics.

Kristen Nation, Director of Stewardship, Asset Management, joined the SFCLT in 2021. She pivoted into the non-profit sector working as a case manager for Conard House, a supportive housing non-profit located in the Tenderloin. Kristen has received her Asset Management Specialist Certification from the Consortium of Housing and Asset Management.

Junli Dai, Assistant Asset Manager, works intensively with the Columbus United Cooperative, an LEHC founded in 2009. In 2001, she graduated with a bachelor's degree majoring in Economics and International Trade. She is bilingual in Mandarin and English, has over 11 years of customer service and property management experience in the housing sector, and also has experience in finance. Junli joined SFCLT in 2013. Through these experiences, she has seen low-income people of color transform their lives and their next generation through affordable housing. As a first-generation immigrant, Junli is passionate about assisting low-income people of color in gaining access to homeownership opportunities.

Emily Silagon, Director of Construction Services, is a Bay Area transplant of 12 years and a licensed architect by schooling (and seven exams), a construction project manager by profession, and a strategist by nature. Since Emily was 7 years old, she has wanted to pursue design and construction and has been passionately learning and growing in that direction ever since. Emily graduated from California College of the Arts in San Francisco and worked for several years in an architectural firm prior to transitioning into the construction management realm. As both an architect and construction manager she has sought work with a social impact, and brings that empathy and enthusiasm to SFCLT, along with her unique design and construction knowledge. Emily also brings two years of experience in establishing operational standards and building infrastructure for the construction management department at Mosser Companies, where her focus was preparing the company platform for sustainable growth. This balance of industry knowledge and operational prowess will be leveraged to elevate the Construction Management department within SFCLT.



Appendix B: SFHAF Appendix.

1. Environmental Issues/Site Suitability.

Phase I/II Site Assessment Status and Results: A Phase I Environmental Site Assessment Report was not required because a Natural Hazard Disclosure (“NHD”) report was prepared by JCP-LGS Hazard Disclosures on January 4, 2022. The report identified earthquake risk as a known hazard. It also identified the property as being: (1) within a one-mile radius of a former military ordnance site; (2) within one-mile of a property zoned to allow commercial or industrial use; (3) within a climate zone where properties are usually subject to duct sealing and testing requirements; and (4) within a one-mile radius of a mapped mining operation (San Francisco Marina West Basin- Reclaimed).

Golden Gate Tank Removal, Inc. conducted a visual property inspection for an underground fuel tank on January 5, 2022. The visual inspection did not identify any signs of an underground fuel tank on the property.

Phoenix Environmental Consulting, LLC prepared an Environmental Assessment: Asbestos Survey Report on January 20, 2022. The report observed building materials throughout the building and did not identify asbestos.

Environmental Lead Detect Inc. prepared five (5) Lead Paint Inspection Reports on January 25, 2022. One report was prepared for each of the units and one report was prepared for the common areas and building exterior. Reports showed that the tested areas contained readings that were registered at or above the LBP action level of 1.0mg/cm². Some lead abatement activities were performed as part of the rehabilitation scope.

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

2. ENTITLEMENTS

2.1 Zoning.



1130 Filbert Street is zoned RH-3 – Residential House, Three Family. The completed rehabilitation scope did not change the use, height, or bulk of the building.

2.2 Local/Federal Environmental Review.

The Project fell into Categorical Exemption 1 - Existing Facilities under CEQA.

3. Relocation. The Borrower spent \$34,500 in relocation funding for three households over 2 months.

4. Completed Performance Schedule.

No.	Performance Milestone	Estimated or Actual Date
1	SSP Financing Commitment	<u>1/3/2022</u>
2.	Site Acquisition	<u>3/31/2022</u>
3.	Development Team Selection	
a.	General Contractor Selection	<u>12/13/2022</u>
4.	Design	
a.	Submit Bid Package for MOHCD Approval	<u>N/A</u>
5.	Permits	
a.	Building Permit Application Submitted	<u>9/12/2022</u>
6.	Construction	
a.	Notice to Proceed	<u>12/16/2022</u>
b.	Complete Construction	<u>6/20/2022</u>
7.	Marketing & Lease-up	
a.	Lease Vacant Unit	<u>6/15/2023</u>
8.	Close Out MOHCD Loan(s)	<u>8/31/2023</u>



5. DEVELOPMENT TEAM DURING SFHAF PERIOD

5.1 Project Manager.

Name: Emily Silagon

Percentage Time Spent on Project: 5% during construction and 25% during closing

Experience: See **Appendix A**

5.2 Architect.

Firm: N/A

Fee/Hours: N/A

5.3 Contractor.

Firm: Jeurieb Construction, LLC

Procurement Requirements: N/A

5.4 Other Consultants.

Structural Engineer:

Firm: Jamie Nielson, SE- Voluntary Seismic Retrofit

Fee/Hours: N/A

5.5 Property Manager.

Firm: Kalco Property Management

(Has property manager participated in the Small Site program previously? Yes)

6. Construction Management Fee: \$25,500

Exhibit A: Sources and Uses

MOHCD Proforma - Permanent Financing Sources/Uses of Funds

Application Date: 6/1/23 # Units: 4
 Project Name: 1130 Fibert St. # Bedrooms: 7
 Project Address: 1130 Fibert St. # Beds:
 Project Sponsor: San Francisco Community Land Trust

Small Sites Project

SOURCES 2,313,697 858,081 473,424 77,495 - - 3,722,697

USES MOHCD/OCII Market Rate Below Market Deferred
 Name of Sources: MOHCD/OCII 3,171,778
 Perm loans total: 3,171,778

ACQUISITION	2,030,495	858,081	473,424	77,495	0	0	3,429,495
Acquisition cost or value	2,030,495	858,081	473,424	77,495			3,429,495
Legal / Closing costs / Broker's Fee	10,000						10,000
Holding Costs							0
Transfer Tax							0
TOTAL ACQUISITION	2,040,495	858,081	473,424	77,495	0	0	3,440,485

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

SOFT COSTS	17,613	0	0	0	0	0	17,613
Architecture & Design							0
Architect design fees							0
Design Subconsultants to the Architect (incl. Fees)							0
Architect Construction Admin							0
Reimbursables							0
Additional Services							0
Sub-total Architect Contract	0	0	0	0	0	0	0
Other Third Party design consultants (not included under Architect contract)							0
Total Architecture & Design	0	0	0	0	0	0	0
Engineering & Environmental Studies							0
Survey							0
Geotechnical studies							0
Phase I & II Reports							0
CEQA / Environmental Review consultants							0
NEPA / 106 Review							0
CHAPRA (rehab only)							0
Other environmental consultants							0
Total Engineering & Environmental Studies	0	0	0	0	0	0	0
Financing Costs							0
Construction Financing Costs							0
Construction Loan Origination Fee							0
Construction Loan Interest							0
Title & Recording							0
CDLAC & CDJAC fees							0
Bond Issuer Fees							0
Other Bond Cost of Issuance							0
Other Lender Costs (specify)							0
Sub-total Const. Financing Costs	0	0	0	0	0	0	0
Permanent Financing Costs							0
Permanent Loan Origination Fee	17,613						17,613
Credit Enhance. & Appl. Fee							0
Title & Recording							0
Sub-total Perm. Financing Costs	17,613	0	0	0	0	0	17,613
Total Financing Costs	17,613	0	0	0	0	0	17,613
Legal Costs							0
Borrower Legal fees	3,840						3,840
Land Use / CEQA Attorney fees							0
Tax Credit Counsel							0
Bond Counsel							0
Construction Lender Counsel							0
Permanent Lender Counsel	15,000						15,000
Other Legal (specify)							0
Total Legal Costs	18,840	0	0	0	0	0	18,840
Other Development Costs							0
Appraisal							0
Market Study							0
Insurance							0
Property Taxes							0
Accounting / Audit							0
Organizational Costs							0
Entitlement / Permit Fees							0
Marketing / Rent-up							0
Furnishings							0
PGE / Utility Fees							0
TCAC App / Albo / Monitor Fees							0
Financial Consultant fees							0
Construction Management fees / Owner's Rep							0
Security during Construction							0
Recreation							0
PASS Monitoring & Service Fees	5,000						5,000
3% Simple Interest	6,581						6,581
Other (specify)							0
Total Other Development Costs	11,581	0	0	0	0	0	11,581
Soft Cost Contingency							0
Contingency (Arch, Eng, Fin, Legal & Other Dev)							0
Contingency (Arch, Eng, Fin, Legal & Other Dev)	48,034	0	0	0	0	0	48,034
TOTAL SOFT COSTS	48,034	0	0	0	0	0	48,034

RESERVES	128,779	0	0	0	0	0	128,779
Operating Reserves	56,401						56,401
Replacement Reserves	128,779						128,779
Tenant Improvements Reserves							0
Other (specify)							0
Other (specify)							0
Other (specify)							0
TOTAL RESERVES	185,179	0	0	0	0	0	185,179

DEVELOPER COSTS	40,000	0	0	0	0	0	40,000
Developer Fee - Cash-out Paid at Milestones	40,000						40,000
Developer Fee - Cash-out At Risk							0
Commercial Developer Fee							0
Developer Fee - GP Equity (also show as source)							0
Developer Fee - Deferred (also show as source)							0
Development Consultant Fees							0
Other (specify)							0
TOTAL DEVELOPER COSTS	40,000	0	0	0	0	0	40,000

TOTAL DEVELOPMENT COST	2,313,697	858,081	473,424	77,495	0	0	3,722,697
Development Cost/Unit by Source	578,424	214,520	118,356	19,374	0	0	930,674
Development Cost/Unit as % of TDC by Source	62.2%	23.0%	12.7%	2.1%	0.0%	0.0%	100.0%
Acquisition Cost/Unit by Source	507,621	214,520	118,356	19,374	0	0	859,871
Construction Cost (inc. Const Contingency)/Unit By Source	0	0	0	0	0	0	0
Construction Cost (inc. Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00

*Passible non-eligible GO Bond/COP Amount: City Subsidy/Unit	56,401						56,401
Tax Credit Equity Pricing	N/A						
Construction Bond Amount	N/A						
Construction Loan Term (in months)	N/A						
Construction Loan Interest Rate (as %)	N/A						

Small Sites	59%	25%	14%	2%	0%	0%	100%
Combined Loan to Value Ratio							100%
% of Acquisition Cost by Source	59%	25%	14%	2%	0%	0%	100%
Small Sites Maximum Developer Fee	120,000						

See MOHCD A&E Fee Guidelines: http://mohcd.org/documents-reports-and-forms							
Construction line item costs as a % of hard costs							
Consultants not covered under architect contract, name consultant type and contract amount.							
Name consultants & contract amounts.							
\$2,000/unit. See MOHCD UW Guidelines on: http://mohcd.org/documents-reports-and-forms							
Total Soft Cost Contingency as % of Total Soft Costs	6.6%						

Exhibit B: Annual Operating Budget

MOHCD Proforma - Year 1 Operating Budget

Application Date: 6/1/23 Project Name: 1130 Filbert St.
 Total # Units: 4 Project Address: 1130 Filbert St.
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2023 Project Sponsor: San Francisco Community Land Trust

INCOME	Total	Comments
Residential - Tenant Rents	133,668	Links from 'Existing Proj - Rent Info' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	Links from 'Existing Proj - Rent Info' Worksheet
Commercial Space	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	1,040	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)		
Gross Potential Income	134,708	
Vacancy Loss - Residential - Tenant Rents	(13,367)	Vacancy loss is 10% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	121,341	PUPA: 30,335

OPERATING EXPENSES		
Management		
Management Fee	5,184	\$108 PUPM
Asset Management Fee	5,184	\$108 PUPM
Sub-total Management Expenses	10,368	PUPA: 2,592

Salaries/Benefits		
Office Salaries		
Manager's Salary		
Health Insurance and Other Benefits		
Other Salaries/Benefits		
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits	0	PUPA: 0

Administration		
Advertising and Marketing		
Office Expenses	500	Office Expenses
Office Rent		
Legal Expense - Property		
Audit Expense	1,072	2023 Accounting Allocation + 20% Buffer
Bookkeeping/Accounting Services		
Bad Debts	4,010	3% of Residential Rents
Miscellaneous		
Sub-total Administration Expenses	5,582	PUPA: 1,395

Utilities		
Electricity	661	Electric 55'12
Water	2,700	
Gas		Tenant pays
Sewer	2,700	
Sub-total Utilities	6,061	PUPA: 1,515

Taxes and Licenses		
Real Estate Taxes	4,704	This is based on one unit with an AMI outside of the welfare tax exemption
Payroll Taxes		
Miscellaneous Taxes, Licenses and Permits	1,400	754 Local and State tax assessments; Annual Fire Certifications 646
Sub-total Taxes and Licenses	6,104	PUPA: 1,526

Insurance		
Property and Liability Insurance	12,449	Insurance Renewal 2023
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
Sub-total Insurance	12,449	PUPA: 3,112

Maintenance & Repair		
Payroll		
Supplies		
Contracts	1,700	500/year for Landscaping, 2400/year Janitorial, 1200/year Pest control
Garbage and Trash Removal	4,512	
Security Payroll/Contract		
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses	3,000	
Sub-total Maintenance & Repair Expenses	9,212	PUPA: 2,303

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

TOTAL OPERATING EXPENSES 49,776 PUPA: 12,444

Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	0	Provide additional comments here, if needed.
Bond Monitoring Fee	5,000	
Replacement Reserve Deposit	1,600	
Operating Reserve Deposit		
Other Required Reserve 1 Deposit		
Other Required Reserve 2 Deposit		
Required Reserve Deposits/s, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	6,600	PUPA: 1,650

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	56,376	PUPA: 14,094	Min DSCR: 1.15
NET OPERATING INCOME (INCOME minus OP EXPENSES)	64,966	PUPA: 16,241	Mortgage Rate: 5.00%
			Term (Years): 30
			Supportable 1st Mortgage Pmt: 56,492
			Supportable 1st Mortgage Amt: \$876,949
			Proposed 1st Mortgage Amt: \$858,081

DEBT SERVICE/MUST PAY PAYMENTS (*hard debt/ amortized loans)			
Hard Debt - First Lender	42,225	Market Rate	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pmt. or other 2nd Lender)	14,251	Below Market	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	Deferred	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0		Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL HARD DEBT SERVICE	56,476	PUPA: 14,119	

CASH FLOW (NOI minus DEBT SERVICE) 8,490

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

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) 8,490

Residual Receipts Calculation			
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?	TBD
Will Project Defer Developer Fee?	No		
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	33%		
% of Residual Receipts available for distribution to soft debt lenders in Yr 1:	67%		

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. recls	\$2,313,697	100.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value		0.00%
HCD (soft debt loan) - Lender 3			0.00%

Application Date: 6/1/23 Project Name: 1130 Filbert St.
 Total # Units: 4 Project Address: 1130 Filbert St.
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2023 Project Sponsor: San Francisco Community Land Trust

Small Sites Project			
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
MOHCD Residual Receipts Amount Due	5,660	67% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt	
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	Enter/override amount of residual receipts proposed for loan repayment.	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.	
Proposed MOHCD Residual Receipts Amount to Replacement Reserve	5,660	MOHCD res recs to Rep Res (RR) until RR balance >= 1.5 Original Capitalized RR amt.	

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE **2,830** *Total Resid Receipts due not allocated, please revise F142*

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

REMAINDER (Should be zero unless there are distributions below)			
Owner Distributions/Incentive Management Fee	2,830	100% of Borrower share of 33% of residual receipts	
Other Distributions/Uses	0		
Final Balance (should be zero)	0		

Exhibit C: 20-Year Cash Flow

MOHCD Profoma - 20 Year Cash Flow

1130 Filbert St.

Small Sites Project

Total # Units: 4

	% annual increase	Comments (related to annual Inc assumptions)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037
INCOME			Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Residential - Tenant Rents	n/a		133,668	131,070	140,435	143,946	147,544	151,233	155,014	158,889	162,861	166,933	171,106	175,384	179,769	184,263	188,869
Residential - Tenant Assistance Payments (Non-LOSP)	n/a		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Space	2.5%	from Commercial Op. Budget Worksheet, Commercial to Residential allocation 100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential Parking	2.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry and Venting	2.5%		1,040	1,066	1,093	1,120	1,148	1,177	1,206	1,236	1,267	1,299	1,331	1,365	1,399	1,434	1,469
Tenant Charges	2.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Commercial Income	2.5%	from Commercial Op. Budget Worksheet, Commercial to Residential allocation 100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Potential Income			134,708	138,076	141,528	145,066	148,692	152,410	156,220	160,125	164,129	168,232	172,438	176,749	181,167	185,696	190,339
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formula manually per relevant MOH policy; annual increasing vacancy not appropriate	(13,367)	(13,701)	(14,043)	(14,395)	(14,754)	(15,123)	(15,501)	(15,889)	(16,286)	(16,693)	(17,111)	(17,539)	(17,977)	(18,426)	(18,887)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			121,341	124,375	127,484	130,671	133,938	137,286	140,719	144,237	147,842	151,539	155,327	159,210	163,190	167,270	171,452
OPERATING EXPENSES Management																	
Management Fee	3.5%	1st Year to be set according to HUD schedule	5,184	5,385	5,553	5,748	5,949	6,157	6,372	6,595	6,828	7,065	7,313	7,568	7,833	8,108	8,391
Asset Management Fee	3.5%	per MOHCD policy	6,184	6,385	6,553	6,748	6,949	7,157	7,372	7,595	7,828	8,065	8,313	8,568	8,833	9,108	9,391
Sub-total Management Expenses			11,368	11,770	12,106	12,496	12,896	13,314	13,744	14,191	14,653	15,131	15,625	16,133	16,656	17,194	17,782
Salaries/Benefits	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Salaries	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manager's Salary	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health Insurance and Other Benefits	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Salaries/Benefits	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administration	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising and Marketing	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Expenses	3.5%		500	518	536	554	574	594	615	636	658	681	705	730	756	782	809
Office Rent	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Audit Expense	3.5%		1,072	1,109	1,148	1,188	1,230	1,273	1,317	1,363	1,411	1,460	1,511	1,564	1,619	1,676	1,734
Bookkeeping/Accounting Services	3.5%		4,010	4,150	4,298	4,446	4,602	4,763	4,929	5,102	5,280	5,465	5,657	5,855	6,059	6,272	6,491
Bad Debts	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses			5,582	5,777	5,979	6,188	6,405	6,629	6,861	7,101	7,350	7,607	7,873	8,149	8,434	8,729	9,035
Utilities	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Electricity	3.5%		681	684	708	731	755	780	811	841	870	901	932	965	999	1,034	1,070
Water	3.5%		2,700	2,795	2,892	2,994	3,098	3,207	3,319	3,435	3,555	3,680	3,809	3,942	4,080	4,223	4,370
Gas	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewer	3.5%		2,700	2,795	2,892	2,994	3,098	3,207	3,319	3,435	3,555	3,680	3,809	3,942	4,080	4,223	4,370
Parcel Taxes	3.5%		6,681	6,713	6,943	7,170	7,395	7,621	7,841	8,051	8,261	8,481	8,691	8,919	9,149	9,381	9,615
Taxes and Licenses	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	3.5%		4,704	4,889	5,039	5,215	5,398	5,587	5,782	5,985	6,194	6,411	6,635	6,868	7,109	7,357	7,614
Parcels Taxes	3.5%		1,400	1,449	1,500	1,552	1,607	1,663	1,721	1,781	1,844	1,908	1,974	2,044	2,115	2,190	2,264
Miscellaneous Taxes, Licenses and Permits	3.5%		6,104	6,318	6,539	6,768	7,004	7,250	7,503	7,766	8,038	8,319	8,610	8,912	9,224	9,546	9,881
Sub-total Taxes and Licenses			11,208	11,607	12,007	12,407	12,807	13,207	13,607	14,007	14,407	14,807	15,207	15,607	16,007	16,407	16,807
Insurance	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property and Liability Insurance	3.5%		12,449	12,885	13,336	13,802	14,286	14,786	15,303	15,839	16,393	16,967	17,561	18,175	18,811	19,470	20,151
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			12,449	12,885	13,336	13,802	14,286	14,786	15,303	15,839	16,393	16,967	17,561	18,175	18,811	19,470	20,151
Maintenance & Repair	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracts	3.5%		1,700	1,780	1,821	1,866	1,915	2,019	2,086	2,163	2,239	2,317	2,398	2,483	2,569	2,656	2,745
Garbage and Trash Removal	3.5%		4,102	4,270	4,433	4,603	4,779	4,959	5,144	5,334	5,529	5,729	5,934	6,144	6,359	6,574	6,791
Security Payroll/Contract	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%		3,000	3,105	3,214	3,326	3,443	3,563	3,688	3,817	3,950	4,089	4,232	4,380	4,533	4,692	4,856
Sub-total Maintenance & Repair Expenses			9,212	9,534	9,868	10,214	10,571	10,941	11,324	11,720	12,129	12,555	12,994	13,449	13,920	14,407	14,911
Supportive Services	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Expenses	3.5%	from Commercial Op. Budget Worksheet, Commercial to Residential allocation 100%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			49,776	51,518	53,321	55,187	57,119	59,118	61,187	63,328	65,545	67,839	70,213	72,671	75,214	77,847	80,571
RESERVES/GROUND LEASE BASE RENT/BOND FEES		PUPA (w/ Reserves/Gl. Base Rent/Bond Fees)															
Residential Reserve Deposit			5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Bond Maintenance Fee			1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-										

1130 Filbert St.

Total # Units: 4

Small Sites Project

	% annual increase	Comments (related to annual Inc assumptions)	Year 16	Year 17	Year 18	Year 19	Year 20
			Total	Total	Total	Total	Total
INCOME							
Residential - Tenant Rents	n/a		193,591	198,431	203,392	208,476	213,688
Residential - Tenant Assistance Payments (Non-LOSP)	n/a		-	-	-	-	-
Commercial Space	2.5%	from Commercial Op. Budget Worksheet, Commercial to Residential allocation 100%	-	-	-	-	-
Residential Parking	2.5%		-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-
Laundry and Venting	2.5%		1,608	1,644	1,682	1,622	1,663
Tenant Changes	2.5%		-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-
Other Commercial Income	2.5%	from Commercial Op. Budget Worksheet, Commercial to Residential allocation 100%	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-
Gross Potential Income			195,097	199,975	204,974	210,099	215,351
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formula manually per relevant MOH policy; annual increasing equity not	(19,359)	(19,843)	(20,339)	(20,848)	(21,369)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		-	-	-	-	-
Vacancy Loss - Commercial	n/a	Appropriate	-	-	-	-	-
EFFECTIVE GROSS INCOME			175,738	180,132	184,635	189,251	193,982
OPERATING EXPENSES							
Management							
Management Fee	3.5%	1st Year to be set according to HUD schedule	8,685	8,889	9,304	9,629	9,966
Asset Management Fee	3.5%	see MOHCD policy	8,685	8,889	9,304	9,629	9,966
Sub-total Management Expenses			17,370	17,978	18,607	19,258	19,932
Salaries/Benefits							
Office Salaries	3.5%		-	-	-	-	-
Manager's Salary	3.5%		-	-	-	-	-
Health Insurance and Other Benefits	3.5%		-	-	-	-	-
Other Salaries/Benefits	3.5%		-	-	-	-	-
Administrative Rent-Free Unit	3.5%		-	-	-	-	-
Sub-total Salaries/Benefits			-	-	-	-	-
Administration							
Advertising and Marketing	3.5%		-	-	-	-	-
Office Expenses	3.5%		838	867	897	929	961
Office Rent	3.5%		-	-	-	-	-
Legal Expense - Property	3.5%		-	-	-	-	-
Audit Expenses	3.5%		1,795	1,858	1,923	1,990	2,060
Bookkeeping/Accounting Services	3.5%		-	-	-	-	-
Bad Debts	3.5%		6,718	6,953	7,187	7,449	7,709
Miscellaneous	3.5%		-	-	-	-	-
Sub-total Administration Expenses			9,351	9,678	10,017	10,368	10,731
Utilities							
Electricity	3.5%		1,107	1,146	1,186	1,228	1,271
Water	3.5%		4,523	4,682	4,846	5,015	5,191
Gas	3.5%		-	-	-	-	-
Sewer	3.5%		4,923	4,982	4,948	5,015	5,191
Sub-total Utilities			10,554	10,810	10,879	11,258	11,652
Taxes and Licenses							
Real Estate Taxes	3.5%		7,881	8,157	8,442	8,738	9,043
Payroll Taxes	3.5%		-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%		2,345	2,426	2,513	2,600	2,692
Sub-total Taxes and Licenses			10,226	10,584	10,955	11,338	11,735
Insurance							
Property and Liability Insurance	3.5%		20,856	21,586	22,342	23,124	23,933
Fidelity Bond Insurance	3.5%		-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-
Sub-total Insurance			20,856	21,586	22,342	23,124	23,933
Maintenance & Repair							
Payroll	3.5%		-	-	-	-	-
Supplies	3.5%		-	-	-	-	-
Contracts	3.5%		2,848	2,848	3,051	3,158	3,268
Garbage and Trash Removal	3.5%		7,559	7,824	8,098	8,381	8,674
Security Payroll/Contract	3.5%		-	-	-	-	-
HVAC Repairs and Maintenance	3.5%		-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%		5,026	5,202	5,384	5,572	5,768
Sub-total Maintenance & Repair Expenses			15,433	15,973	16,533	17,111	17,710
Supportive Services							
Commercial Expenses	3.5%	from Commercial Op. Budget Worksheet, Commercial to Residential allocation 100%	-	-	-	-	-
TOTAL OPERATING EXPENSES			83,391	86,310	89,331	92,458	95,694
Reserves/Ground Lease Base Rent/Bond Fees							
Reserves/Ground Lease Base Rent/Bond Fees		PUPA (w/ Reserve/Gl Base Rent/Bond Fees)	-	-	-	-	-
Bond Monitoring Fee			5,000	5,000	5,000	5,000	5,000
Replacement Reserve Deposit			1,600	1,600	1,600	1,600	1,600
Operating Reserve Deposit			-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-
Required Reserve Deposits, Commercial		from Commercial Op. Budget Worksheet, Commercial to Residential allocation 100%	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			6,600	6,600	6,600	6,600	6,600
TOTAL OPERATING EXPENSES (w/ Reserves/Gl Base Rent/ Bond Fees)			89,991	92,910	95,931	99,058	102,294
NET OPERATING INCOME (INCOME minus OP EXPENSES)			85,747	87,222	88,704	90,193	91,689
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)							
Hard Debt - First Lender		Enter comments re: annual increase, etc.	42,225	42,225	42,225	42,225	79,729
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)		Enter comments re: annual increase, etc.	14,251	14,251	14,251	14,251	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-	-
Commercial Hard Debt Service		from Commercial Op. Budget Worksheet, Commercial to Residential allocation 100%	-	-	-	-	-
TOTAL HARD DEBT SERVICE			56,476	56,476	56,476	56,476	79,729
CASH FLOW (NOI minus DEBT SERVICE)			29,271	30,746	32,228	33,717	11,959
USES OF CASH FLOW BELOW (This row also shows DSCR.)		DSCR:	1.518	1.544	1.571	1.597	1.15
USES THAT PRECEED MOHCD DEBT SERVICE IN WATERFALL							
Below the line Asset Mgt fee (uncommon in new projects, see policy)	3.5%	see MOHCD policy	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	see MOHCD policy	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		see MOHCD policy no annual increase	-	-	-	-	-
Other Payments			-	-	-	-	-
Non-amortizing Loan Pmt - Lender 1		Enter comments re: annual increase, etc.	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 2		Enter comments re: annual increase, etc.	-	-	-	-	-
Deferred Developer Fee (Enter only on Max Fee from row 131)			-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD			-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			29,271	30,746	32,228	33,717	11,959
MOHCD RESIDUAL RECEIPTS DEBT SERVICE							
MOHCD Residual Receipts Amount Due	100.00%	Allocation per pro-rata share of all soft debt loans, and MOHCD residual receipts policy	19,514	20,497	21,485	22,478	7,973
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	19,514	20,497	21,485	22,478	7,973
Proposed MOHCD Residual Receipts Amount to Replacement Reserve			-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE							
HCD Residual Receipts Amount Due	0.00%	NO HCD Financing	-	-	-	-	-
Lender 4 Residual Receipts Due	0.00%		-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-	-	-
REMAINDER (Should be zero unless there are distributions below)							
Owner Distributions/Incentive Management Fee			9,757	10,249	10,743	11,239	3,886
Other Distributions/Loans			-	-	-	-	-
Final Balance (should be zero)			-	-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE							
Replacement Reserve Starting Balance			14,033	34,274	50,134	70,535	94,149
Replacement Reserve Deposits			1,600	1,600	1,600	1,600	1,600
City Share Replacement Reserve Deposit (Small Sites Only)			19,536	19,514	20,497	21,485	22,478
Repayment of City Loan from Cash Out (Small Sites Only)			-	-	-	-	278,825
Replacement Reserve Deposits (Non-Operating Account)			-	-	-	-	-
Replacement Reserve Withdrawals (Loans, Fed to O&M)			-	5,511	2,073	-	347,935
Replacement Reserve Interest	0.75%		105	257	376	529	706
RR Running Balance			34,274	50,134	70,535	94,149	48,923
RR Balance/Unit			86,569	125,594	176,338	235,373	122,456
OPERATING RESERVE - RUNNING BALANCE							
Operating Reserve Starting Balance			63,090	63,563	64,040	64,520	65,004
Operating Reserve Deposits			-	-	-	-	-
Operating Reserve Withdrawals			-	-	-	-	-
Operating Reserve Interest	0.75%		473	477	480	484	488
OR Running Balance			63,563	64,040	64,520	65,004	65,492
OR Balance as a % of Prior Yr Op Exps + Debt Service			44.2%	43.7%	43.2%	42.7%	42.1%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE							
Other Reserve 1 Starting Balance			-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-
Other Reserve 1 Withdrawals			-	-	-	-	-
Other Reserve 1 Interest			-	-	-	-	-
Other Required Reserve 1 Running Balance			-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE							
Other Reserve 2 Starting Balance			-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-
Other Reserve 2 Withdrawals			-	-	-	-	-
Other Reserve 2 Interest			-	-	-	-	-
Other Required Reserve 2 Running Balance			-	-	-	-	-