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

Golden Gate Avenue Phase I - Educator Housing (750 Golden Gate)

Up to $20,000,000 Funding Amount

Preliminary Gap Financing Commitment

Evaluation of Request for:	Preliminary Gap Loan Commitment
Loan Committee Date:	August 4, 2023
Prepared By:	Ryan VanZuylen, Senior Project Manager
MOHCD Asset Manager:	TBD
MOHCD Construction Manager:	Brendan Dwyer
Sources and Amounts of New Funds Recommended:	Educator NOFA Funding - $19,600,000 in 2019 GO Bonds, $400,000 in Affordable Housing Fund - Inclusionary
Sources and Amounts of Previous City Funds Committed:	None
NOFA/PROGRAM/RFP:	2023 Educator Housing NOFA
Applicant/Sponsor(s) Name:	MidPen Housing Corporation

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Golden Gate Avenue Phase I - Educator Housing	Sponsor(s):	MidPen Housing Corporation (MidPen)
Project Address (w/ cross St):	750 Golden Gate Avenue (at Franklin), 94102	Ultimate Borrower Entity:	MP Golden Gate Avenue Associates, L.P.

Project Summary:

On July 24, 2023, MidPen Housing Corporation ("MidPen") was awarded $20M by MOHCD to advance the development of a new affordable educator housing project at 750 Golden Gate Avenue, through the 2023 Acquisition, Predevelopment and Construction Financing for New Affordable Educator Housing NOFA, dated February 24, 2023. To meet the deadline of August 14, 2023, for the State's Excess Sites Local Government Matching Grants (LGMG) program, MidPen will need a commitment letter for $20M from MOHCD. This request is only for a $20M preliminary gap commitment awarded through the NOFA. MidPen will return to MOHCD and Loan Committee with a more complete loan evaluation for predevelopment later in 2023 or early 2024.

Golden Gate Avenue Phase I - Educator Housing (the "Project") will provide 75 new housing units for San Francisco Unified School District (SFUSD) and San Francisco Community College District (SFCCD) employees. 750 Golden Gate (both phases) is one of two State-owned sites that comprise the San Francisco State Lands project. In May 2021, MidPen was selected by the State of California Department of General Services (DGS) and Department of Housing and Community Development (HCD) to develop Golden Gate Avenue (both Phase I and Phase II) and its sibling project 850 Turk Street. In total, the SF State Lands sites propose to deliver 262 total affordable housing units.

The entire Golden Gate Avenue project will provide 171 units over two phases, Golden Gate Avenue Phase I – Educator Housing and Golden Gate Avenue Phase II.

This evaluation concerns only Phase I with 75 units including 28 studios, 7 one-bedrooms, 19 two-bedrooms, and 21 three-bedrooms. In the tax-exempt bond scenario for the Project, the 75 homes are divided into a 45-unit tax credit component, including one manager's unit, serving incomes between 36-107% MOHCD AMI (30-80% TCAC AMI) targeting para-educator and classified staff roles and a 30-unit non-tax credit, moderate-income component restricted at 140% SF AMI targeting teacher roles and dual-income households.

The Project is fully entitled. Award notifications from the LGMG will be announced in September 2023. The Sponsor expects to apply to CDLAC in February 2024 with construction projected to start in November 2024 and be completed by November 2026.

Project Description:

Construction Type:	Type I	Project Type:	New Construction
Number of Stories:	8	Lot Size (acres and sf):	.68 acres / 29,621 sf
Number of Units:	75	Architect:	TBD
Total Residential Area:	49,440 sf	General Contractor:	TBD
Total Commercial Area:	0 sf	Property Manager:	MidPen Property Management Corporation
Total Building Area:	68,768 sf	Supervisor and District:	Sup. Stefani (2)

Land Owner:	State of California		
Total Development Cost (TDC):	$78,177,769	Total Acquisition Cost:	$9,270,590
TDC/unit:	$1,042,370	TDC less land cost/unit:	$919,229
Loan Amount Requested:	$20,000,000	Request Amount / unit:	$266,667
HOME Funds?	N	Parking?	N*

*State funding requires that the project includes parking for state EDD employees which cannot be used by residents.

PRINCIPAL DEVELOPMENT ISSUES

- **HCD LGMG Funds.** The HCD LGMG NOFA was released on July 17, 2023, and the application is due August 14, 2023. If awarded, funds will be utilized for construction financing. The Sponsor is confident they will be awarded LGMG funds since the LGMG program is available exclusively to excess state-owned sites which limits competition. The program also prioritizes excess sites with significant local investment and this Project scores full points under the NOFA which has guaranteed an award in prior rounds.

- **MOHCD Predevelopment Loan.** MOHCD and Loan Committee have not approved a predevelopment loan and would only be approving a preliminary gap commitment letter of $20 million for the proposed project that was approved by the selection committee for the 2023 Educator NOFA, dated February 24, 2023. MOHCD will continue underwriting the Project which may come back to Loan Committee for predevelopment loan approval by Q1 2024.

- **CDLAC Score.** The Sponsor estimated its CDLAC self-score at 119 points with a 87.9% tiebreaker. Based on 2023 CDLAC allocations, the Sponsor is confident that the Project will receive a bond allocation in 2024. Its competitiveness in Round 1 2024 depends on how TCAC allocates state credits between the three funding rounds. If TCAC allocates state credits the same way as 2023, in which all are made available in Round 1, then the Sponsor expects winning tiebreakers to be higher in Round 1 than in later rounds, lowering the likelihood of this Project securing bonds in Round 1. If the Project does not successfully compete in Round 1, the Sponsor is confident that it will be competitive in Round 2.

SOURCES AND USES SUMMARY

Permanent Sources	Amount	Terms	Status
MOHCD Loan	$20,000,000	55 yrs @ 3% / Res Rec	This Request
Permanent Loan	$13,323,976	15 yrs @ 6.95%	Not Committed
Tax Credit Equity	$17,970,421	$.90 pricing	Not Committed
State Land Ground Lease	$9,235,590	55 years @ 3%	
HCD LGMG	$10,000,000	Grant	Not Committed
HCD IIG	$2,747,249	Grant	Committed
GP Equity	$1,967,649		
AHP	$640,000		Not Committed
Tranche C Surplus Cash	$1,775,773	55 yrs @ 5% / Res Rec	
Deferred Dev Fee	$517,111		
Total	**$78,177,769**		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	$9,270,590	$123,608	$134.81
Hard Costs	$52,080,690	$694,409	$757.34
Soft Costs	$11,586,516	$154,487	$168.49
Reserves	$505,213	$6,736	$7.35
Developer Fee	$4,734,760	$63,130	$68.85
Total	**$78,177,769**	**$1,042,370**	**$1,137**

1. BACKGROUND

   1.1. Project History Leading to This Request.

   On January 15, 2019, Governor Gavin Newsom signed Executive Order (EO) N-06-19 which allows housing production on excess state-owned properties (Excess Sites). The EO authorizes the Department of General Services (DGS) and Department of Housing and Community Development (HCD) to identify and prioritize excess site properties for multifamily affordable housing projects with 50% of the units affordable at 80% HCD AMI. MOHCD communicated with DGS and HCD that given high construction costs any project in San Francisco would most likely need a soft loan from the City and would need to be 100% affordable according to MOHCD AMI. DGS required that parking be replaced for state employees on site.

   In May 2021, the State of California through DGS and HCD selected MidPen to develop two State-owned sites in San Francisco. At the time MidPen was selected, MOHCD did not have funds to provide a soft loan that would most likely be necessary to develop the project. On February 24, 2023, MOHCD issued a NOFA for educator housing. MidPen applied for educator housing funds for the first phase of the 750 Golden Gate excess site. On July 24, 2023, MidPen was awarded $20 million in MOHCD Educator Housing funding for the first phase of Golden Gate Avenue. In order to meet the deadline of August 14, 2023, for the State's Excess Sites Local Government Matching Grants (LGMG) program, MidPen will need a commitment letter from MOHCD for $20M in gap Educator funds awarded through the NOFA. MidPen will return to MOHCD and Loan Committee with a complete predevelopment loan evaluation later in 2023 or 2024.

   Under MidPen's proposal, the Golden Gate Avenue site is designed for 171 homes in two phases. The 75-unit Educator Phase (Golden Gate Avenue Phase I - Educator Housing, or the "Project") consists of 28 studios, 7 one-bedrooms, 19 two-bedrooms, and 21 three-bedrooms. A future second phase consists of an additional 96 homes. This two-phase approach has been structured to best align the development with the current financing landscape and community objectives. In the tax-exempt bond scenario for the Educator Phase, the 75 homes are divided into a 45-unit LIHTC component (including one manager's unit) serving incomes between 36-107% MOHCD AMI (30-80% TCAC AMI) targeting para-educator and classified staff roles and a 30-unit non-LIHTC, moderate-income component restricted at 140% MOHCD AMI targeting teacher roles and dual-income households.

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

   On February 24, 2023, MOHCD issued a $32 million Notice of Funding Availability (NOFA) to develop affordable rental and homeowner housing for educators by acquiring, developing and constructing sites in San Francisco. MOHCD issued the NOFA to facilitate, economize and streamline the process to develop affordable housing for education employees. The NOFA aligned with MOHCD's ongoing racial equity work, 5-year Consolidated Plan and the City's Housing Element.

A selection panel of five staff with expertise in affordable housing finance and construction from MOHCD, SFUSD and SF OCII evaluated respondents. Five unique developer teams responded to the NOFA for rental housing (and two for homeowner housing) with four meeting minimum qualifications. This Project, Golden Gate Avenue Educator Housing Phase 1, met minimum threshold eligibility requirements and was the highest scoring Rental Developer Team with 87.8 points. MOHCD selected MidPen and awarded $20 million on July 24, 2023.

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. MP Golden Gate Avenue Associates, L.P. The borrowing entity is the ultimate borrower at closing. This borrowing entity is specific to Golden Gate Avenue Phase I – Educator Housing. Golden Gate Avenue is being financed as two projects with two unique ownership entities.

1.3.2. Joint Venture Partnership. MidPen was awarded the Excess Sites projects, including 750 Golden Gate Avenue, in partnership with Tishman Speyer. Tishman Speyer will serve as a co-developer but will not be party to either projects' ownership or Partnership entities. The parties have entered into a Development and Co-Funding Agreement for the development of the Excess Sites. The Agreement outlines MidPen's lead role as the project developer and Tishman's role as support similar to a development consultant, particularly in the areas of entitlement and cost containment for Type I buildings. Tishman is not a part of the Borrowing entity. Following this, the shared payment of predevelopment expenses and developer fee received will be split 80% to MidPen and 20% to Tishman Speyer

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

	Sexual Orientation	Gender Identity	Race
MidPen Housing Corp Board	Not available	73% Female 17% Male	Asian: 27% African American: 13% White: 47% Hispanic or Latino: 13%
MidPen Housing Corp All Staff	Not available	58% Female 42% Male	Asian: 17% African American: 9% White: 23% Native Hawaiian/Other Pacific Islander: 1% Hispanic or Latino: 42% Not Specified: 8%
MidPen Housing Corp Dev Staff	Not available	78% Female 22% Male	Asian: 24% African American: 4% White: 41% Hispanic or Latino: 18%

			Not Specified: 13%

MidPen is working to expand representation among senior leadership and committed to increasing BIPOC representation in senior leadership and Board of Directors. Based on this intentional strategy, as of January 2021, MidPen's Board of Directors is more than 50% BIPOC.

1.3.4 Racial Equity Vision. The principles of diversity, equity, inclusion, and belonging (DEIB) are core to the founding of MidPen and integrated into all facets of the organization. In 2018, MidPen began work with The Winters Group, a globally recognized DEIB consultant, to formally create a culture of diversity, equity, inclusion, and belonging at MidPen. MidPen committed to changing hiring requirements to eliminate minimum educational requirements, modifying screening questions and other practices that could inadvertently screen out BIPOC applicants. MidPen is working to expand representation among senior leadership and committed to increasing BIPOC representation in senior leadership and Board of Directors. Based on this intentional strategy, as of January 2021, MidPen's Board of Directors is more than 50% BIPOC.

In addition, MidPen Housing formed its own The Collective Voices for Equity Council ("the Council") to embed, monitor, and celebrate DEIB principles at MidPen. The Council is comprised of MidPen staff throughout the organization; each member of the Council was selected through an extensive nomination and interview process because of their passion for both DEIB work and MidPen's mission. Meeting monthly, the Council engages in intensive learning and intense conversations to develop a solid framework to engage, educate, and ultimately embed DEIB into everything MidPen does internally and externally.

The Council's racial equity vision statement includes the following:

- To cultivate a diverse workforce that represents the communities MidPen serves
- To increase cultural appreciation among MidPen employees and throughout MidPen's communities
- To create an environment where every person feels valued, included, and that they belong
- To ensure that all MidPen employees and residents have equal opportunities to advance in their lives

1.3.4. Relevant Experience. MidPen is currently developing San Francisco's first educator housing development known as Shirley Chisholm Village, located in the Sunset neighborhood of San Francisco, which is projected to finish construction in August 2024. MidPen has developed and operated over 100 communities with more than 8,000 rental units for working, low-income families, seniors, and special needs households in the San Francisco Bay Area since it was formed in 1970. Currently, MidPen has 797 units entitled and 321 units under construction. MidPen Housing also includes MidPen Property Management and MidPen Resident Services which will provide property management and Resident services once the project is in operations.

1.3.5. Project Management Capacity. Staff members assigned to 750 Golden Gate Avenue are:

Ali Gaylord, Director of Housing Development (12.5% of time dedicated to both Golden Gate Avenue projects) - Alicia has over 18 years of affordable housing experience and has been at MidPen since 2017. She has extensive experience working in San Francisco, currently leading the development of SCV. She was also responsible for developing 490 South Van Ness and 1950 Mission Street during her tenure at Bridge Housing as Housing Development Director.

Lisa Howlett, Project Manager (25% time dedicated to both Golden Gate Avenue projects) - Lisa joined MidPen in 2018 and played an integral role in the predevelopment of the Shirley Chisholm Village project. Lisa currently manages Foon Lok East, a 124-unit new construction project in Oakland in addition to the State Lands projects.

Allison Vogt, Associate Project Manager (40% time dedicated to both Golden Gate Avenue projects) - Allison joined MidPen in mid-2022 after working as a city planner for 7 years. Allison also works on the 176-unit 1178 Sonora Court development in Sunnyvale, which is expected to start construction in early 2024.

1.3.6. Past Performance. There are no identifiable past performance issues. This is MidPen's second development in San Francisco, with Shirley Chisholm Village being the first deal with the City.

1.3.6.1. City audits/performance plans. There are no performance issues associated with the Sponsor.

1.3.6.2. Marketing/lease-up/operations. There is no marketing or lease up performance issues and planning related to MidPen's first San Francisco project, Shirley Chisholm Village, is proceeding well.

MidPen has a total of 19,532 residents living at its properties and owns 8,784 units of affordable housing. The below chart represents the percentage of people currently living in MidPen owned and managed properties across 10 counties in the Bay Area, disaggregated by race.

Race
Asian: 15.67%
African American: 8.40%
White: 14.05%
Native Hawaiian/Other Pacific Islander: 0.74%
Hispanic or Latino: 46.64%
Not Specified: 10.94%
Other: 2.97%
American Indian or Alaska Native: 1.60%

MidPen is committed to conducting marketing and occupancy outreach for 750 Golden Gate in accordance with all applicable fair housing laws. MidPen will work with SFUSD, SFCCD and non-profit organizations to market this housing opportunity. Applications will be entered in the San Francisco DAHLIA lottery and subject to preferences as per City Ordinance. Preferences will be observed in the following order:

1. Certificate of Preference Holders,
2. Displaced Tenant Housing Preference (Ellis Act/OMI) Certificate Holders,
3. Neighborhood Resident Housing Preference[1], and
4. Live or Work in San Francisco.

MidPen will work with MOHCD and SFUSD to develop resident selection policies related to employment status, such as requirements if SFUSD or SFCCD employee is within probationary period at intake, the status of a lease if an educator's employment is terminated, and the status of a lease if an educator files for retirement. MOHCD and Planning guidelines do not currently address the preferences mentioned above and MOHCD staff will work with the Sponsor and other City partners to develop such policies.

In the year of 2021, there were 14 evictions in MidPen's 7,684-unit portfolio. Below is a chart of the number of evictions disaggregated by race.

Race
Asian: 0 African American: 2 White: 6 Native Hawaiian/Other Pacific Islander : 0 Hispanic or Latino: 0 Not Specified: 6 Other: 0 American Indian or Alaska Native: 0

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

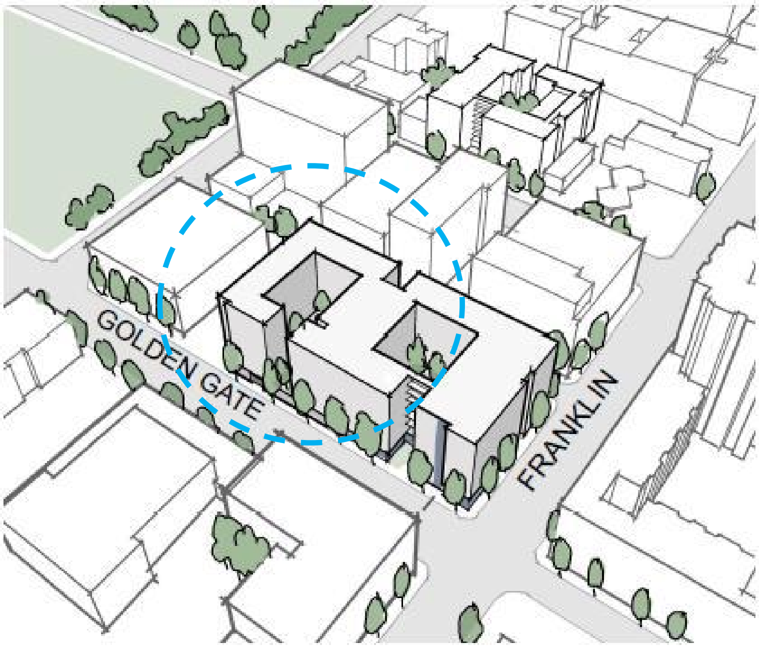
Site Description	
Zoning:	NCT-3 (Moderate Scale Neighborhood Commercial Transit District)
Maximum units allowed by current zoning (N/A if rehab):	N/A - No residential density limit by lot area. Density restricted by physical envelope controls of height, bulk, setbacks, open space, exposure and other applicable controls of this and other Codes, as well as by applicable design guidelines, applicable elements and area plans of the General Plan, and design review by the Planning Department.
Seismic (if applicable):	Not within an area of Seismic Hazard for Landslide or Liquefaction
Soil type:	Soils at the Site are characterized as Class D, Urban Land, indicating clayey soils with very slow infiltration rates, a high-water table or are near to an impervious layer. The Environmental Database Resources, Inc. (EDR) report identifies the geology in the general area of the target property as Upper Mesozoic rocks from the Mesozoic era in the category of Eugeosynclinal Deposits.

[1] A City ordinance requires 40% of Lottery units to be set-aside for Neighborhood Preference at initial lease up.

Environmental Review:	Phase I – 12/3/2021 Phase II – 2/7/2022 CEQA Class 32 Exemption – 4/8/2022
Adjacent uses (North):	North (across Elm Street) - midrise commercial/residential buildings
Adjacent uses (South):	South (across Golden Gate) - public institution uses (Civic Center Secondary School), midrise residential building, including Mary Helen Rogers Senior Community to SE.
Adjacent uses (East):	East (across Franklin) - Opera Plaza, supports a variety of commercial uses (offices, restaurant, retail) and apartments.
Adjacent uses (West):	West (adjacent) - mid-rise commercial building
Neighborhood Amenities within 0.5 miles:	Parks: James P. Lang Athletic fields, Jefferson Square Park Medical Clinics: San Francisco Community Health Center Tenderloin, BAART Community Healthcare, North East Mid-Cal Services, CPMC Van Ness Campus Pharmacy: Walgreens Supermarket: Safeway Library: SF Public Library Main Branch
Public Transportation within 0.5 miles:	Muni: 38,19,5 BRT/Rail: 38R, 49, Muni Rail Lines at Van Ness
Article 34:	Not Exempt. To be completed by August 4, 2023.
Article 38:	Not Exempt. This location falls within the Exposure Zone Map Area. https://www.sfdph.org/dph/files/EHSdocs/AirQuality/AirPollutantExposureZoneMap.pdf
Accessibility:	12 units, or 15%, will be mobility accessible; 8 units, or 10%, will have Hearing and Visual Aid features; 75 units, or 100%, will be adaptable
Green Building:	The Project will meet at least minimum requirements for GreenPoint rating
Recycled Water:	Exempt
Storm Water Management:	Not yet determined

2.1. Description.

The Golden Gate Avenue Phase I – Educator Housing project is a portion of the .68 acre 750 Golden Gate Avenue site, which consists of four contiguous parcels under ownership of DGS. It is currently used by the California Employment Development Department (EDD) for employee and public parking and will continue to be used for parking until construction commences. 750 Golden Gate Phase I will utilize the western portion of the site that is already vacant.



The infill Site is generally rectangular and gently sloping from north to south, and the total Site is 0.68 acres, or 29,700 square feet. The Site is developed with two asphalt surface parking lots surrounded by a chain-link fence. There is a small existing structure for a parking lot attendant. The Site is bounded by Elm Street to the north, Franklin Street to the east, and Golden Gate Avenue to the south.

2.2. Zoning.

Since 750 Golden Gate Avenue is a State-owned site, DGS exercised State Sovereignty which allowed the Sponsor to bypass local Planning and zoning ordinances. The entire 750 Golden Gate Avenue site's (Phases I and II) CEQA process required a Class 32 Exemption which received State approval in April 2022. The CEQA approval serves as the project approval, and there is no separate entitlement needed. While State Sovereignty allowed the team to bypass San Francisco Planning and Zoning requirements, the development team intends to work to ensure that the designs for the Project aligns with the SF Planning Code and fits in well with the neighborhood context. The design for the proposed building currently follows a contemporary architectural style and utilizes different materials, textures, and colors to increase the richness of the urban environment.

2.3. Probable Maximum Loss.

N/A

2.4. Local/Federal Environmental Review.

2.5. Since these are State-owned sites, DGS exercised State Sovereignty and issued a Class 32 CEQA Exemption in April 2022. The appeal period expired on May 13, 2022. The CEQA approval serves as the project approval, and there is no separate entitlement required.

2.6. Environmental Issues.

- Phase I/II Site Assessment Status and Results.

Phase I assessment was completed on 12/3/2021. The assessment identified the presence of Recognized Environmental Conditions related to historic uses on site (dry cleaner and gas station, with no evidence that gas tanks were removed from the site). Specifically, potential contamination from historic uses poses a vapor intrusion risk.

Phase II assessment was completed on 2/17/22. The assessment results determined that the former use as a fueling station does not pose a threat to future uses on the site; however, soil vapor sample results for chloroform and tetracloroethene resulting from the historic dry cleaning use exceed residential ESL. Additional investigation is recommended to determine if soil vapor contaminants require mitigation against vapor intrusion for future site uses. Sampling showed soil detections of lead, arsenic, hexavalent chromium, and benzo(A)pyrene above residential soil ESLs. The found concentration may require implementation of protective measures during construction (e.g., placement of clean soil for landscape areas, worker protection during construction, soil management procedures for offsite disposal).

- Potential/Known Hazards. The Soil Vapor Survey conducted during the Phase II assessment detected chemical contaminants (chloroform and tetracloroethene) that could pose a vapor intrusion risk. Quantities of lead, arsenic, hexavalent chromium, and benzo(A)pyrene found on site may require protective measures during construction.

2.7. Adjacent uses and neighborhood amenities. The Project site is close to the commercial corridor on Van Ness Street, which has a broad selection of restaurants, coffee shops, bars, offices, and other residential buildings. The project site is less than a 0.5 mile to the San Francisco Library, Civic Center Plaza, and City Hall.

2.8. Green Building. The project will meet minimum requirements for GreenPoint rating. Standard green and energy efficient features may include energy efficient fixtures and appliances, use of recycled and durable materials, and efficient distribution of heat and water

3. COMMUNITY SUPPORT

3.1. Prior Outreach.

In the summer and fall of 2021, MidPen identified key stakeholders, including the Hayes Valley Neighborhood Association, District 5 Supervisor Dean Preston, and the facilities team at the Chinese American International School. MidPen hosted 1:1 meetings with each stakeholder to identify known issues on the site and surrounding area as well as to understand any barriers to community engagement in the neighborhood.

Working with David Baker Architects, a local design firm with an excellent track record of delivering high-quality housing in San Francisco, MidPen used information from these stakeholder meetings to tailor a unique community outreach program that could address local language needs, hit optimal times of day and week, and adhere to local customs or preferences regarding food, childcare, etc. In December 2021, MidPen held an initial community meeting and walking tour of the area to introduce the project and the development team and to collect feedback on components of the development that are important in the context of the surrounding neighborhood. A second in-person community meeting took place in May 2022 to engage with stakeholders, share high-level site planning progress, and to collect feedback on ground floor programming and exterior building materials.

3.2. Future Outreach. Since general community outreach was met with support from the neighborhood, MidPen will shift focus to future resident outreach, and in particular to SFCCD employees who MidPen has not engaged with deeply yet. Following the successful example of Shirley Chisholm Village the team will outreach via a number of avenues, including discussions with key stakeholders, focus groups, surveys, etc.

Additionally, MidPen will continually update the Golden Gate project-specific website to ensure that neighbors have a resource to stay up to date on the project and an avenue to reach project staff to provide ongoing feedback. Additional community meetings will also be organized as needed.

The Sponsor will work with MOHCD to develop a full community outreach and communications plan by the time of predevelopment loan approval.

3.3. 1998 Proposition I Citizens' Right-To-Know. Chapter 79 of the City's Administrative Code requires public noticing (Prop I) for initial City-funding made to any new construction project. A Notice of Intent to Approve Funding for an Affordable Housing Development will be posted by Q1 2024.

4. DEVELOPMENT PLAN

4.1. Site Control. Lease Option Agreement with the State of California

MidPen has entered into an Option to Lease Agreement with the State of California which is the current owner of the Golden Gate Avenue site. The Option to Lease Agreement serves as current evidence of site control. A 99-year Ground Lease with the State will be executed at construction loan closing.

4.1.1. Proposed Property Ownership Structure

The State will own the land and ground lease it to MP Golden Gate Avenue Associates L.P. The L.P. will own the improvements. Due to State ownership and the structure of the deal, the City is unable to own the land as a ground lessor under a long-term ground lease structure. However, the land will be publicly owned by the State in perpetuity with long-term affordability provisions provided by the Excess Sites Program (EO N-06-19) which include a minimum 50% restricted affordable units consistent with Government Code 14671.2 (at least 20% units at 50% AMI or below, of which 10% shall be at 30% AMI or below).

4.2. Proposed Design.

The Golden Gate Avenue – Phase I Educator Housing Project will be an 8-story, Type I building served by two elevators. The building design stays under 85 feet for cost effectiveness and maximizes livable area in a mid-rise building configuration. The ground floor primarily houses replacement parking for EDD (37 spaces in Golden Gate Avenue Phase I – Educator Housing) as well as common and amenity spaces for residents, while floors 2-8 will house the majority of residential homes. Floor 2 will also include an outdoor landscaped courtyard sitting on top of the concrete podium. Shared indoor and outdoor amenities are incorporated to encourage socialization, promote wellness, and create a thriving and active family community.

Residential SF:	68,768
Parking SF*:	11,266
Building Total SF:	**80,033**

*While the parking garage is structurally integral to the Project, it will not be accessible or usable by residents. EDD will lease the space back for their use.

4.3. Construction Supervisor/Construction Representative's Evaluation

The plans for 750 Golden Gate are still in a very early state of development, and no actual drawings have been shared with the MOHCD Construction Representative at this time, so the following analysis is based solely on the data provided by the developer in their proforma. From that limited information, we can see a relatively tall building given the size of the lot and overall unit count, at least compared to other MOHCD/OCII projects. The inclusion of structured parking is unusual for this part of town but is a requirement of the project to replace the surface parking currently on site that is used by EDD staff and customers. This adds to the overall construction cost, and is particularly noticeable in the cost per square foot, which is 27% higher than comparable projects. Conversely, the cost per unit and cost per bedroom are actually below the average of comparable projects, by 2% and 9% respectively. It would not be surprising to see the TDC cost increase with more refined drawings and rigorous pricing once an architect and GC are brought on board. Total contingencies (Design, Bid, Plan Check, and Hard Cost) add up to 12.7%, slightly below the 13% as directed in the guidelines, so this slightly increases the risk that the construction costs shown might be erring on the lower end of the scale.

4.4. Commercial Space. N/A

4.5. Service Space.

The project is anticipated to provide on-site offices for Resident Services staff and a learning center or use of the community room.

4.6. Interim Use. N/A. The site is currently a vacant and unused parking lot.

4.7. Infrastructure. Infrastructure will include demolition and possibly small improvements as determined once an architect is selected.

4.8. Communications Wiring and Internet Access. MidPen intends to design the building following MOHCD's Communications Systems Standards.

4.9. Public Art Component. MidPen has a strong track record for creating beautiful and inclusive public art from local artists. For Golden Gate Avenue Phase 1 – Educator Housing, the development team would work with the design team, local artists, the community and the SF Art Commission to develop public art that engages the neighborhood and enhances the already vibrant ascetic. The Sponsor will work with MOHCD and the San Francisco Arts Commission to determine the public art budget based on the formula calculated at the time of the Project's schematic design phase budget.

4.10. Marketing, Occupancy, and Lease-Up

MidPen Property Management has dedicated staff who provide marketing and lease-up services. For each of its properties, MidPen develops unique marketing plans that consider location, future resident populations, and any required preferences. In order to ensure that those least likely to apply are made aware of such housing opportunities, they use a wide variety of marketing methods, including newspaper ads, online advertising, community canvassing, social media, and other best practices as recommended by our local partners. For SCV, MidPen utilized all outreach strategies, including on SFUSD’s website and social media accounts to alert SFUSD Educators about the housing opportunity. As part of the resident selection criteria, SFUSD Educators (teachers and parateachers) were placed in Tier 1 of prospective applicants and were given priority for available units. MidPen is committed to making sure prospective residents are equipped with the tools and information to successfully apply to our affordable communities. Property Management representatives attend predevelopment community engagement meetings to discuss the lease-up process and answer attendees’ specific questions.

MidPen does not have direct experience with DAHLIA but they will market through DAHLIA once Shirley Chisholm Village achieves TCO in summer 2024. MidPen will work with the City, SFUSD and SFCCD to finalize occupancy eligibility standards and verification systems prior to any marketing and lease-up.

4.11. Relocation. N/A

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	**Name**	**SBE/LBE**	**Outstanding Procurement Issues**
Architect	TBD	TBD	N/A
Landscape Architect	TBD	TBD	N/A
JV/other Architect	TBD	TBD	N/A
General Contractor	TBD	TBD	N/A
Owner’s Rep/Construction Manager	Precision Construction Management Services, Inc.	N	N
Financial Consultant	California Housing Partnership	N	N
Legal	Gubb & Barshay	N	N
Property Manager	MidPen Property Management Corporation	N	N/A
Services Provider	MidPen Resident Services Corporation	N	N/A

5.1. Procurement Plan.

Prior to receiving an IIG award from the State in February 2022, the Project had not received any MOHCD funding and was therefore not subject to CMD requirements. While MidPen maintained an internal goal for 20% SBE/LBE, the IIG award triggers MOHCD’s SBE policy for this project. CMD has tentatively approved the Procurement Plan for this project, which outlines the project commitment to meet or exceed 20% LBE program participation for professional services contracting and 20% LBE program participation for construction period services.

CMD permitted MidPen to retain Precision Construction Management Services, Inc., as the owner’s rep/construction manager who was contracted to serve on the Project prior to receiving the IIG award. There is an RFP open for the project Architect which will close on August 7, 2023. An architect will be interviewed and selected by the end of August 2023. The RFP is inclusive of the Project Architect, joint venture/other architect (if applicable) and subconsultants to the Architect. MidPen is preparing a project General Contractor RFP with the goal of selecting and onboarding a General Contractor by the end of September.

5.2. Opportunities for BIPOC-Led Organizations.

For SCV, MidPen targeted a goal of hiring 20% local and small businesses and prioritized hiring MBE/WBE consultants. Since 2018, MidPen has collected extensive data from vendors to certify them as small, minority, women, veteran, or disabled owned businesses, and is working to add new and diverse vendors to that pool. Currently 16% of all of MidPen's vendors meet this designation. At their Menlo Park development in collaboration with the U. S. Department of Veteran Affairs, over 50% of the project vendors are women-, minority- or veteran-owned businesses. MidPen has already begun to proactively cultivate relationships with businesses owned by traditionally disadvantaged individuals and to break down barriers in contracting with MidPen.

In 2018, MidPen established an organizational priority to expand its investment with minority, women, and veteran-owned businesses. Since that time, they have collected extensive data from their vendors to certify them as small, minority or women owned businesses, and are actively working to continually add new and diverse vendors to their pool.

In addition to hiring women-, minority-, and veteran-owned businesses directly, MidPen has a strong track record of working with General Contractors to conduct outreach programs targeted toward local and small businesses. For example, MidPen teamed up with J.H. Fitzmaurice as the General Contractor for the Wood Street project in Oakland due to their strong local Union shop relationships and their successful track record in complying with labor requirements. On that project, J.H. Fitzmaurice will ensure that 25% of the work performed or purchased is provided by Small Local Business Enterprises (SLBE), out of the overall minimum 50% to be performed by certified Local Businesses Enterprises (LBE).

Finally, on our Paseo Estero and Foon Lok West projects in Oakland, we worked closely with our General Contractor to engage and hire, local, and small subcontractors, meeting the City of Oakland's ambitious hiring goals. The General Contractor's on-site management staff also monitored the subcontractor's workforce each day and provided monthly certified payroll reports. Each subcontractor who could not supply at least a 50% Oakland-based workforce would send in a "Job Request and Referral Form" indicating the number of local workers needed and their required skills. We would implement a similar process for the Berryessa/North San Jose Transit Center. Foon Lok West is also being constructed under the County of Alameda's Measure A1 Project Labor Agreement.

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

As noted above, in section 1.1, the Sponsor is seeking a MOHCD preliminary gap commitment letter for $20 million in Educator funding to apply for the HCD LGMG program by August 14, 2023. ***The information provided below is for general review only; the Project will be fully underwritten by predevelopment loan approval by Q1 2024.***

6.1. Prior MOHCD/OCII Funding: N/A. This would be the first MOHCD loan for the Project.

6.2. Disbursement Status. N/A

6.3. Fulfillment of Loan Conditions. N/A

6.4. Proposed Permanent Financing

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

- Private mortgage ($13,323,976): Lender TBD, assuming 6.95% interest rate and 15-year amortization.
- 4% Tax Credit Equity ($17,970,421): Investor TBD, assuming $.90 pricing.
- HCD IIG Grant ($2,747,249): Grant. The total IIG grant of $8,091,600 for the Qualified Infill Area (QIA) is divided between 750 Golden Gate Phase I, 750 Golden Gate Phase II and 850 Turk.
- HCD Local Government Matching Grants (LGMG) Program ($10,000,000): Grant. No additional affordable restrictions besides those provided by Excess Sites program. See Section 4.1.1.
- MOHCD Loan ($20,000,000): 55-year term from conversion, 3% simple interest, $302K MOHCD subsidy/unit.
- Deferred Developer Fee ($1,292,400): The DDF was minimized to reduce the bond request and increase competitiveness for CDLAC. As the CDLAC competition evolves, a different approach may be more strategic and MidPen will adjust accordingly.
- General Partner Equity ($1,967,649)
- Construction Loan ($33,333,906): While not a permanent source, the assumed construction loan terms are 30 months with a 7.75% interest rate.

6.5.2 CDLAC Tax-Exempt Bond Application:

CDLAC Self-Score	
Opportunity Map Resource Level	Moderate Resource
TCAC Housing Type (new construction only)	Large Family
Bond Allocation Request Amount	$34,020,419
Total Self-Score (out of 120 points)	119
Tiebreaker Score	87.9%

6.5.3 HOME Funds Narrative: N/A

6.5.4 Commercial Space Sources and Uses Narrative: N/A

6.5.5 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Hard Cost per unit is within standards	Y	$694,409/unit
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	N	Hard Cost Contingency is 7.4%. MOHCD will work with the Sponsor to reduce hard cost contingency.
Architecture and Engineering Fees are within standards	Y	Architecture and Design fees are $1,666,370 and Engineering and Environmental fees are $592,100.
Construction Management Fees are within standards	N	CM fees are estimated at $2,400/month for preconstruction and $6,900/month during construction. CM fees for preconstruction are below UW standard but during construction are above.
Developer Fee is within standards, see also disbursement chart below	N	Project management fee: $400,000 At risk fee: $1,850,000 Deferred fee: $517,111 GP equity: $1,967,649 Commercial fee: $0 Total fee: $4,734,760 PM and At-Risk fee are above MOHCD UW Guidelines ($2,250,000). MOHCD will work with Sponsor to bring within Guidelines. LGMG and Excess Sites program do not provide maximum developer fee.
Consultant and legal fees are reasonable	Y	Consultant fees are $95,000 and Legal costs total $6,066/unit.
Entitlement fees are accurately estimated	Y	
Construction Loan interest is appropriately sized	Y	
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 4.6%. MOHCD will work with Sponsor to increase soft cost contingency.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to over 6 months. MOHCD will work with Sponsor to adequately size capitalized operating reserve.

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

7.1. Annual Operating Budget.

At $11,400, annual operating costs per unit are in line with other projects. The Project has no rental subsidies and appropriately sizes the replacement reserve at $500/unit according to MOHCD's Underwriting Guidelines. MOHCD staff will work with the Sponsor to make sure expenses are appropriate as the project moves forward.

7.2. Annual Operating Expenses Evaluation.

As noted above, in Section 1.1, the Sponsor is seeking a MOHCD preliminary gap commitment letter for Educator Housing funds to apply for HCD's LGMG program.

The information provided below is for general review only; the Project will be fully underwritten by predevelopment loan approval by Q1 2024.

Operating Proforma		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	Y	DSCR is 1.15 at Year 1 and 1.5 at Year 17.
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 2.5%
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are $11,400 per unit
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is $57,600 or $64 PUPM
Property Management staffing level is reasonable per comparables	N	MOHCD staff will work with Sponsor to evaluate if property management staffing is appropriate.
Asset Management and Partnership Management Fees meet standards	N	Annual PM Fee is $24,270/yr. MOHCD staff will work with Sponsor to include AM fee.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are $500 per unit per year
Limited Partnership Asset Management Fee meets standards	N	$5,000 with 3.5% escalation. MOHCD will work with the Sponsor to conform to UW guidelines.

7.3. Income Restrictions for All Sources. MOHCD staff will work with the Sponsor to include HCD max income levels for IIG at the time of predevelopment loan approval.

UNIT SIZE		MAXIMUM INCOME LEVEL	
NON-LIHTC	No. of Units	MOHCD	TCAC
Studio Market - Educator	9	140% MOHCD AMI	N/A
1 - BR Market - Educator	6	140% MOHCD AMI	N/A
2 - BR Market - Educator	6	140% MOHCD AMI	N/A
3 - BR Market - Educator	9	140% MOHCD AMI	N/A
Sub-Total	**30**		
LIHTC			
Studio	3	38% MOHCD AMI	30% TCAC AMI
Studio	4	51% MOHCD AMI	40% TCAC AMI
Studio	4	64% MOHCD AMI	50% TCAC AMI
Studio	4	77% MOHCD AMI	60% TCAC AMI
Studio	4	90% MOHCD AMI	70% TCAC AMI
Sub-Total	19		
1 BR	1	36% MOHCD AMI	30% TCAC AMI
Sub-Total	**1**		
2 BR	2	38% MOHCD AMI	30% TCAC AMI
2 BR	2	51% MOHCD AMI	40% TCAC AMI
2 BR	2	64% MOHCD AMI	50% TCAC AMI
2 BR	2	77% MOHCD AMI	60% TCAC AMI
2 BR	2	90% MOHCD AMI	70% TCAC AMI
2 BR	2	103% MOHCD AMI	80% TCAC AMI
Sub-Total	**12**		
3 BR	2	40% MOHCD AMI	30% TCAC AMI
3 BR	2	53% MOHCD AMI	40% TCAC AMI
3 BR	2	66% MOHCD AMI	50% TCAC AMI
3 BR	2	80% MOHCD AMI	60% TCAC AMI
3 BR	2	93% MOHCD AMI	70% TCAC AMI

3 BR	2		107% MOHCD AMI	80% TCAC AMI
Sub-Total	**12**			
STAFF UNITS				
2 BR	**1**			
TOTAL				
PROJECT AVERAGE			**98% MOHCD AMI**	
AVERAGE FOR LIHTC UNITS ONLY			**68% MOHCD AMI**	**60% TCAC AMI**

7.4. MOHCD Restrictions.

Unit Size	**No. of Units**	**Maximum Income Level**
Studio	3	38% of Median Income
Studio	4	51% of Median Income
Studio	4	64% of Median Income
Studio	4	77% of Median Income
Studio	4	90% of Median Income
1BR	1	36% of Median Income
2BR	2	38% of Median Income
2BR	2	51% of Median Income
2BR	2	64% of Median Income
2BR	2	77% of Median Income
2BR	2	90% of Median Income
2BR	2	103% of Median Income
3BR	2	40% of Median Income
3BR	2	53% of Median Income
3BR	2	66% of Median Income
3BR	2	80% of Median Income
3BR	2	93% of Median Income
3BR	2	107% of Median Income
Studio	9	140% of Median Income
1BR	6	140% of Median Income
2BR	6	140% of Median Income
3BR	9	140% of Median Income
2BR	1	Manager's Unit

8. SUPPORT SERVICES

8.1. Services Plan.

As noted above, in Section 1.1, the Sponsor is seeking a MOHCD preliminary gap commitment letter for Educator Housing funds to apply for HCD's LGMG program. ***The information provided below is for general review only; the***

Project will be fully underwritten by predevelopment loan approval by Q1 2024.

The services vision for this property will be modeled on the Sponsor's approach to their previous educator project at Shirley Chisholm Village (SCV). SCV is a 135-unit community consisting of a 35-unit LIHTC component and a 100-unit non-LIHTC component, serving low-income and moderate-income educators. The services programming at SCV has been shaped by SFUSD data and stakeholder input. MidPen Resident Services will provide onsite services available to all residents of SCV. Potential services to be offered to adults and youth at the property include but are not limited to: parent education, benefits acquisition, exercise and nutrition, health and wellness through lifestyle adjustments, financial literacy, asset management, and an After School Program for school-age youth living at the property. In addition, MidPen Services will provide residents interested in homeownership with referrals to homeownership education and counseling to support their step toward homeownership. The planned services at SCV were determined through discussions with SFUSD and focus groups with SFUSD educators who provided feedback. When the property is leased up, MidPen Services will further evaluate needs of the residents and develop services programming to best serve their needs. MidPen utilizes needs assessments to understand residents' needs and deliver tailored programs at each MidPen community resulting in higher resident impact and success.

For the services programming presented, MidPen anticipates one full-time Services Coordinator working directly with residents and coordinating any necessary support from other MidPen divisions. MidPen draws from extensive, success-proven, adaptable programming options, including a research-based academic after school program that goes beyond homework help and delivers capacity-building curricula. Results from MidPen's regularly conducted needs assessments will drive program implementation as well as community partnership opportunities, to ensure that residents are provided opportunities through individual and family strengthening programs.

8.2. Services Budget. The services budget is sized at $900 PUPY and funded through operating expenses and has not been evaluated by MOHCD at this time. The budget will be vetted during at predevelopment loan approval.

8.3. HSH Assessment of Service Plan and Budget. N/A.There are no LOSP units in the project

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	$20,000,000
Loan Term:	55 years from perm conversion
Loan Maturity Date:	2082
Loan Repayment Type:	Residual Receipts

Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	August 4, 2023

9.2. Recommended Loan Conditions

1. The Sponsor will come back to MOHCD by Q4 2023 for predevelopment loan approval. MOHCD staff will thoroughly underwrite and evaluate the Project at that time.
2. The Sponsor will include MOHCD as necessary in negotiations with DGS for the EDD parking lot lease.
3. The Sponsor and MOHCD will closely evaluate the parking component of the Project by the time of predevelopment loan approval by Q1 2024.
4. Sponsor must provide MOHCD with detailed monthly updates via the MOH Monthly Project Update, including on:
    1. Community outreach completed, and
    2. Outcomes achieved related to racial equity goals.
5. Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines.
6. The Sponsor will work with MOHCD to prepare temporary and permanent power applications and work with PUC and PGE.
7. Sponsor must provide outreach and communications plan.
8. Sponsor must provide MOHCD with a services plan and proposed staffing levels that meet MOHCD underwriting standards prior to gap loan approval. Any changes to the current proposed staffing will need to be presented to MOHCD at least 90 days prior to gap loan approval.
9. Sponsor must provide MOHCD with information outlining cost containment, efficiencies and innovation strategies to reduce overall project costs and maximize efficiency of MOHCD gap loans.

8. Sponsor must: a) provide for MOHCD review of the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) provide for MOHCD review of all raw financial data from developer or financial consultant prior to selection; c) provide for MOHCD review and approval of all selected investors and lenders; and, d) provide for MOHCD review and approval of all Letters of Intent from financial partners.
9. Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.
10. Sponsor must provide quarterly updated response to any letters requesting corrective action.

10. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

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

____ Date: ____________________

Eric D. Shaw, Director
Mayor’s Office of Housing

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

____ Date: ____________________

Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

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

____ Date: ____________________

Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

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

____ Date: ____________________

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

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

750 Golden Gate Ave Preliminary Gap

Shaw, Eric (MYR)
Fri 8/4/2023 11:44 AM
To:Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

Approved with the amended condition to apply City educator preference in lease up

Eric D. Shaw
Director/ Interim Director HopeSF

Mayor's Office of Housing and Community Development
City and County of San Francisco
1 South Van Ness Avenue, 5th Floor

REQUEST TO APPROVE $20 MILLION PRELIMINARY GAP COMMITMENT LETTER FOR 750 GOLDEN GATE AVE

Menjivar, Salvador (HOM)

Fri 8/4/2023 12:03 PM

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

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

I approve Mid Pen request for a $20M preliminary gap commitment letter to advance the development of a new affordable educator housing project at
750 Golden Gate Avenue.

Salvador Menjivar

750 Golden Gate Ave Preliminary Gap

Colomello, Elizabeth (CII)

Fri 8/4/2023 11:42 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, with the addition of the condition that the units be leased via DAHLIA's educator preference.
Thanks-
Elizabeth

OCII office of COMMUNITY INVESTMENT and INFRASTRUCTURE

Elizabeth Colomello
Housing Program Manager

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

RE: $20M Preliminary Gap Commitment Letter for 750 Golden Gate

Trivedi, Vishal (CON)
Fri 8/4/2023 11:44 AM
To:Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>
Cc:Shaw, Eric (MYR) <eric.shaw@sfgov.org>

I vote yes on this item, as amended.

Vishal Trivedi | Financial Analyst
Office of Public Finance | City & County of San Francisco
Email | vishal.trivedi@sfgov.org

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	October 2023	
1	Acquisition/Predev Financing Commitment	December 2023	
2.	Site Acquisition	December 2022	
3.	Development Team Selection		
a.	Architect	August 2023	
b.	General Contractor	September 2023	
c.	Owner's Representative	March 2022	
d.	Property Manager	May 2021	
e.	Service Provider	May 2021	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	October 2023	
b.	Submittal of Design Development & Cost Estimate	December 2023	
c.	Submittal of 50% CD Set & Cost Estimate	February 2024	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	August 2024	
5.	Commercial Space	N/A	
a.	Commercial Space Plan Submission	N/A	
b.	LOI/s Executed	N/A	
6.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	N/A	
b.	CEQA Environ Review Submission	April 2022	
c.	NEPA Environ Review Submission	N/A	
d.	CUP/PUD/Variances Submission	N/A	
7.	PUC/PG&E		
a.	Temp Power Application Submission	November 2023	

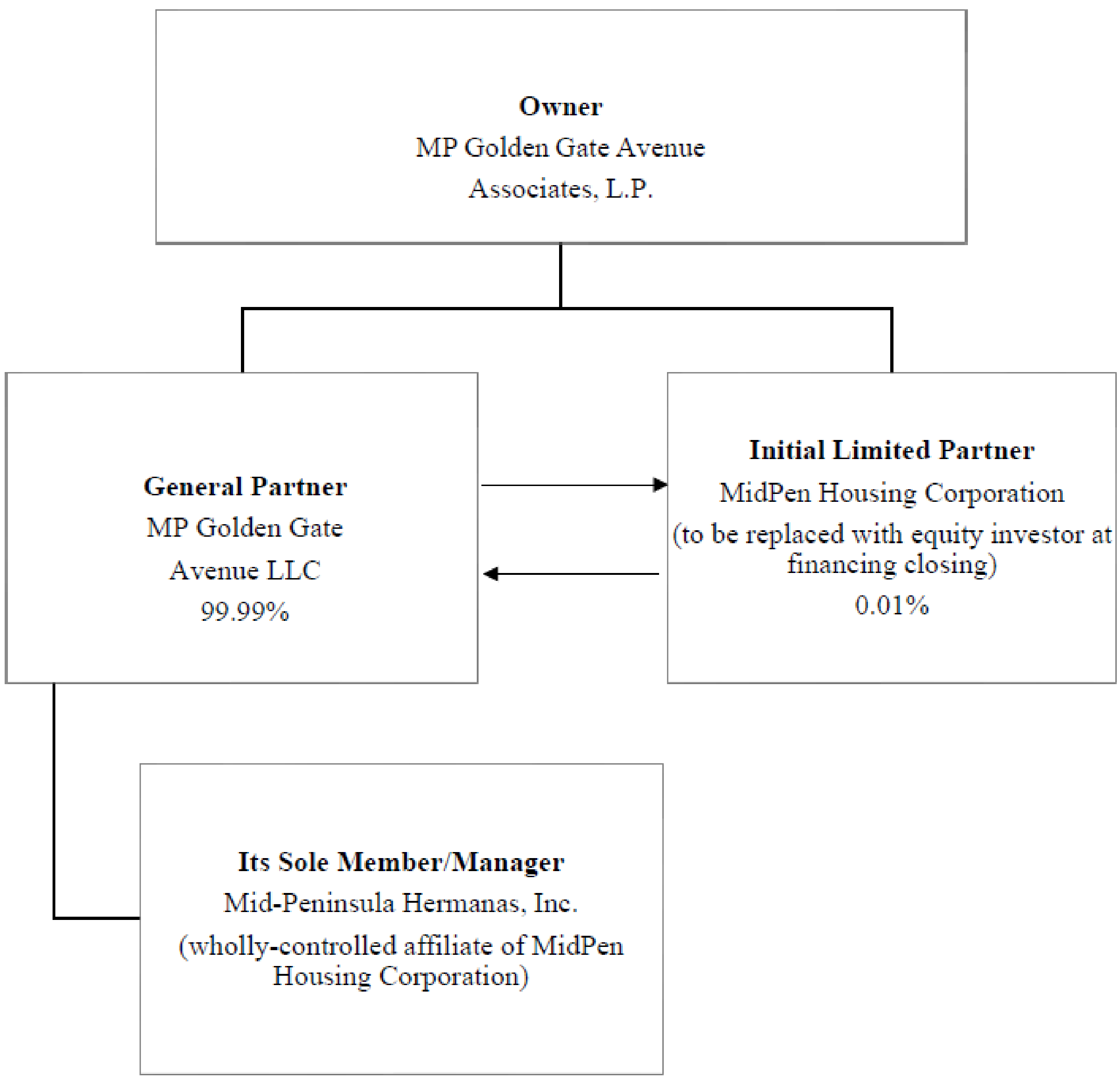
b.	Perm Power Application Submission	November 2023	
8.	Permits		
a.	Building / Site Permit Application Submitted	October 2023	
b.	Addendum #1 Submitted	March 2024	
c.	Addendum #2 Submitted	March 2024	
9.	Request for Bids Issued	September 2024	
10.	Service Plan Submission		
a.	Preliminary	December 2023	
b.	Final	February 2024	
11.	Additional City Financing		
a.	Preliminary Gap Financing Application	N/A	
b.	Gap Financing Application	August 2024	
12.	Other Financing		
a.	HCD Application	August 14, 2023	Local Government Matching Grant (LGMG)
b.	Construction Financing RFP	May 2024	
c.	AHP Application	March 2024	
d.	CDLAC Application	February 2024	
e.	TCAC Application	February 2024	
f.	Other Financing Application	N/A	
g.	LOSP Funding Request	N/A	
13.	Closing		
a.	Construction Loan Closing	November 2024	
b.	Conversion of Construction Loan to Permanent Financing	April 2027	
14.	Construction		
a.	Notice to Proceed	November 2024	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	October 2026	
15.	Marketing/Rent-up		

a.	Marketing Plan Submission	December 2025	
b.	Commence Marketing	March 2026	
c.	95% Occupancy	March 2026	
16.	Cost Certification/8609	July 2027	
17.	Close Out MOH/OCII Loan(s)	July 2027	

Attachment B: Borrower Org Chart

750 Golden Gate Avenue
Organization Chart

OWNER/BORROWER: MP Golden Gate Avenue Associates, L.P.
MANAGING GENERAL PARTNER: MP Golden Gate LLC
SOLE MEMBER/MANAGER: Mid-Peninsula Hermanas, Inc.
DEVELOPER: MidPen Housing Corporation



Attachment C: Staffing Capacity

As an organization MidPen's experience in San Francisco is relatively new, with our first San Francisco project, Shirley Chisholm Village currently in construction and projected to complete construction in the fall of 2024. The staff responsible for the development, financing, and construction of the Golden Gate Educator Phase project however, each have extensive experience working on innovative and complex projects in San Francisco in coordination with SF MOHCD.

Ali Gaylord, Director of Housing Development at MidPen, is responsible for the oversight of MidPen's North Bay regional real estate development office. With over 15 years of experience in Affordable Housing, she has contributed to the development and rehabilitation of over 1,000 affordable homes for families and seniors in California. Ali supervises her team in all aspects of development including the entitlement process, financing, deal structuring, design, construction, and closeout. She has provided oversight on the Shirley Chisholm Village project since it was awarded to MidPen in 2018. Ali works closely not only with her team at MidPen but also with stakeholders including financial partners, local jurisdictions and community members. Ali joined MidPen after 8 years with BRIDGE Housing Corporation, where she served most recently as Director of Development in Northern California.

Lisa Howlett, Project Manager, joined MidPen in early 2018 bringing broad experience in the nonprofit sector and affordable housing development. Lisa currently manages Foon Lok East, a 124-unit new construction project in Oakland. Lisa played an integral role in the pre-development of the Shirley Chisholm Village project. Prior to MidPen, Lisa worked at BRIDGE Housing Corporation, assisting in the occupied rehabilitation of seven Rental Assistance Demonstration (RAD) developments in San Francisco. Lisa worked closely with MOHCD, BRIDGE's Resident Services department and on-site service providers to bring much needed supportive services to these longtime residents.

Allison Vogt, Associate Project Manager, joined MidPen in mid-2022 after working as a city planner for 7 years. Most recently, Allison worked for the planning consulting firm PlaceWorks, writing Housing Elements for jurisdictions across the State, including the Bay Area jurisdictions of Windsor, Santa Rosa, and notably Emeryville, which was awarded first place in the Best Practices Category by the Northern California American Planning Association. During her time at Placeworks Allison also supported the California Department of Housing and Community Development in administering the Accelerating Housing Production grant program, developing statewide technical assistance for cities and counties to implement recent State housing laws and increase housing production. Prior to her position at PlaceWorks, Allison worked as a planning consultant for the City of Stockton where she processed private development applications from intake to public hearing. Allison also works on the 176-unit 1178 Sonora Court development in Sunnyvale, which is expected to start construction in early 2024.

Attachment D: Asset Management Evaluation of Project Sponsor

MidPen's Asset Management team consists of 13 experienced professionals, including Kyle Attenhofer, Vice President of Asset Management. MidPen's diverse portfolio of over 110 affordable properties are divided amongst the Asset Managers by region. Asset Management Analysts support each Manager and their portfolio, which ranges in size from 25 to 35 properties.

Since MidPen is both the general partner and the sponsor developer throughout the lifecycle of each project, the Asset Managers each work closely with the Project Managers during the development/construction process on through the transition of the property to stabilized operations. The transition of the property to Asset Management is seamless due to the team's involvement from inception and familiarity of the project history and structure. MidPen is fully capable of taking on new assets and has been growing the asset management team over the past years. Below is a table showing MidPen's Asset Management staffing with job titles, FTEs, and status of each position.

Job Title	FTE	Status of Position
VP, Asset Management	1	Filled
Director of Asset Management	1	Filled
Associate Director of Asset Management and Real Estate Transactions	1	Filled
Senior Asset Manager	1	Filled
Asset Manager	2	Filled
Associate Asset Manager	1	Vacant
Lead Asset Management Analyst	1	Filled
Asset Management Analyst	3	Filled
Asset Manager, Real Estate Transactions	1	Vacant
Corporate Budget Manager	1	Filled
Total:	**13**	

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

I. SELECTION PROCESS, MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS, SELECTION CRITERIA AND SCORING, AND SUBMITTAL REQUIREMENTS OVERVIEW

A. SELECTION PROCESS

MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements (see Section B below). If a submittal does not meet minimum experience and capacity requirements, the respondent may submit an appeal to MOHCD staff on technical grounds only.

A Selection Panel will be appointed by the Director of MOHCD composed of persons with expertise in the areas of development, affordable housing finance, affordable housing construction management, homeownership, community development, commercial space development, housing access/marketing, and public design/arts commission, as well as community representatives.

The Selection Panel will review all qualified responses (see Section C below) and may interview top-scoring applicants, at which time applicants will be asked to present and explain the major characteristics of their submittal, particularly as they relate to the Scoring Criteria, and respond to questions from the Selection Panel.

After interviews have been completed, the Selection Panel will determine the final ranking of all responses and present this ranking to the Director. The Selection Panel's scoring of each proposal will be done by consensus and will be final.

The Director will then select Project(s) for this funding pool and advise the Mayor of these selections. MOHCD and the selected applicants will enter into acquisition and predevelopment loan agreements with milestone requirements established in accordance with the terms of this NOFA. If MOHCD staff cannot enter into a loan agreement with a selected applicant that is in the best interest of the City, the MOHCD Director may terminate negotiations in his sole discretion. If the MOHCD Director

terminates negotiations with a selected applicant, the MOHCD Director reserves the right, in his sole discretion, to (1) negotiate with the next highest ranked Respondent, or
(2) reject any and all other proposals, in whole or in part, prior to award, and (3) may re- advertise the NOFA for the full or partial funding amount under such terms the MOHCD Director deems to be in the City's best interest. MOHCD reserves the right to appoint additional parties to the selected applicant team should it be determined that the team lacks representation necessary to the achievement of the goals of the NOFA.

B. MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS - RENTAL

Only applicants who meet all of the following criteria will be considered eligible for selection and funding for rental housing under this NOFA.

1. Minimum Development Team Characteristics The

proposed applicant team must include the following.

- A nonprofit developer (or developers) with experience developing permanent affordable housing for low-income households or a for-profit developer working in partnership with a nonprofit developer, of which one of the joint venture partners must have experience developing affordable housing (the "Developer"); the development team must have demonstrated experience conducting effective community outreach and engagement.
- A property owner entity with experience owning housing for low-income communities.
- A property management entity with experience managing housing for low-income families with Housing First principles.
- A community-based, service-providing entity with experience providing culturally competent, and trauma-informed, services appropriate for Educators and their families.

2. Minimum Development Team Experience

Minimum experience must be demonstrated by identifying specific **Qualifying Projects** in which team members have participated, as further described below. The proposed Development Team must submit **Form E - Qualifying Project Form (Rental)**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.)

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

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

- The project must be new construction (not a requirement for Minimum Service Provision Experience) in a construction type appropriate for the proposed site development (not a requirement for Minimum Property Manager and Service Provision Experience).
- The project must be financed in part with Low-Income Housing Tax Credits.

3. Minimum Developer And Owner Capacity Requirements

Minimum Developer Experience: The proposed Developer must have completed within the past ten years at least **one** Qualifying Project. The definition of "completed" is having received Temporary Certificate of Occupancy by the date of the issuance of the NOFA. For joint-venture Development partners, the experience of either entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture Development partners must be submitted with the application.

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

Minimum Ownership Experience: The proposed site owner must have owned at least **one** Qualifying Project for at least five (5) years prior to the submittal deadline of this NOFA. For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed "Owner".

In addition, each proposed Owner must provide evidence of experience with owning housing financed with Low Income Housing Tax credits. This experience does not have to be on the same project that satisfies the 5-year ownership requirement. If the Selected Developer entity is not the same entity as the proposed Owner, MOHCD reserves the right to require that certain members of the Selected Developer remain active in the ownership for whatever length of time MOHCD deems necessary to ensure operating and financial stability.

Minimum Property Manager Experience: The proposed property manager for the Project must have managed at least two Qualifying Projects, each for at least 36 months. In addition, the Property Manager must provide evidence of experience managing housing financed with Low Income Housing Tax credits and operating projects with a Housing First approach. The Property Manager must demonstrate effective strategies for working with service providers to collaborate on housing stability of residents.

Minimum Service Provision Requirements: The proposed service provider(s) must have at least 36 months' experience providing supportive services within a Qualifying Project, including case management and comprehensive services for low-income households in a residential setting. The proposed service provider(s) must demonstrate effective strategies for collaborating with property management on housing stability for residents. The proposed service provider(s) must have the infrastructure to supervise and train onsite staff and their supervisors.

Other Consultants: For any applicant team, the experience of key staff members or "other consultants" may be substituted for the experience of the organization as a whole as long as the staff member's or consultant's experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the Respondent's team.

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

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

- *Financial Capacity*: The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit **Form F – Financing Terms for Developer's Qualifying Project** documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.

- *Staffing Capacity*: The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. To document this, the proposed Developer must submit a written narrative **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. The proposed Developer must also submit **Form G – Projected Staffing Workload Form** to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

  Asset Management Capacity: The proposed Owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions. To document this, the proposed Owner must submit a recent Real Estate Owned (REO) schedule, stating the number of projects and average number of units/project currently in Owner's asset management portfolio, proposed Owner's current asset management staffing (noting job titles), FTEs, and status of each position (filled/vacant), and proposed Owner's organizational chart.

C. MINIMUM PROPOSAL REQUIREMENTS

Eligible Proposals:

1. Must demonstrate *site control by applicant* as evidenced by appropriate documentation (Deed of Trust, Purchase Agreement, Option to Purchase Agreement.) The proposed purchase price must be reasonable in comparison to other sites in the neighborhood, and in comparison to, other affordable housing sites in the City, and must be supported by an appraisal as part of the application package.

2. Must include a description of proposed interim uses for the Site during the extended predevelopment period if the Project's expected construction start date is later than 2024. This should include a description of current structures and uses; what if any structures or amenities will be preserved; and the timeline, budget, and scope of planned interim uses. The budget should include a description of how security and other holding costs have been calculated.
3. Must include a description of site context: parcel history; current zoning; parcel configuration, including the need for potential parcel mergers; potential historic resources on the site or adjacent to it; and prior uses at the site that may have left environmental impacts. Applicant must include a map of neighboring amenities.
4. Must demonstrate ability for the project to make use of streamlined entitlements through SB 35 or another streamlining initiative.
5. Must demonstrate – through provision of specific examples of inputs used for estimating – that the project's total development budget, as well as its specific line items, are comparable to recent and similar projects, to industry standards and are compliant with funding source regulations, MOHCD policy and, in the case of rental projects, MOHCD's most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per bed or bedroom will be examined relative to total development cost, City subsidy, and construction cost.
6. Must propose the maximum use of available, non-local funds to achieve the highest reasonable financial leveraging of capital resources for the predevelopment, construction and permanent phase. The amount of City funds requested per unit and the actual or proposed level of funds to be leveraged from other sources will be examined.
7. Must include a community engagement plan that demonstrates the capacity to generate necessary neighborhood support for the proposed development. Include any evidence of support expressed to date for the project, as well as plans for community engagement going forward. This also needs to cover the entire development period, including interim use and construction work.
8. Proposals that include any displacement/relocation of residential and/or commercial tenants must include a full relocation plan and budget. Displacement or relocation that is required as a condition of site control is highly discouraged, though in some cases may be justified.
9. Must provide a construction cost estimate that reflects current construction costs and show escalation assumptions as a separate line item.
10. Must include a Services Plan and Budget that complies with MOHCD underwriting requirements.
11. Must provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use, which can be printed on 8.5" x 11" paper, no more than two (2) pages. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses. Note: This information does not constitute a formal design

submission. There is no reimbursement for costs related to this requirement.

12. Financial feasibility for rental projects: The project must demonstrate overall financial feasibility through inclusion of a Financing Plan. The financing plan must include a detailed Sources and Uses Budget that includes the following and uses the most current version of the MOHCD Underwriting Guidelines, available on the MOHCD website (https://sfmohcd.org/housing-development-forms- documents.) The project must be financially feasible, including realistic development and operating budget projections that conform to industry standards, including TCAC minimum standards. Each proposed financing source must be realistic, compatible with MOHCD and all other committed or proposed funding sources, and appropriate for the proposed housing. Applicant must demonstrate that there is a reasonable likelihood that all identified development sources will be secured in a timely manner.

    a. Primary capital funding sources can include 4% low income housing tax credit equity with tax exempt bonds, City subsidy, and Federal Home Loan Bank Affordable Housing Program funds, and that may include any other funding sources developers deem applicable, such as State of California Department of Housing and Community Development (HCD) (for example, MHP and IIG) or CalHFA funds. Do not assume use of No Place Like Home funds. Do not assume access to Section 8 (Housing Choice Vouchers, Project Based Section 8, or Continuum of Care, for example.)

    b. Rents set at affordability levels appropriate for the target population.

13. For rental projects, where possible must include the opportunity for the City to eventually own the land as ground lessor under a long-term ground lease structure <u>or</u> some other land dedication/ subdivision mechanism that will insure long-term affordable housing as the primary use of the land.

14. For rental projects, must budget for a supportive services and housing stabilization component that is appropriate for the needs of the anticipated tenant population, and within MOHCD's funding guidelines for the services contract.

15. For rental projects, must demonstrate competitiveness for State bond and tax credit funds administered by the California Debt Limit Allocation Committee.

16. For rental projects, must include an operating budget that includes all expenses necessary to properly operate and maintain the building. This budget should include a service coordinator/connector staff position(s), at 1:100, to assist the Educator households.

17. Financial feasibility for homeownership projects: The project must be financially feasible, including realistic development budget projections that conform to industry standards. Each proposed financing source must be realistic, compatible with MOHCD and all other committed or proposed funding sources, and appropriate for the proposed housing. Applicant must demonstrate that there is a reasonable likelihood that all identified development sources will be secured in a timely manner. Must demonstrate through provision of specific examples of inputs used for estimating - that the project's total development budget, as well as its specific line items, are

comparable to recent and similar projects, to industry standards and are compliant with funding source regulations, MOHCD policy and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per bed or bedroom may be examined relative to total development cost, City subsidy and construction cost. Note: The most current version of the MOHCD Underwriting Guidelines is available on the MOHCD website: https://sfmohcd.org/housing-development-forms-documents.

The project must propose the maximum use of available, non-local funds (such as State of California Department of Housing and Community Development (HCD) (for example, CalHome) or Federal Home Loan Bank Loan funds) to achieve the highest reasonable financial leveraging of capital resources for the predevelopment, construction, and permanent phase. The amount of City funds requested per unit and the actual or proposed level of funds to be leveraged from other sources will be examined.

18. For homeownership projects, must include opportunity for MOHCD to maintain the affordability of each unit into perpetuity through the CC&Rs that will ensure owner occupied affordable housing as the primary use of the land, as well as a unit restriction to be recorded on title of an ownership unit upon transfer of the unit.

D. SELECTION CRITERIA AND SCORING

Responsive submittals include all the required information listed above, and a background and a vision statement articulating the application of best practices for the successful development of affordable housing and the achievement of desired outcomes and goals.

All applications that meet the Minimum Experience and Capacity Requirements listed in Section IV.B and IV.C will be scored and ranked according to the extent to which their Experience and Vision meets the following selection criteria:

	Category	**Points**
A.	**EXPERIENCE:**	**40**
i.	**Developer (12 pts)** ▶ Experience with the following: ○ Completing projects on time and on budget ○ Obtaining competitive financing terms ○ Developing proposed type of construction ○ Developing housing for low-income households, including Educators, as applicable ▶ Building community support through outreach ▶ Current staff capacity and experience to take on this project type	

ii.	**Owner (4 pts) - Rental** ▶ For rental projects, track record successfully owning housing financed with Low-Income Housing Tax Credits ▶ Effectiveness of current asset management structure and staffing, given portfolio size ▶ Capacity for assuming asset management of an expanded portfolio once the development is complete **Developer (4 pts) – Homeownership** ▶ Track record successfully managing condominium construction, subdivisions, sales, and the HOA formation and operation in compliance with state and local regulations ▶ HOA Experience with HOA documentation and budget creation, including obtaining approvals from the DRE; ▶ Residential Condominium Projects Experience; ▶ Proposed real estate transaction management staffing capacity.	
iii.	**Property Manager (8 pts)** ▶ Experience managing property for low-income households, including Educators, if applicable ▶ Experience achieving high rates of housing retention ▶ Implements low barrier tenant selection policies consistent with Housing First principles ▶ Contributes to long-term sustainability of the development ▶ Achieves cost efficiencies in operations Note: This is N/A for Homeownerships, 8 points moved to Developer.	
iv.	**Service Providers (8 pts)** ▶ Experience providing access and delivering services to low-income households, including Educators, if applicable ▶ For rental projects, experience linking residents to the City's safety net of services ▶ Works with property management to achieve high	

		rates of housing retention ▶ Supports positive outcomes for residents around health and economic mobility ▶ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years ▶ Capacity to attract and retain adequate staffing to take on this project Note: This is N/A for Homeownership, 8 points moved to Developer.	
	v.	**Racial Equity (8 pts)** ▶ Experience providing housing to COP holders and neighborhood preference holders ▶ Uses innovative approaches to engagement with COP and neighborhood preference holders ▶ Demonstrates commitment to racially diverse project development teams ▶ Demonstrates experience with serving historically excluded communities of color ▶ Describes experience providing access and implementing effective service delivery strategies to historically excluded communities of color	
	B.	**VISION:**	**60**
	i.	**Site and Project Concept (15 pts)** ▶ Proposes site whose location, size, configuration, and zoning support the development of affordable housing, including ability to maximize unit yield in a cost-effective construction type and make use of expedited entitlement processes. ▶ Describes vision for a development program at this site, while best achieving the project goals, and includes: o A residential program and other envisioned uses; o Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood. ▶ Indicates populations served by the programs and	

	spaces. ▶ Describes the interim use strategy, including contingencies for any construction start delays of over one (1) year	
ii.	**Community Engagement Strategy (10 pts)** ▶ Describes community engagement strategy and includes: o The team's philosophy on community engagement; o Process for establishing and/or building positive relationships with surrounding neighbors and the larger community; o Efforts designed to engage all interested community members—particularly BIPOC members of the target populations—and including monolingual non-English speaking community members; o How the Development Team intends to comply with the City's Language Access Ordinance. ▶ Describes the Team's approach to achieving entitlements for the project expeditiously and the approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. ▶ Indicates how particular community engagement strategy will address the historical exclusion of communities of color from quality housing, including but not limited to marketing to attract target populations.	

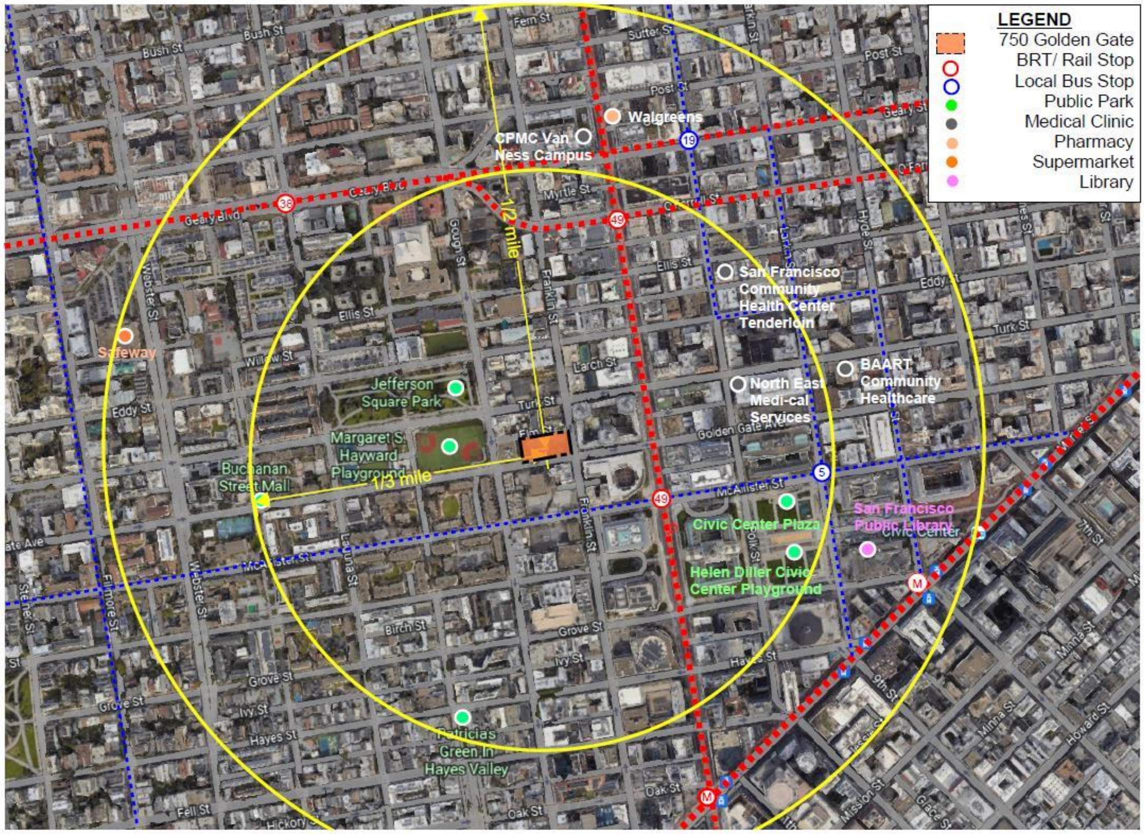
<table>
<tr><td>iii.</td><td>Services Delivery Strategy (10 pts)
Describes the Development Team’s services delivery strategy and includes:
The overall service philosophy;
Model for providing services to Educators and their families (including case management ratio and provision of amenities such as front desk clerks, if applicable);
The services goals of the proposed vision.
Provides a brief description of the desired outcome of the services to be provided and innovative approaches to services provision, including the strategy of engaging residents and encouraging access to services.
Describes how services for residents will be coordinated with the existing network of services in the neighborhood and community.
Describes strategies used to help BIPOC tenants overcome barriers to accessing supportive services and income that mitigate the effects of poverty and lead to improved self-sufficiency.
Note: This is N/A for Homeownership, 10 points moved to Site and Project Concept.</td><td></td></tr>
<tr><td>iv.</td><td>Finance & Cost Containment Approach (15 pts)
Describes the Development Team’s financing approach to the project.
Describes how project is strategically positioned to successfully compete for State funding resources, including funding from the CA Debt Limit Allocation Committee and Department of Housing and Community Development
Includes the Team’s process for structuring the project and controlling development costs.
Includes innovative strategies intended to minimize MOHCD’s projected capital gap financing.
Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses.
Includes proforma financials.</td><td></td></tr>
</table>

	▶ Includes project design concept to fact check the financials. Additional - for Homeownership: ▶ Describes how will successfully manage condominium real estate assets in compliance with federal, state and local regulations.	
v.	**Racial Equity Strategy (10 pts)** ▶ Explains how vision aligns with the primary goals of this NOFA set forth in the Introduction and Project Expectations. ▶ Proposes a substantive partnership that increases opportunity/capacity for growth of Emerging Developers (smaller organizations).	
	TOTAL POSSIBLE POINTS	**100**

Projects must receive at least 70 points to proceed through the selection process.

Attachment F: Site Map with amenities

Map of Neighborhood Amenities - Golden Gate Educator Phase (750 Golden Gate Ave, San Francisco)



Attachment G: Comparison of City Investment in Other Housing Developments

Affordable Multifamily Housing New Construction Cost Comparison - San Francisco

Updated 7/27/2023

		Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
		Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/ sq.ft[6]	Soft/unit	Soft/BR	Soft/ sq.ft[6]	Gross TDC/unit	Gross TDC/BR	Gross TDC/ sq.ft[6]	Subsidy / unit	Leveraging [7]
Delta of Subject and Comparable Projects		$ 77,326	$ 40,584	$ 472	$ (12,265)	$ (38,213)	$ 159	$ 21,687	$ 3,770	$ 69	$ 85,035	$ 5,118	$ 322	$ (16,347)	119.2%
Delta Percentage		167%	147%	197%	-2%	-9%	27%	12%	3%	44%	9%	1%	41%	-5%	180%
SUBJECT PROJECT		$ 123,608	$ 68,166	$ 712	$ 694,409	$ 382,946	$ 757	$ 205,718	$ 113,448	$ 224	$ 1,023,735	$ 564,560	$ 1,117	$ 301,555	70.5%
Comparable Projects	*Average:*	*$ 46,281*	*$ 27,583*	*$ 239.81*	*$ 706,674*	*$ 421,160*	*$ 598*	*$ 184,031*	*$ 109,678*	*$ 156*	*$ 938,701*	*$ 559,442*	*$ 794*	*$ 317,902*	66.1%

Costs __lower__ than comparable average (within 10%)	*Costs __higher__ than comparable average (within 10%)*

						Building Square Footage			Total Project Costs									
		Lot sq.ft	Completion/ start date	# of Units	# of BR[1]	Res.[2]	Non-Res. Sq. ft.	Total sg. ft.	Acq. Cost[3]	Constr. Cost[4]	Soft Cost	Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
ALL PROJECTS	*Average:*	*31,513*		*120*	*191*	*120,323*	*13,545*	*132,205*	*$ 1,671,187*	*$ 80,538,852*	*$ 18,824,770*	*$ 101,141,991*	*$ 29,006,149*	*$ 99,482,294*				
Comparable Projects Completed (filtered)	*Average:*	*14,725*		*85*	*128*	*72,051*	*17,970*	*90,021*	*$12,025,515*	*$52,361,137*	*$9,988,632*	*$74,375,283*	*$23,298,215*	*$62,349,769*				
Comparable Projects Under Construction (filtered)	*Average:*	*30,319*		*140*	*249*	*147,174*	*30,546*	*177,720*	*$0*	*$98,540,309*	*$27,729,790*	*$126,270,099*	*$52,839,122*	*$126,270,099*				
Comparable Projects In Predevelopment (filtered)	*Average:*	*13,530*		*80*	*133*	*84,823*	*8,210*	*90,929*	*$2,020,900*	*$63,574,140*	*$18,134,999*	*$84,250,246*	*$20,345,900*	*$82,734,571*				
Total Comparable Projects	*Average:*	*19,525*		*101*	*170*	*101,349*	*18,909*	*119,557*	*$4,682,138*	*$71,491,862*	*$18,617,807*	*$94,965,209*	*$32,161,079*	*$90,451,479*				
750 Golden Gate Educator Housing	**750 Golden Gate Ave.**	**13,026**	**Nov-24**	**75**	**136**	**57,502**	**11,266**	**68,768**	**$ 9,270,590**	**$ 52,080,690**	**$ 15,428,862**	**$ 76,780,142**	**$ 22,616,603**	**$ 67,509,552**	**2023 Educator NOFA**	**Type I**	**8**	**Assumes NOFA award though not confirmed.**
Delta of Subject and Comp Project Averages		-6,499		-26	-34	-43,847	-7,643	-50,789	$4,588,452	($19,411,172)	($3,188,945)	($18,185,067)	($9,544,476)	($22,941,927)				
Delta Percentage		-33%		-26%	-20%	-43%	-40%	-42%	98%	-27%	-17%	-19%	-30%	-25%				

PROJECTS COMPLETED						Building Square Footage			Total Project Costs									
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
Mission Family Housing	1036 Mission	15,200	Oct-18	88	134	92,462	6,955	99,417	$ 5,551,029	$ 48,890,479	$ 6,583,453	$ 61,024,961	$ 17,704,400	$ 55,473,932	2 HCD Loans (MHP & TOD)	Type IB	9	
490 South Van Ness	490 S. Van Ness Avenue	14,250	Apr-21	81	121	51,639	28,985	80,624	$ 18,500,000	$ 55,831,795	$ 13,393,811	$ 87,725,606	$ 28,892,030	$ 69,225,606		Type IA	7 +	Over partial basement

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs									
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
BPUY - Balboa Park Upper Yard	2430 San Jose Ave	30,699	Jul-23	131	217	164,636	10,741	175,377	$ -	$ 91,871,410	$ 25,523,152	$ 117,394,562	$ 30,493,722	$ 117,394,562	4% Credits; HCD IIG & AHSC	Type IB	8-9	not incl. (GMP Draft Contract 5/21)
Mission Bay S. Bl. 9A-HomeOwn	400 China Basin Street	29,939	Jul-24	148	281	129,712	50,351	180,063	$ -	$ 105,209,208	$ 29,936,428	$ 135,145,636	$ 75,184,522	$ 135,145,636	OCII, IIG	Type I	8	Homeownership, (Loan Eval August 2021 data)
730 Stanyan	730 Stanyan Street	37,813	Aug-25	160	282	173,030	19,728	192,758	$ -	$ 125,664,665	$ 25,943,948	$ 153,252,004	$ 68,528,927	$ 153,252,004	4% Credits; HCD MHP	Type I	8	Svcs spaces, complex dsgn (4/21/2023: Gap, 85% CD)
Under Construction:	*Average:*	*37,427*		*126*	*218*	*138,118*	*17,817*	*151,509*	*1,676,449*	*88,461,759*	*22,733,792*	*112,971,729*	*36,552,197*	*111,296,457*				

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs									
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
266 4th Steet (4th & Folsom)	266 4th Street	8,400	TBD	70	99	60,515	1,580	62,095	$ 133,100	$ 49,982,213	$ 13,943,417	$ 64,058,730	$ 15,629,817	$ 63,925,630	4% Credits; AHSC, St. Credits	Type I	8	Unlikely to move forward (6/2022) Over MUNI substation tunnel, structurally complex, small footprint
2550 Irving	2550 Irving Street	19,125	Apr-24	90	161	107,821		107,618		$ 70,979,265	$ 24,946,857	$ 95,926,122	$ 25,573,912	$ 95,926,122	4% LIHTC; HCD - IIG, MHP, A	Type I	7	incl 11 space, pkg stacker system. 5/18/22 estimate w/15% bid-design-plan ch conting; 100% SD
160 Freelon	160 Freelon	13,091	May-24	85	154	91,944	10,282	102,226	$ 20,000	$ 75,256,791	$ 19,236,327	$ 98,614,847	$ 20,077,591	$ 98,594,846	4% Credits, MHP, AHP	Type IB	9	100% DD cost estimate and 50% CD set
Homeless Prenatal Program Hsg (2530 18th)	2530 18th Street	13,504	Feb-24	73	117	79,010	12,768	91,778	$ 5,909,600	$ 58,078,289	$ 14,413,395	$ 78,401,284	$ 20,102,281	$ 72,491,684	4% Credits, MHP, IIG, AHP	Type I	8	100% SD 3/17/22

Attachment H: Development Budget

Application Date:	4/21/23	**# Units:**	**75**
Project Name:	Golden Gate Avenue Educator Housing	***# Bedrooms:***	**136**
Project Address:	750 Golden Gate Ave	**# Beds:**	
Project Sponsor:	MidPen Housing Corporation		

SOURCES	20,000,000	13,323,974	17,970,421	9,235,590	10,000,002	2,747,249	640,000	1,775,773	1,967,649	517,111	**Total Sources** 78,177,769	**Comments**	
Name of Sources:	MOHCD/OCII	Permanent Loan	Tax Credit Equity	State Land Ground Lease Value	Local Government Matching Grant Program	State IIG	AHP	Tranche C Surplus Cash Loan	GP Equity	Deferred Developer Fee			
USES													
ACQUISITION													
Acquisition cost or value				9,235,590							9,235,590		
Legal / Closing costs / Broker's Fee			35,000								35,000		
Holding Costs											0		
Transfer Tax											0		
TOTAL ACQUISITION	**0**	**0**	**35,000**	**9,235,590**	**0**	**0**	**0**	**0**	**0**	**0**	**9,270,590**		
CONSTRUCTION (HARD COSTS)													
* Unit Construction/Rehab	20,000,000	8,886,438	4,776,739				640,000	1,775,773			36,078,950	Include FF&E	
* Commercial Shell Construction											0		
* Demolition					225,000						225,000		
Environmental Remediation											0	Included with Demolition	
* Onsight Improvements/Landscaping			9,718		819,533	897,249					1,726,500		Construction line item costs as a % of hard costs
* Offsite Improvements					570,000						570,000		
* Infrastructure Improvements					221,089						221,089	Solar PV	
Parking						1,850,000					1,850,000		
GC Bond Premium/GC Insurance/GC Taxes					1,163,665						1,163,665		**2.5%**
GC Overhead & Profit					1,192,279						1,192,279		**2.6%**
CG General Conditions			2,730,220		460,055						3,190,275		**6.9%**
Sub-total Construction Costs	*20,000,000*	*8,886,438*	*7,516,677*	*0*	*4,651,621*	*2,747,249*	*640,000*	*1,775,773*	*0*	*0*	*46,217,758*		
Design Contingency (remove at DD)											0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Bid Contingency (remove at bid)			2,440,292								2,440,292	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**5.3%**
Plan Check Contingency (remove/reduce during Plan Review)											0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**0.0%**
Hard Cost Construction Contingency			3,422,640								3,422,640	5% new construction / 15% rehab	**7.4%**
Sub-total Construction Contingencies	*0*	*0*	*5,862,932*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*5,862,932*		
TOTAL CONSTRUCTION COSTS	**20,000,000**	**8,886,438**	**13,379,609**	**0**	**4,651,621**	**2,747,249**	**640,000**	**1,775,773**	**0**	**0**	**52,080,690**		
SOFT COSTS													
Architecture & Design													
Architect design fees					1,096,379						1,096,379	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)											0		
Architect Construction Admin					570,000						570,000		
Reimbursables											0		
Additional Services											0		
Sub-total Architect Contract	*0*	*0*	*0*	*0*	*1,666,379*	*0*	*0*	*0*	*0*	*0*	*1,666,379*		
Other Third Party design consultants (not included under Architect contract)											0	Consultants not covered under architect contract; name consultant type and contract amount	
Total Architecture & Design	**0**	**0**	**0**	**0**	**1,666,379**	**0**	**0**	**0**	**0**	**0**	**1,666,379**		
Engineering & Environmental Studies													
Survey					129,000						129,000	includes Civil scope, SWPPP, Survey	
Geotechnical studies					30,000						30,000		
Phase I & II Reports					85,500						85,500	includes NEPA/CEQA	
CEQA / Environmental Review consultants											0		
NEPA / 106 Review											0		
CNA/PNA (rehab only)											0		
Other environmental consultants					347,600						347,600	Joint Trench, Energy, Waterproofing, Interior Design, Materials Testing	
Total Engineering & Environmental Studies	**0**	**0**	**0**	**0**	**592,100**	**0**	**0**	**0**	**0**	**0**	**592,100**		
Financing Costs													
Construction Financing Costs													
Construction Loan Origination Fee			282,328								282,328		
Construction Loan Interest		3,797,393									3,797,393		
Title & Recording			60,000								60,000		
CDLAC & CDIAC fees											0		
Bond Issuer Fees			209,716								209,716		
Other Bond Cost of Issuance											0		
Other Lender Costs (lender expenses, incl site visits)			70,000								70,000		
Sub-total Const. Financing Costs	*0*	*3,797,393*	*622,044*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*4,419,437*		
Permanent Financing Costs													
Permanent Loan Origination Fee		99,930									99,930		
Credit Enhance. & Appl. Fee											0		
Title & Recording		15,000									15,000		
Sub-total Perm. Financing Costs	*0*	*114,930*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*114,930*		
Total Financing Costs	**0**	**3,912,323**	**622,044**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**4,534,367**		
Legal Costs													
Borrower Legal fees			205,000								205,000		
Land Use / CEQA Attorney fees											0		
Tax Credit Counsel			45,000								45,000		
Bond Counsel			100,000								100,000		
Construction Lender Counsel			85,000								85,000		
Permanent Lender Counsel		20,000									20,000		
* Other Legal (specify)											0		
Total Legal Costs	**0**	**20,000**	**435,000**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**455,000**		
Other Development Costs													
Appraisal					10,000						10,000		
Market Study					30,000						30,000		
* Insurance			622,268								622,268		
* Property Taxes											0		
Accounting / Audit			20,000								20,000		
* Organizational Costs			2,500								2,500		
Entitlement / Permit Fees					2,510,301						2,510,301		
* Marketing / Rent-up			100,000								100,000		
* Furnishings			150,000								150,000	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees											0		
TCAC App / Alloc / Monitor Fees			100,000								100,000		
* Financial Consultant fees			95,000								95,000		
Construction Management fees / Owner's Rep			120,000								120,000		
Security during Construction											0		
* Relocation											0		
VE/Construction Estimating					30,000						30,000		
Prevailing Wage Monitor			39,000								39,000		Total Soft Cost Contingency as % of Total Soft Costs
Other (specify)											0		
Total Other Development Costs	**0**	**0**	**1,248,768**	**0**	**2,580,301**	**0**	**0**	**0**	**0**	**0**	**3,829,069**		
Soft Cost Contingency													
Contingency (Arch, Eng, Fin, Legal & Other Dev)	0			0	509,601	0	0	0	0		509,601	Should be either 10% or 5% of total soft costs.	**4.6%**
TOTAL SOFT COSTS	**0**	**3,932,323**	**2,305,812**	**0**	**5,348,381**	**0**	**0**	**0**	**0**	**0**	**11,586,516**		
RESERVES													
* Operating Reserves		467,713									467,713		
Replacement Reserves		37,500									37,500		
* Tenant Improvements Reserves											0		
* Other (specify)											0		
* Other (specify)											0		
* Other (specify)											0		
TOTAL RESERVES	**0**	**505,213**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**505,213**		
DEVELOPER COSTS													
Developer Fee - Cash-out Paid at Milestones			2,250,000								2,250,000		
Developer Fee - Cash-out At Risk											0		
Commercial Developer Fee											0		
Developer Fee - GP Equity (also show as source)									1,967,649		1,967,649		
Developer Fee - Deferred (also show as source)										517,111	517,111		
Development Consultant Fees											0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)											0		
TOTAL DEVELOPER COSTS	**0**	**0**	**2,250,000**	**0**	**0**	**0**	**0**	**0**	**1,967,649**	**517,111**	**4,734,760**		
TOTAL DEVELOPMENT COST	**20,000,000**	**13,323,974**	**17,970,421**	**9,235,590**	**10,000,002**	**2,747,249**	**640,000**	**1,775,773**	**1,967,649**	**517,111**	**78,177,769**		
Development Cost/Unit by Source	266,667	177,653	239,606	123,141	133,333	36,630	8,533	23,677	26,235	6,895	1,042,370		
Development Cost/Unit as % of TDC by Source	25.6%	17.0%	23.0%	11.8%	12.8%	3.5%	0.8%	2.3%	2.5%	0.7%	100.0%		
Acquisition Cost/Unit by Source	0	0	0	123,141	0	0	0	0	0	0	123,141		
Construction Cost (inc Const Contingency)/Unit By Source	266,667	118,486	178,395	0	62,022	36,630	8,533	23,677	0	0	694,409		
Construction Cost (inc Const Contingency)/SF	303.78	134.97	203.22	0.00	70.65	41.73	9.72	26.97	0.00	0.00	791.04		

**Possible non-eligible GO Bond/COP Amount:*	*20,000,000*
City Subsidy/Unit	266,667
Tax Credit Equity Pricing:	0.900
Construction Bond Amount:	33,333,906
Construction Loan Term (in months):	30 months
Construction Loan Interest Rate (as %):	7.75%

Attachment I: 1st Year Operating Budget

Application Date:	**4/21/2023**	**Project Name:**	**Golden Gate Avenue Educator Housing**
Total # Units:	**75**	**Project Address:**	**750 Golden Gate Ave**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	**2027**	**Project Sponsor:**	**MidPen Housing Corporation**

Correct errors noted in Col N!

INCOME	**Total**	**Comments**
Residential - Tenant Rents	2,120,244	Links from 'New Proj - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	Links from 'New Proj - Rent & Unit Mix' Worksheet
Commercial Space	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income		
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	9,000	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)		
Gross Potential Income	**2,129,244**	
Vacancy Loss - Residential - Tenant Rents	(106,012)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	**2,023,232**	***PUPA: 26,976***

OPERATING EXPENSES

Management		
Management Fee	57,600	1st Year to be set according to HUD schedule.
Asset Management Fee		
Sub-total Management Expenses	**57,600**	***PUPA: 768***
Salaries/Benefits		
Office Salaries	89,670	
Manager's Salary		
Health Insurance and Other Benefits	30,750	
Other Salaries/Benefits	32,067	
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits	**152,486**	***PUPA: 2,033***
Administration		
Advertising and Marketing	14,406	
Office Expenses	9,736	
Office Rent		
Legal Expense - Property		
Audit Expense	11,900	
Bookkeeping/Accounting Services		
Bad Debts		
Miscellaneous	8,030	Software/IT Licensing
Sub-total Administration Expenses	**44,072**	***PUPA: 588***
Utilities		
Electricity	38,998	
Water	51,104	
Gas		
Sewer	73,631	
Sub-total Utilities	**163,733**	***PUPA: 2,183***
Taxes and Licenses		
Real Estate Taxes	14,303	
Payroll Taxes	18,358	
Miscellaneous Taxes, Licenses and Permits	800	
Sub-total Taxes and Licenses	**33,461**	***PUPA: 446***
Insurance		
Property and Liability Insurance	107,817	
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
Sub-total Insurance	**107,817**	***PUPA: 1,438***
Maintenance & Repair		
Payroll	72,777	
Supplies	21,392	
Contracts	50,846	
Garbage and Trash Removal	36,913	
Security Payroll/Contract	4,151	
HVAC Repairs and Maintenance	4,752	
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses		
Sub-total Maintenance & Repair Expenses	**190,831**	***PUPA: 2,544***
Supportive Services	67,500	
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL OPERATING EXPENSES	***817,500***	***PUPA: 10,900***

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent	0	Department of General	Provide additional comments here, if needed.
Bond Monitoring Fee			
Replacement Reserve Deposit	37,500		
Operating Reserve Deposit			
Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit			
Required Reserve Deposit/s, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**37,500**	***PUPA: 500***	

Min DSCR:	1.15
Mortgage Rate:	6.95%
Term (Years):	35
Supportable 1st Mortgage Pmt:	1,015,854
Supportable 1st Mortgage Amt:	$13,323,975
Proposed 1st Mortgage Amt:	$13,323,976

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) **855,000** ***PUPA: 11,400***

NET OPERATING INCOME (INCOME minus OP EXPENSES) **1,168,232** ***PUPA: 15,576***

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

Hard Debt - First Lender	1,015,854	Permanent Loan	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	0		Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0		Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0		Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL HARD DEBT SERVICE	**1,015,854**	***PUPA: 13,545***	

CASH FLOW (NOI minus DEBT SERVICE) **152,378**

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

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	5,000		
Partnership Management Fee (see policy for limits)	24,270		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	49,243	Tranche C Surplus Cash Loan	Mezz Loan with payments from surplus cash, to 90% of RR
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	61,554	Def. Develop. Fee split: 83%	First 50% of RR, ahead of Tranche C Loan
	Deferred Developer Fee exceeds annual limit!		
TOTAL PAYMENTS PRECEDING MOHCD	**140,067**	***PUPA: 1,868***	

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) **12,311**

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**No**
Will Project Defer Developer Fee?	**Yes**		
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):	**36,932**
% of Residual Receipts available for distribution to **soft debt lenders** in	50%		

Soft Debt Lenders with Residual Receipts Obligations	*(Select lender name/program from drop down)*	**Total Principal Amt**	**Distrib. of Soft Debt Loans**
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects	$20,000,000	68.41%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value		0.00%
HCD (soft debt loan) - Lender 3	State Land Ground Lease Value	$9,235,590	31.59%
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	8,422	50% of residual receipts, multiplied by 68.41% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	8,422	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE **3,889**

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due	3,889	50% of residual receipts, multiplied by 31.59% -- State Land Ground Lease Value's pro rata sh
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	**3,889**	

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

Attachment J: 20-year Operating Proforma

Golden Gate Avenue Educator Housing

Total # Units: *75*

	% annual increase	Comments (related to annual inc assumptions)	Year 1 2027 Total	Year 2 2028 Total	Year 3 2029 Total	Year 4 2030 Total	Year 5 2031 Total	Year 6 2032 Total	Year 7 2033 Total	Year 8 2034 Total	Year 9 2035 Total	Year 10 2036 Total
INCOME												
Residential - Tenant Rents	2.5%		2,120,244	2,173,250	2,227,581	2,283,271	2,340,353	2,398,861	2,458,833	2,520,304	2,583,311	2,647,894
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 Vending	2.5%		9,000	9,225	9,456	9,692	9,934	10,183	10,437	10,698	10,966	11,240
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			**2,129,244**	**2,182,475**	**2,237,037**	**2,292,963**	**2,350,287**	**2,409,044**	**2,469,270**	**2,531,002**	**2,594,277**	**2,659,134**
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(106,012)	(109,124)	(111,852)	(114,648)	(117,514)	(120,452)	(123,464)	(126,550)	(129,714)	(132,957)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a		-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			**2,023,232**	**2,073,351**	**2,125,185**	**2,178,315**	**2,232,773**	**2,288,592**	**2,345,807**	**2,404,452**	**2,464,563**	**2,526,177**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	1st Year to be set according to HUD schedule.	57,600	59,616	61,703	63,862	66,097	68,411	70,805	73,283	75,848	78,503
Asset Management Fee	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Sub-total Management Expenses			**57,600**	**59,616**	**61,703**	**63,862**	**66,097**	**68,411**	**70,805**	**73,283**	**75,848**	**78,503**
Salaries/Benefits												
Office Salaries	3.5%		89,670	92,808	96,056	99,418	102,898	106,499	110,227	114,085	118,078	122,210
Manager's Salary	3.5%		-	-	-	-	-	-	-	-	-	-
Health Insurance and Other Benefits	3.5%		30,750	31,826	32,940	34,093	35,286	36,521	37,799	39,122	40,491	41,909
Other Salaries/Benefits	3.5%		32,067	33,190	34,351	35,553	36,798	38,086	39,419	40,798	42,226	43,704
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			**152,486**	**157,823**	**163,347**	**169,064**	**174,982**	**181,106**	**187,445**	**194,005**	**200,795**	**207,823**
Administration												
Advertising and Marketing	3.5%		14,406	14,910	15,432	15,972	16,531	17,110	17,709	18,328	18,970	19,634
Office Expenses	3.5%		9,736	10,077	10,429	10,794	11,172	11,563	11,968	12,387	12,820	13,269
Office Rent	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%		-	-	-	-	-	-	-	-	-	-
Audit Expense	3.5%		11,900	12,317	12,748	13,194	13,656	14,133	14,628	15,140	15,670	16,218
Bookkeeping/Accounting Services	3.5%		-	-	-	-	-	-	-	-	-	-
Bad Debts	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%		8,030	8,311	8,602	8,903	9,215	9,537	9,871	10,216	10,574	10,944
Sub-total Administration Expenses			**44,072**	**45,615**	**47,211**	**48,863**	**50,574**	**52,344**	**54,176**	**56,072**	**58,034**	**60,066**
Utilities												
Electricity	3.5%		38,998	40,363	41,776	43,238	44,751	46,317	47,938	49,616	51,353	53,150
Water	3.5%		51,104	52,892	54,744	56,660	58,643	60,695	62,819	65,018	67,294	69,649
Gas	3.5%		-	-	-	-	-	-	-	-	-	-
Sewer	3.5%		73,631	76,208	78,875	81,636	84,493	87,451	90,511	93,679	96,958	100,352
Sub-total Utilities			**163,733**	**169,463**	**175,395**	**181,533**	**187,887**	**194,463**	**201,269**	**208,314**	**215,605**	**223,151**
Taxes and Licenses												
Real Estate Taxes	3.5%		14,303	14,804	15,322	15,858	16,413	16,987	17,582	18,197	18,834	19,494
Payroll Taxes	3.5%		18,358	19,001	19,666	20,354	21,066	21,804	22,567	23,357	24,174	25,020
Miscellaneous Taxes, Licenses and Permits	3.5%		800	828	857	887	918	950	983	1,018	1,053	1,090
Sub-total Taxes and Licenses			**33,461**	**34,632**	**35,844**	**37,099**	**38,397**	**39,741**	**41,132**	**42,572**	**44,062**	**45,604**
Insurance												
Property and Liability Insurance	3.5%		107,817	111,590	115,496	119,538	123,722	128,052	132,534	137,173	141,974	146,943
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			**107,817**	**111,590**	**115,496**	**119,538**	**123,722**	**128,052**	**132,534**	**137,173**	**141,974**	**146,943**
Maintenance & Repair												
Payroll	3.5%		72,777	75,324	77,960	80,689	83,513	86,436	89,461	92,592	95,833	99,187
Supplies	3.5%		21,392	22,141	22,916	23,718	24,548	25,407	26,296	27,217	28,169	29,155
Contracts	3.5%		50,846	52,626	54,468	56,374	58,347	60,389	62,503	64,690	66,955	69,298
Garbage and Trash Removal	3.5%		36,913	38,205	39,542	40,926	42,358	43,841	45,375	46,964	48,607	50,309
Security Payroll/Contract	3.5%		4,151	4,297	4,447	4,603	4,764	4,931	5,103	5,282	5,467	5,658
HVAC Repairs and Maintenance	3.5%		4,752	4,918	5,090	5,269	5,453	5,644	5,841	6,046	6,257	6,476
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses			**190,831**	**197,510**	**204,423**	**211,578**	**218,983**	**226,648**	**234,580**	**242,791**	**251,288**	**260,083**
Supportive Services	3.5%		67,500	69,863	72,308	74,838	77,458	80,169	82,975	85,879	88,885	91,996
Commercial Expenses		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			***817,500***	**846,113**	**875,727**	**906,377**	**938,100**	**970,934**	**1,004,916**	**1,040,088**	**1,076,491**	**1,114,169**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)			***10,900***									
Reserves/Ground Lease Base Rent/Bond Fees			*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across mult*									
Ground Lease Base Rent			-	-	-	-	-	-	-	-	-	-
Bond Monitoring Fee			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit			37,500	38,813	40,171	41,577	43,032	44,538	46,097	47,710	49,380	51,109
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**37,500**	**38,813**	**40,171**	**41,577**	**43,032**	**44,538**	**46,097**	**47,710**	**49,380**	**51,109**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**855,000**	**884,925**	**915,897**	**947,954**	**981,132**	**1,015,472**	**1,051,013**	**1,087,799**	**1,125,872**	**1,165,277**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)			***11,400***									
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**1,168,232**	**1,188,426**	**1,209,288**	**1,230,361**	**1,251,640**	**1,273,120**	**1,294,793**	**1,316,653**	**1,338,691**	**1,360,900**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across mult*									
Hard Debt - First Lender		Enter comments re: annual increase, etc.	1,015,854	1,015,854	1,015,854	1,015,854	1,015,854	1,015,854	1,015,854	1,015,854	1,015,854	1,015,854
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
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			**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**
CASH FLOW (NOI minus DEBT SERVICE)			**152,378**	**172,572**	**193,434**	**214,507**	**235,786**	**257,266**	**278,939**	**300,799**	**322,837**	**345,046**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		*DSCR:*	***1.15***	***1.17***	***1.19***	***1.211***	***1.232***	***1.253***	***1.275***	***1.296***	***1.318***	***1.34***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across mult*									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	5,000	5,175	5,356	5,544	5,738	5,938	6,146	6,361	6,584	6,814
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	24,270	25,119	25,999	26,909	27,850	28,825	29,834	30,878	31,959	33,078
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase	-									
Other Payments			-									
Non-amortizing Loan Pmnt - Lender 1		Tranche C Surplus Cash Loan, 90% RR	49,243	56,911	64,832	72,822	80,879	89,001	218,663	237,203	255,865	274,639
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.	-									
Deferred Developer Fee (Enter amt <= Max Fee from row 131)		DFF takes first 50% and Tranche C next 40%	61,554	71,139	81,039	91,027	101,099	111,251				
TOTAL PAYMENTS PRECEDING MOHCD			**140,067**	***158,344***	***177,226***	***196,301***	***215,567***	***235,016***	***254,643***	***274,443***	***294,408***	***314,531***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**12,311**	**14,228**	**16,208**	**18,205**	**20,220**	**22,250**	**24,296**	**26,356**	**28,429**	**30,515**
Does Project have a MOHCD Residual Receipt Obligation?	***Yes***	Year 15 is year indicated below:										
Will Project Defer Developer Fee?	***Yes***	2041		*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*	*Def Dev Fee Exceeds Annual Limit!*				
1st Residual Receipts Split - Lender/Deferred Developer Fee	*50% / 50%*	2nd Residual Receipts Split Begins:										
2nd Residual Receipts Split - Lender/Owner	*67% / 33%*	2042										
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):			36,932	42,683	48,624	54,616	60,660	66,751	1	1	1	1
	Dist. Soft Debt Loans	Cumulative Deferred Developer Fee Earned:	61,554	132,693	213,732	304,760	405,859	517,110	517,110	517,110	517,110	517,110
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due	*68.41%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	8,422	9,733	11,088	12,454	13,832	15,221	16,621	18,030	19,449	20,876
Proposed MOHCD Residual Receipts Amount to Loan Repayment			8,422	9,733	11,088	12,454	13,832	15,221	16,621	18,030	19,449	20,876
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due	*31.59%*	Allocation per pro rata share of all soft debt	3,889	4,495	5,120	5,751	6,387	7,029	7,675	8,326	8,981	9,640
Lender 4 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**3,889**	**4,495**	**5,120**	**5,751**	**6,387**	**7,029**	**7,675**	**8,326**	**8,981**	**9,640**
REMAINDER (Should be zero unless there are distributions below)			**0**	**0**	**0**	**-**	**0**	**0**	**0**	**0**	**0**	**0**
Owner Distributions/Incentive Management Fee			-	-	-	-	-	-	-	-	-	-
Other Distributions/Uses			-									
Final Balance (should be zero)			-	-	-	-	-	-	-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance			-	37,500	76,313	116,483	158,060	201,092	245,631	291,728	339,438	388,819
Replacement Reserve Deposits			37,500	38,813	40,171	41,577	43,032	44,538	46,097	47,710	49,380	51,109
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Interest												
RR Running Balance			**37,500**	**76,313**	**116,483**	**158,060**	**201,092**	**245,631**	**291,728**	**339,438**	**388,819**	**439,927**
		RR Balance/Unit	*$500*	*$1,018*	*$1,553*	*$2,107*	*$2,681*	*$3,275*	*$3,890*	*$4,526*	*$5,184*	*$5,866*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance			-	-	-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance			-	-	-	-	-	-	-	-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
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			-	-	-	-	-	-	-	-	-	-

INCOME	% annual increase	Comments (related to annual inc assumptions)	Year 1 2027 Total	Year 2 2028 Total	Year 3 2029 Total	Year 4 2030 Total	Year 5 2031 Total	Year 6 2032 Total	Year 7 2033 Total	Year 8 2034 Total	Year 9 2035 Total	Year 10 2036 Total
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-	-	-

Golden Gate Avenue Educator Housing

Total # Units: *75*

	% annual increase	Comments (related to annual inc assumptions)	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
			2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
INCOME			**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**
Residential - Tenant Rents	2.5%		2,714,092	2,781,944	2,851,492	2,922,780	2,995,849	3,070,745	3,147,514	3,226,202	3,306,857	3,389,528
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 Vending	2.5%		11,521	11,809	12,104	12,407	12,717	13,035	13,361	13,695	14,037	14,388
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			**2,725,612**	**2,793,753**	**2,863,596**	**2,935,186**	**3,008,566**	**3,083,780**	**3,160,875**	**3,239,897**	**3,320,894**	**3,403,916**
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(136,281)	(139,688)	(143,180)	(146,759)	(150,428)	(154,189)	(158,044)	(161,995)	(166,045)	(170,196)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a		-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			**2,589,332**	**2,654,065**	**2,720,417**	**2,788,427**	**2,858,138**	**2,929,591**	**3,002,831**	**3,077,902**	**3,154,849**	**3,233,721**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	1st Year to be set according to HUD schedule.	81,250	84,094	87,038	90,084	93,237	96,500	99,878	103,373	106,991	110,736
Asset Management Fee	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Sub-total Management Expenses			**81,250**	**84,094**	**87,038**	**90,084**	**93,237**	**96,500**	**99,878**	**103,373**	**106,991**	**110,736**
Salaries/Benefits												
Office Salaries	3.5%		126,488	130,915	135,497	140,239	145,148	150,228	155,486	160,928	166,560	172,390
Manager's Salary	3.5%		-	-	-	-	-	-	-	-	-	-
Health Insurance and Other Benefits	3.5%		43,375	44,893	46,465	48,091	49,774	51,516	53,319	55,186	57,117	59,116
Other Salaries/Benefits	3.5%		45,234	46,817	48,456	50,152	51,907	53,724	55,604	57,550	59,564	61,649
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			**215,097**	**222,626**	**230,417**	**238,482**	**246,829**	**255,468**	**264,409**	**273,664**	**283,242**	**293,155**
Administration												
Advertising and Marketing	3.5%		20,321	21,032	21,768	22,530	23,319	24,135	24,980	25,854	26,759	27,696
Office Expenses	3.5%		13,734	14,214	14,712	15,227	15,760	16,311	16,882	17,473	18,085	18,717
Office Rent	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%		-	-	-	-	-	-	-	-	-	-
Audit Expense	3.5%		16,786	17,374	17,982	18,611	19,262	19,937	20,634	21,357	22,104	22,878
Bookkeeping/Accounting Services	3.5%		-	-	-	-	-	-	-	-	-	-
Bad Debts	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%		11,327	11,724	12,134	12,559	12,998	13,453	13,924	14,411	14,916	15,438
Sub-total Administration Expenses			**62,168**	**64,344**	**66,596**	**68,927**	**71,339**	**73,836**	**76,420**	**79,095**	**81,863**	**84,728**
Utilities												
Electricity	3.5%		55,011	56,936	58,929	60,991	63,126	65,335	67,622	69,989	72,438	74,974
Water	3.5%		72,087	74,610	77,221	79,924	82,721	85,617	88,613	91,715	94,925	98,247
Gas	3.5%		-	-	-	-	-	-	-	-	-	-
Sewer	3.5%		103,864	107,499	111,262	115,156	119,186	123,358	127,675	132,144	136,769	141,556
Sub-total Utilities			**230,961**	**239,045**	**247,411**	**256,071**	**265,033**	**274,309**	**283,910**	**293,847**	**304,132**	**314,776**
Taxes and Licenses												
Real Estate Taxes	3.5%		20,176	20,882	21,613	22,369	23,152	23,963	24,801	25,669	26,568	27,498
Payroll Taxes	3.5%		25,896	26,802	27,741	28,711	29,716	30,756	31,833	32,947	34,100	35,294
Miscellaneous Taxes, Licenses and Permits	3.5%		1,128	1,168	1,209	1,251	1,295	1,340	1,387	1,436	1,486	1,538
Sub-total Taxes and Licenses			**47,200**	**48,852**	**50,562**	**52,332**	**54,163**	**56,059**	**58,021**	**60,052**	**62,154**	**64,329**
Insurance												
Property and Liability Insurance	3.5%		152,086	157,409	162,918	168,620	174,522	180,630	186,952	193,496	200,268	207,277
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			**152,086**	**157,409**	**162,918**	**168,620**	**174,522**	**180,630**	**186,952**	**193,496**	**200,268**	**207,277**
Maintenance & Repair												
Payroll	3.5%		102,659	106,252	109,971	113,820	117,803	121,927	126,194	130,611	135,182	139,913
Supplies	3.5%		30,175	31,232	32,325	33,456	34,627	35,839	37,093	38,392	39,735	41,126
Contracts	3.5%		71,723	74,234	76,832	79,521	82,304	85,185	88,166	91,252	94,446	97,752
Garbage and Trash Removal	3.5%		52,069	53,892	55,778	57,730	59,751	61,842	64,007	66,247	68,565	70,965
Security Payroll/Contract	3.5%		5,856	6,061	6,273	6,493	6,720	6,955	7,198	7,450	7,711	7,981
HVAC Repairs and Maintenance	3.5%		6,703	6,938	7,181	7,432	7,692	7,961	8,240	8,528	8,827	9,136
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses			**269,186**	**278,608**	**288,359**	**298,452**	**308,897**	**319,709**	**330,899**	**342,480**	**354,467**	**366,873**
Supportive Services	3.5%		95,215	98,548	101,997	105,567	109,262	113,086	117,044	121,141	125,381	129,769
Commercial Expenses		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES			**1,153,165**	**1,193,525**	**1,235,299**	**1,278,534**	**1,323,283**	**1,369,598**	**1,417,534**	**1,467,147**	**1,518,498**	**1,571,645**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees			*iple cells.*									
Ground Lease Base Rent			-	-	-	-	-	-	-	-	-	-
Bond Monitoring Fee			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit			52,897	54,749	56,665	58,648	60,701	62,826	65,024	67,300	69,656	72,094
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			**52,897**	**54,749**	**56,665**	**58,648**	**60,701**	**62,826**	**65,024**	**67,300**	**69,656**	**72,094**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			**1,206,062**	**1,248,274**	**1,291,964**	**1,337,183**	**1,383,984**	**1,432,423**	**1,482,558**	**1,534,448**	**1,588,153**	**1,643,739**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)			**1,383,270**	**1,405,791**	**1,428,453**	**1,451,245**	**1,474,154**	**1,497,168**	**1,520,273**	**1,543,454**	**1,566,696**	**1,589,982**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			*iple cells.*									
Hard Debt - First Lender		Enter comments re: annual increase, etc.	1,015,854	1,015,854	1,015,854	1,015,854	1,015,854	1,015,854	1,015,854	1,015,854	1,015,854	1,015,854
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
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			**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**	**1,015,854**
CASH FLOW (NOI minus DEBT SERVICE)			**367,416**	**389,937**	**412,599**	**435,391**	**458,300**	**481,314**	**504,419**	**527,600**	**550,842**	**574,128**
USES OF CASH FLOW BELOW (This row also shows DSCR.)		*DSCR:*	***1.362***	***1.384***	***1.406***	***1.429***	***1.451***	***1.474***	***1.497***	***1.519***	***1.542***	***1.565***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			*iple cells.*									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	7,053	7,300	7,555	7,820	8,093					
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	34,235	35,433	36,674	37,957	39,286	40,661	42,084	43,557	45,081	46,659
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase										
Other Payments												
Non-amortizing Loan Pmnt - Lender 1		Tranche C Surplus Cash Loan, 90% RR	293,515	312,483	331,533	350,652	369,829					
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.										
Deferred Developer Fee (Enter amt <= Max Fee from row 131)		DFF takes first 50% and Tranche C next 40%										
TOTAL PAYMENTS PRECEDING MOHCD			***334,803***	***355,216***	***375,762***	***396,429***	***417,208***	***40,661***	***42,084***	***43,557***	***45,081***	***46,659***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			**32,613**	**34,720**	**36,837**	**38,961**	**41,092**	**440,653**	**462,335**	**484,043**	**505,761**	**527,469**
Does Project have a MOHCD Residual Receipt Obligation?	***Yes***	Year 15 is year indicated below:										
Will Project Defer Developer Fee?	***Yes***	2041										
1st Residual Receipts Split - Lender/Deferred Developer Fee	*50% / 50%*	2nd Residual Receipts Split Begins:										
2nd Residual Receipts Split - Lender/Owner	*67% / 33%*	2042										
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):			1	1	1	1	1					
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Dist. Soft Debt Loans*	...tive Deferred Developer Fee Earned	517,110	517,110	517,110	517,110	517,110					
MOHCD Residual Receipts Amount Due	*68.41%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	22,310	23,752	25,200	26,653	28,111	200,967	210,855	220,755	230,660	240,560
Proposed MOHCD Residual Receipts Amount to Loan Repayment			22,310	23,752	25,200	26,653	28,111	200,967	210,855	220,755	230,660	240,560
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due	*31.59%*	Allocation per pro rata share of all soft debt	10,302	10,968	11,637	12,308	12,981	92,802	97,368	101,940	106,514	111,086
Lender 4 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**10,302**	**10,968**	**11,637**	**12,308**	**12,981**	**92,802**	**97,368**	**101,940**	**106,514**	**111,086**
REMAINDER (Should be zero unless there are distributions below)			**-**	**-**	**0**	**0**	**0**	**146,884**	**154,112**	**161,348**	**168,587**	**175,823**
Owner Distributions/Incentive Management Fee			-	-	-	-	-	146,884	154,112	161,348	168,587	175,823
Other Distributions/Uses												
Final Balance (should be zero)			**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance			439,927	492,825	547,574	604,239	662,887	723,588	786,414	851,438	918,738	988,394
Replacement Reserve Deposits			52,897	54,749	56,665	58,648	60,701	62,826	65,024	67,300	69,656	72,094
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Interest												
RR Running Balance			**492,825**	**547,574**	**604,239**	**662,887**	**723,588**	**786,414**	**851,438**	**918,738**	**988,394**	**1,060,488**
		RR Balance/Unit	*$6,571*	*$7,301*	*$8,057*	*$8,838*	*$9,648*	*$10,486*	*$11,353*	*$12,250*	*$13,179*	*$14,140*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance			-	-	-	-	-	-	-	-	-	-
Operating Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance			-	-	-	-	-	-	-	-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
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			-	-	-	-	-	-	-	-	-	-

			Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
			2037	2038	2039	2040	2041	2042	2043	2044	2045	2046
INCOME	**% annual increase**	**Comments (related to annual inc assumptions)**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-	-	-