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

2530 18th Street

Total Request: $9,846,900

Acquisition Take-Out Loan with Homeless Prenatal Program $4,900,000

Predevelopment Funding for Mercy Housing California $4,946,900

Evaluation of Request for:	Acquisition Take Out and Predevelopment Funding
Loan Committee Date:	August 18, 2023
Prepared By:	Anne Romero, Senior Project Manager
MOHCD Asset Manager:	Carmen Otero
MOHCD Construction Representative:	Sarah Tenpas
Sources and Amounts of New Funds Recommended:	Housing Trust Fund - $1,846,900 Our City Our Home (OCOH) from HSH: $8,000,000
Sources and Amounts of Previous City Funds Committed:	$16,000,000 (preliminary gap commitment June 2022)
NOFA/PROGRAM/RFP:	2022 NOFA for Affordable Rental Housing for Families Including Families Experiencing Homelessness
Applicant/Sponsor(s) Name:	Homeless Prenatal Program (HPP) Mercy Housing California (Mercy)

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	2530 18th Street	Sponsors:	Homeless Prenatal Program Mercy Housing California (MHC)
Project Address (w/ cross St):	2530 18th Street (at Hampshire), 94110	Borrower Entity for Acquisition Take-Out Loan:	2530 18th, LLC
		Borrower Entity for Predev Take-Out and Additional Predev Loan:	Mercy Housing California 104, L.P.

Project Summary:

Competitively selected for funding under the 2022 Homeless Families Notice of Funding Availability (NOFA) issued jointly by the Department of Homelessness and Supportive Housing (HSH) and MOHCD, 2530 18th Street (Site) will be a new construction 74-unit affordable housing development with 50% (37) of the units set aside for families who have experienced homelessness (Project). The Site is currently owned by 2530 18th, LLC, an affiliate of the Homeless Prenatal Program (HPP), which has partnered on the development with Mercy Housing California (MHC, and together Sponsor). After subdivision of the parcel, HPP will develop expanded office and services space (HPP Campus Expansion) to expand their program on the ground and second floor, which would connect to their existing adjacent programs and services hub at 2500 18th Street at Potrero, funded by New Markets Tax Credits (NMTC) and private fundraising. MHC will develop the residential project in an air rights parcel above and adjacent to HPP's expanded campus space. Half of the units will be built as permanent supportive housing for families who have experienced homelessness, subsidized by the Local Operating Subsidy Program (LOSP) with residents referred through the Coordinated Entry system. The Project received a $16 million preliminary gap commitment from MOHCD on June 24, 2022 in support of its application for funding to the California Department of Housing and Community Development's (HCD) Multi-family Housing Program (MHP) and Infill Infrastructure Grant (IIG) programs. The Project did not receive a funding award from HCD in 2022 and reapplied for MHP and IIG in July 2023. Award notifications of the latest HCD round will be in Winter 2024.

HPP is requesting that MOHCD take out one of its two acquisition loans for the Site provided by First Republic Bank (FRB), which originally was due for repayment at the end of June 2023 and has been extended to September 25, 2023. The MOHCD loan would be considered repaid in full upon transfer of the new, yet to be created residential air rights parcel to the City at construction loan closing. In the event that the Project does not move forward, HPP would repay the MOHCD acquisition loan within five years from the date of the loan (September 2028). In addition, MHC is requesting $2,435,211 to take out the existing San Francisco Housing Accelerator Fund (SF HAF) predevelopment loan and $2,511,689 in additional predevelopment funding to cover the Project through construction close.

The Project will have a mix of one, two- and three-bedroom units with half the units affordable to households at 30% of the San Francisco area median income (AMI), and the remainder of units restricted at 50%, 60% and 70% Area Median Income. HPP will provide case management services for the supportive housing units in the Project, funded under a separate contract with San Francisco Department of Homelessness and Supportive Housing (HSH).

Project Description:

Construction Type:	Type I-B	Project Type:	New Construction
Number of Stories:	8	Lot Size (acres and sf):	0.31 acres/ 13,504 sf
Number of Units:	74	Architect:	Mithun
Total Residential Area:	50,714 sf	General Contractor:	Suffolk Construction Company
Total Commercial Area:	N/A – separate parcel	Property Manager:	Mercy Housing Management Group
Total Building Area:	88,166 sf	Supervisor and District:	Ronen (Dist. 9)
Land Owner:	2530 18th, LLC		
Total Development Cost (TDC) without acquisition:	$81,151,064	Total Acquisition Cost:	$7,332,250
TDC/unit:	$1,195,720	TDC less land cost/unit:	$1,096,636
Current Loan Amount Requested:	$9,846,900	Request Amount / unit:	$133,066
HOME Funds?	N	Parking?	N

PRINCIPAL DEVELOPMENT ISSUES

- Project feasibility: The Project as proposed is infeasible and requires additional operating subsidies. The Project's relatively small size of 74 units does not offer economies of scale for construction nor operations, which also impacts competitiveness for financing applications. The Sponsor is exploring options to increase Project feasibility and obtain additional rental subsidies. See Section 4.10 Project Feasibility.
- Competition for State Financing: HCD MHP funding has become increasingly competitive across the State. The Project did not secure an award in 2022, and will face stiff competition in the 2023 round. A bond allocation will also be competitive, especially since the Project has high per unit construction costs and is in a moderate resource area. While the Project will qualify for both the Homeless and Extremely Low Income (ELI) set-asides at CDLAC with a more favorable tiebreaker than in previous rounds, the high cost and resource area designation still pose a challenge to competitiveness. Please see Section 4.10 Project Feasibility and Section 6.5.2 Project Financing.
- Ownership Structure and dependency on HPP Campus Expansion readiness: The Site is currently owned by Homeless Prenatal Program, the services partner organization. The Site will be subdivided with an air rights parcel for the residential development, which will be transferred to the City at construction close and ground leased to the limited partnership. The HPP project will fund all of its development costs for its adjacent new program and services hub, including its shell, without MOHCD funds. The HPP project must be financially feasible with all financing commitments in place and an award of New Market Tax Credits before construction can start. Please see Section 4.4. HPP Campus Expansion.

- Construction Costs: Through intensive value engineering efforts, the project team has brought construction cost down significantly from earlier estimates; however, the current construction costs are approximately 7% more per square foot higher than to similar Type I buildings. Please see Section 4.5 Construction Representative Evaluation.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Per Unit	Terms	Status
MOHCD - Take out of SFHAF Cost	2,435,211	32,908	3% at 55 Years / Res Rec	This Request
MOHCD - Acq. of FRB Loan	4,900,000	66,216	Earlier of 5 years or parcel transfer at 0%	This Request
MOHCD - New Predev. Cost	2,511,689	33,942	3% at 55 Years / Res Rec	This Request
Total	**9,846,900**	**133,066**		

Permanent Sources	Amount	Per Unit	Terms	Committed/Not Com
MOHCD/OCII	16,000,000	216,216	55 years at 3% / Res Rec	Committed
HCD-MHP	28,320,125	382,704	55 years at min int. pymt. / Res Rec	Not Committed
HCD-IIG	6,048,992	81,743	55 years at 3% deferred	Not Committed
AHP	1,000,000	13,514	15 year grant 0%	Not Committed
Investor Equity	36,114,097	488,028	$0.96 per Fed LIHTC / $0.92 per State LIHTC	Not Committed
Deferred Developer Fee	1,000,000	13,514	0% deferred	
GP Equity	100	1.35		
Total	**88,483,315**	**1,195,720**		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	7,389,712	99,861	84
Hard Costs	58,547,274	791,179	664
Soft Costs	18,365,277	248,179	208
Reserves	1,038,514	14,034	12
Developer Fee	3,500,000	47,297	40
Total	**88,840,776**	**1,200,551**	**1,008**

1. BACKGROUND

1.1. Project History Leading to This Request.

The proposed Site, 2530 18th Street, is a 0.3 acre lot at the corner of 18th and Hampshire Streets in the Mission District. It is adjacent to the Homeless Prenatal Program's (HPP) main operational building at 2500 18th Street, with which it shares a property line. In June 2020, HPP purchased the Site for $7 million, financed by a $4.9 million loan from First Republic Bank, seller carryback financing and HPP funds, and HPP obtained a subsequent $2 million loan with CommonSpirit Health Operating Investment Pool LLC to take out the seller financing and support their programs and services hub expansion. HPP intends to expand their program on the ground and second level with affordable housing above. As MOHCD did not have funding available at the time of acquisition, the San Francisco Housing Accelerator Fund (SF HAF) provided predevelopment financing to move it forward. The Site underwent a zoning map change through the Board of Supervisors in August 2021 that changed its zoning designation from Production, Distribution and Repair (PDR) to Urban Mixed-Use (UMU). The legislation (co-sponsored by Supervisors Walton, Ronen and Stefani) had over 80 letters of support. The designation allows for residential mixed-use projects and was unanimously approved, which allowed the Site to utilize SB35 for expedited entitlements.

The Sponsor applied for City funding under the joint MOHCD/HSH NOFA in 2022 and was awarded preliminary gap funding in the amount of $16,000,000. The team has made good progress on the design since the last Loan Committee review, with a 60% Construction Drawing set (dated 3/24/23) and cost estimate, and the Site permit is nearly complete.

1.2. Applicable NOFA/RFQ/RFP. (See Attachment E for Threshold Eligibility Requirements and Ranking Criteria)
NOFA for Affordable Rental Housing for Families Including Families Experiencing Homelessness, issued jointly by MOHCD and HSH on April 25, 2022. The project was the only qualifying application for the NOFA.

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 for acquisition takeout loan. HPP serves 3,500 families annually with a staff of 125+ and an annual budget of around $16 million. HPP has current contracts with MOHCD, HSH and HSA encompassing Housing Services, transitional housing programs, and child welfare. For HPP take out of the $4.9 million site acquisition loan provided by FRB, 2530 18th, LLC, and affiliate of HPP, will be the borrower, with the MOHCD loan repayment due at the earlier of transfer of residential air rights parcel to the City or September 25, 2028. The proposed interest rate is 0%.

1.3.2. Borrower for predevelopment loan. For SFHAF predevelopment loan takeout and additional predevelopment expenses, the borrower will be Mercy Housing California 104, L.P., with Mercy Housing California 104 LLC as the general partner and Mercy Housing Calwest as the sole member/member thereof, and South of Market Mercy Housing as the initial limited partner. At construction closing, the limited partner will be replaced with the investor limited partner.

1.3.3. Joint Venture Partnership. MHC and HPP have partnered as co-developers for the development of 2530 18th Street, collaborating on various aspects of the development of the vision and programming of the project. MHC is taking the lead role on the real estate development responsibilities including design, entitlements, engagement of community on development issues, permitting, budget, securing financing and operating subsidies, construction administration, lease-up, property management, services planning and implementation, and asset management including regulatory and budget compliance. HPP is actively shaping the community engagement strategy for the overall development and is informing the service delivery. HPP will lead the development of its adjacent program and services hub, including renovating its existing building at 2500 18th Street. HPP is not a part of the tax credit ownership entity but will be receiving $200,000 of the developer fee to support its work on the Project.

1.3.4. <u>Demographics of Board of Directors, Staff and People Served – HPP</u>

- Board
    - 100% straight
    - 87.5% female / 12.5% male
    - 62.5% white / 37.5% AAPI

- Staff of SF-based organization – HPP All Staff
    - 40% Latinx / 30% Black/African American / 20% white / 7% API / 2% Multiracial/Other
    - Sexual orientation- we do not currently ask

- HPP Clients
    - 52% Latinx / 28% - Black/African American / 11% Multiracial/other / 5% API / 4% white
    - Female staff - 91% / Male staff - 9%

- Staff of development team
    - Martha Ryan- Founder
    - Shellena Eskridge- Executive Director
    - Kristin Hatch- Development Director
    - Jessica Iniquez- Communications Manager
    - Liz Gerber- Donor engagement & stewardship officer
    - Sharon Bechtol- Volunteer/Donations Manager
    - Mauro Ruiz- Social and Digital Media Support Specialist
    - Jodie Law- Assistant Volunteer/Donations Coordinator
    - Wendy Trevino- Grant Writer
    - Trace Carter- Development Operations Associate

1.3.5. <u>Demographics of Board of Directors, Staff and People Served - MHC.</u>

	Sexual Orientation	Gender Identity	Race
Mercy Housing California Board	Question not asked	M: 7 F: 11	Asian: 2 African American: 4 Caucasian: 9 Latinx: 2 Biracial: 1
Mercy Housing, Inc. Board	Question not asked	M: 10 F: 10	Asian: 1 African American: 3 Latinx: 1 Caucasian: 15
Mercy Housing, Inc. - All Staff	Question not asked	Female – 58% Male – 42%	2 or More Races – 3% American Indian/Alaska Native – 1% Asian – 11% Black or African American – 24% Hispanic or Latino – 22% Native Hawaiian/Other Pacific Islander – 1% Not specified – 1% White – 37%
Mercy Housing California - All Staff	Question not asked	Female – 57% Male – 43%	American Indian/Alaska Native – 1% Asian – 21% Black or African American – 17% Hispanic or Latino – 31% Native Hawaiian/Other Pacific Islander – 2% Not specified – 1% White – 22%
Mercy Housing California - Development Staff	Question not asked	Female – 50% Male – 50%	Asian – 20% Not specified – 20% White – 60%

1.3.6. Racial Equity Vision. MHC and HPP are committed to advancing racial equity. Racial equity is central to achieving MHC's mission and founding values of: Respect, Justice, and Mercy. Nationally, Mercy has established a Racial Equity, Diversity, and Inclusion (REDI) team to create Racial Equity Action Plans for all departments and Mercy Senior Vice President of REDI, Web Brown leads this work and coordinates concrete action across the organization. Mercy launched this REDI Initiative in early 2018, and held conversations about the fair and just inclusion of people of color throughout the organization and within Mercy's communities. Mercy has established a REDI Collaborative and REDI Steering Committee that are made up of members from all of their geographic areas and departments to guide their organizational REDI work and provide recommendations to senior leadership on concrete ways to achieve improved REDI within the organization. Mercy created a framework to evaluate their progress and growth that focuses on a variety of areas, including Recruitment and Resident Empowerment.

HPP is dedicated to racial equity both internally and externally. HPP recognizes that systems of white supremacy and privilege have negatively impacted their families, staff, and the community, and they are committed to dismantling those systems. HPP acknowledges institutional racism and oppression as a leading contributor to family poverty and homelessness. Beginning back in 2013, HPP staff members began meeting in the form of community meetings to show solidarity and support for staff members experiencing and being affected by community violence and injustices in our community. The community meetings then transitioned into an Equity workgroup discussing various topics about police brutality, shootings against African Americans, and the racial hate against the Asian community. The workgroup has done All Staff presentations, All Staff equity surveys and unconscious bias training over the last 8 years

- HPP's Equity Task Force is comprised of staff members from across the agency, and continually works to develop action plans and implement initiatives in three staff-identified priority areas:
  - Promote Racial Healing
  - Share Decision Making
  - Distribute Leadership

- HPP's current task force just completed a 2-year term. HPP will prepare to on-board 9 new staff members on to the current racial equity task force.

- In 2020 HPP hired consultant RELAC to assist HPP in creating *The Equity Task Force*. RELAC led all staff in choosing 3 Equity priority areas. RELAC facilitated all of the Equity Task Force Meetings and helped HPP create policies, procedures, and a structure to ensure equity work would be on-going at HPP.

- In the fall of 2022, HPP's board of directors also hired RELAC, to assist HPP's board of directors by leaning into Racial Equity, Diversity, and Inclusion on the board level.

1.3.7. Relevant Experience. MHC will be the lead developer with the HPP as co-developer advising on specific areas of the development approach and on the supportive services model. Mercy has developed over 50 properties in San Francisco over the past 35 years. The success of these developments is a result of strong affordable housing expertise used to innovate and leverage financial structures, construction delivery methods (to reduce cost and increase quality) and service delivery models to make affordable housing more responsive to diverse, vulnerable residents' needs.

MHC has decades of experience developing for low-income families and formerly homeless households. In San Francisco, MHC has developed 22 properties (1,837 units) for families and 20 properties (1,897 units) for formerly homeless households. In California, MHC has developed 81 properties (5,432 units) for families and 39 properties (1,897 units) that serve formerly homeless households. MHC is strong at partnering with other agencies, as demonstrated through many past projects.

The Homeless Prenatal Program is a nationally recognized family resource center in San Francisco that empowers homeless and low-income families, particularly mothers motivated by pregnancy and parenthood, to find within themselves the strength and confidence they need to transform their lives. The agency serves over 3,000 families in-need annually, providing a variety of programs and services to help families become healthy, stable and self-sufficient. The first agency in San Francisco to hire former clients as staff, HPP's evolution has been guided by the community it serves. More than half of HPP's staff of 120+ is formerly homeless mothers and graduates of the agency's 16-month, paid Community Health Worker Apprenticeship Program, which trains women for careers in the nonprofit sector.

1.3.8. Project Management Capacity. 2580 18th Street is staffed by Mercy's Kion Sawney (40% FTE) as Project Developer, Lilia Rohmann (25% FTE) as Assistant Project Manager, with supervision by Ramie Dare, Director of Real Estate Development.

HPP's Development Director, Kristin Hatch (35% FTE) and Rachel Stoltzfus, Director of Housing and Partnerships (60% FTE), staffs bi-weekly project check-ins with MOHCD and coordinates on facility's needs as they relate to the programming through construction of the project, with supervision and support by Martha Ryan, Founder. The financing and development of the HPP addition at the Site is being staffed by Equity Community Builders. See individual staff resumes attached.

1.3.9. Past Performance.

1.3.9.1. City audits/performance plans. HPP has contracts with MOHCD, HSH and HSA. There have been no contract issues or performance issues identified by Citywide Monitoring nor by the MOHCD Community Development team for HPP. There are no performance issues for MHC.

1.3.9.2. Marketing/lease-up/operations. Recent marketing at Mercy projects has been overall successful and positive. Some issues have arisen due to reliance for some tasks on national staff for compliance and lease up, as national staff are not very familiar with San Francisco policies. Increased local staff participation in lease-ups will be required.

The below chart represents the number of people currently living in MHC owned properties in San Francisco, disaggregated by race. MHC owns 4,217 units of affordable housing in San Francisco.

Race	Count o
Asian	2995
White	1385
Black or African American	1155
Other	1092
Member Did Not Specify	212
Native Hawaiian or Other Pacific Isl	173
American Indian or Alaska Native	154
Blank	10
	7176

Ethnicity	Count o
Not-Hispanic or Latino	5576
Hispanic or Latino	1383
Member did not specify	180
Blank	32
	7171

Through end of 2021 there were 5 evictions in Mercy's 4,217-unit portfolio. Mercy does not currently track move out reasons, including evictions, by race.

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

Site Description	
Zoning:	The Site is located in the Urban Mixed Use (UMU) zoning district and the 58-X Height and Bulk District. The UMU district is intended to promote a vibrant mix of uses while maintaining the characteristics of this formerly industrially zoned area. Within the UMU, permitted uses include, but are not limited to retail, educational facilities, and housing, with family-sized dwelling units encouraged. Under UMU, at least 40% of all dwelling units must contain two or more bedrooms or 30% of all dwelling units must contain three or more bedrooms. However, this does not apply to the Project, as it is 100% affordable. The site underwent a zoning change in August 2021 from Production, Distribution, and Repair (PDR) to Urban Mixed Use (UMU). It received a Notice of Final Approval of an SB 35 Project on June 29, 2022.
Maximum units allowed by current zoning (N/A if rehab):	Maximum housing units is not controlled by the size of the lot, but form-based density—the controls for height, bulk, massing, and unit mix set the "density" of the Site.
Seismic (if applicable):	Seismic Zone 4; Probable Maximum Loss (PML) calculations are not applicable because there are no existing structures that will be retained, and the project will be new construction conforming to seismic building codes.
Soil type:	Geotechnical Engineering firm Rockridge Geotechnical undertook borings and cone penetration tests (CPTs) at the site and compiled a report in November 2021. Rockridge reported that the fill consists of loose to medium dense clayey sand and clayey gravel and stiff sandy clay. The fill extends to depths of about 10 feet bgs near the eastern property line and 13 to 15 feet bgs near the western property line. Harris and Lee Environmental Sciences, LLC has performed a Phase I Environmental Site Assessment which revealed no evidence of Recognized Environmental Conditions in connection with the property. The fill is underlain by native alluvium consisting of very stiff to hard clay with variable sand content and dense to very dense clayey sand. The alluvium extends to top of claystone. Along the eastern property line, borings encountered top of claystone at depths of 35 and 39 feet bgs. The claystone encountered in is soft, friable, and deeply weathered. The western portion of the site, has likely bedrock, at depths of 32 to 35 feet. Groundwater was encountered in the borings at depths of 18.7 and 19.8 feet bgs at the end of drilling.

	The primary geotechnical concerns are: 1) the presence of undocumented fill that is susceptible to erratic static settlement, and 2) providing adequate vertical and lateral support for the proposed building.
Environmental Review:	Harris and Lee Environmental Sciences, LLC completed a Phase I report on December 15, 2021.The report found no evidence of recognized environmental conditions on the property.
Adjacent uses (North):	2445 Mariposa Street is a 69-unit affordable housing building managed by Mission Housing Development Corporation
Adjacent uses (South):	626 Potrero is a parking lot
Adjacent uses (East):	593 Potrero is a three story mixed use building with ground floor commercial
Adjacent uses (West):	2600 18th Street is a 24-unit live/work condo building
Neighborhood Amenities within 0.5 miles:	John O'Connell Technical High School is 0.4 miles away, Safeway is 0.3 miles away, Franklin Square Park is .17 miles away, Downtown High School is 0.2 miles away, Zuckerberg SF General Hospital is 0.5 miles away
Public Transportation within 0.5 miles:	Bus lines 9, 22, 27, 55, 90, 292, 397 are within 0.5 miles
Article 34:	Article 34 Authority was obtained on July 8, 2022.
Article 38:	Not Exempt. Compliance with Article 38 is provided by all fresh air being provided via mechanical ventilation with MERV-13 filtration at the point of air intakes.
Accessibility:	Per updated TCAC minimum building standards, 15% will be mobility units, 10% will be accessible for households with hearing and/or visual impairments. All units will be adaptable. Sponsor is working to meet a high-level of universal design standards intended to include additional mobility features within the residential units to ease modification to meet residents' specific needs.
Green Building:	Will target GreenPoint Gold rating
Recycled Water:	Exempt
Storm Water Management:	The stormwater management plan is under development and has not yet been submitted to the PUC.

2.1 Description. The Site is a rectangular shaped parcel slightly sloped in an uphill eastern direction starting at Hampshire Street and along 18th Street. The Site is situated at the northeast corner of 18th Street and Hampshire Street in the Mission neighborhood and is currently a vacant warehouse.

The Sponsor is in the process of merging 2 lots and subdividing the vertical lot into 3 air rights parcels. The subdivision will ultimately create a separate commercial parcel for HPPs programs and service space, and residential air rights parcel. The existing warehouse will need to be demolished during the predevelopment phase before the air rights subdivision, and demolition costs are included in the predevelopment budget.

2.2 Zoning. The Project received its Notice of Final Approval of an SB 35 Project on June 29, 2022 from the Planning Department.

2.3 Local/Federal Environmental Review. A NEPA consultant has been engaged for this project and that cost is reflected in the predevelopment budget. There is no current requirement for NEPA review, but the project is structured to easily pivot towards a federal funding source, such as Continuum of Care operating subsidies, if they become available.

2.4 Environmental Issues.

- Phase I/II Site Assessment Status and Results. Phase I found no recognized environmental issues.
- Potential/Known Hazards. N/A

2.5 Green Building. Environmentally preferable products are prioritized for incorporation throughout the building including: materials which are sourced locally and/or high in recycled content; non-toxic paints, as well as coating and materials that are free of VOCS and phthalates. Prioritization of healthy, non-toxic materials will begin within the residential unit, where people spend the most time and have the highest levels of exposure.

Another area of emphasis is energy performance. In order to reduce energy & fossil fuel usage, the Sponsor is proposing an all-electric building, with photovoltaic arrays on the roofs. Together with an upgraded envelope design, energy recovery ventilation units (ERVs) for fresh air within the residential units & the use of electric heat-pump systems for hot water heating, this strategy is a cost effective way to meet the energy goals and low-maintenance needs of affordable housing projects. The project will target, at a minimum, GreenPoint Gold rating.

3 COMMUNITY SUPPORT

3.1 Prior Outreach. MHC and HPP began community outreach ahead of the zoning change on the Site. Two community meetings in 2021 and 2022 were hosted as well as a meeting with Supervisor Walton and numerous conversations with stake holders. The zoning change ultimately had 80 letters of support at the public hearing.

3.2 Future Outreach. The 2530 18th Street development team has endeavored to communicate with the Project's neighbors through a combination of community mailing efforts and community meetings. The team has held four community meetings, occurring in August 2021, December 2021, July 2022, and February 2023. Additionally, the team has communicated the zoning change undergone for the project area to neighbors, as well as HPP building tour opportunities, by mailing letters to households. Mail communications on both community meeting dates and project updates have been made available in several languages so that the information is accessible and understandable to more of the neighbors. Future meetings will be held prior to start of construction. The development team posts all community meeting materials and mailing/updates to the project's website https://www.2530-18th.org/

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. The Sponsor posted the Prop I sign on June 16, 2023.

4. DEVELOPMENT PLAN

4.1. Acquisition and Site Control. HPP acquired the parcel on June 29, 2020, for $7 million plus $37,000 in closing costs. The acquisition was financed by First Republic Bank, Seller Takeback Financing and HPP funds. HPP took out the seller takeback financing with a low interest loan from CommonSpirit when SF HAF provided the predevelopment financing.

Original Acquisition Sources	Total
First Republic Bank	$ 4,900,000
Seller Take Back Financing	$ 1,250,000
HPP	$ 887,000
Total Sources for acquisition and closing	**$ 7,037,000**

Mercy Housing California 104, L.P. entered into an option agreement to purchase the Site from 2530 18th, LLC, on December 1, 2021. The initial term of the option expires January 1, 2024, with an option to extend for 12-month period. The purchase price is sized at the residential project's allocation of a $7 million purchase price ($6,020,000) based on square footage plus the residential project's allocation of the Seller's reasonable holding costs, currently estimated at $7.3 million. This amount will cover 100% of entitlement costs, as they were required for the residential use only. The chart below represents currently estimated residential acquisition costs.

		Allocation		
Cost	**Total**	**Residential**	**Commercial**	**Notes**
Sale of Land	$ 7,000,000	$ 6,020,000	$ 980,000	Value of the land is based on the appraised value at the time of purchase, split per the pro-rata square footage split
Holding Cost	$ 1,180,938	$ 1,015,607	$ 165,331	Holding cost is split per the pro-rata square footage split, and includes acquisition loan interest, legal, taxes and utilities from 2020 - 2024

Entitlement	$ 252,165	$ 252,165	$0	Entitlement cost will be fully covered by the residential project. At the time of the August 2023 Loan Evaluation submission, how these cost should be represented and reimbursed wasn't resolved by HPP and Mercy and therefore weren't included in the predevelopment budget submission.
TOTAL	$ 8,433,103	$ 7,287,772	$ 1,145,331	

4.1.1.1. Proposed Property Ownership Structure. Prior to closing, HPP and MHC will conduct an air rights subdivision of the building, to separate the HPP Campus Expansion and limited partner's residential portions. The residential air rights parcel will be acquired by MOHCD and ground leased to Mercy Housing California 104, L.P. in exchange for loan forgiveness for the acquisition takeout loan plus residual amount needed to meet the final purchase price. The commercial parcel will be sold to the New Markets Tax Credit special purpose entity.

4.2. Proposed Design. The Project, located at the border of the Mission and Potrero Hill neighborhoods, will provide 74 affordable homes, 50% of which will be targeted for formerly homeless families. The approximately 88,000 sq. ft. 8-story building includes a mix of 1, 2 and 3 bedroom apartment homes, residential support and amenity spaces, and community serving social services parcel on the lower two floors owned by HPP, to enable expansion of the critical services and programs they provide to the community. Sited on a sloping urban infill site at the NE corner of Hampshire and 18th streets, the project provides accessible entries for both the residential and social service programs that are accessed via the relatively flat frontage along Hampshire Street. The building will have two elevators dedicated to the residential portion of the building, serving units and residential amenity spaces. No off-street parking is proposed but the project includes the requisite 73 fully compliant class 1 bicycle parking spaces.

Residential SF:	75,398
Commercial SF:	12,768
Building Total SF:	**88,166**

UNIT TYPES	Avg Unit SF - This Project	*CTCAC-Required Minimum SF*
1BR:	538	*450*
2BR:	759	*700*
3BR:	1086	*900*
Do all units meet CTCAC minimum SF?	Y	

4.3 Construction Supervisor/Construction Representative's Evaluation. The project comprises 74 units in a mix of 36 One-BR, 31 Two-BR and 6 Three-BR units, plus one, 2-BR manager unit, dedicated residential services, property management, developed above the HPP Campus Expansion that is financed separately. There are three landscaped courtyards and terraces. The HPP space is significant at 12,800 s.f. on levels 1 & 2, and there is a connecting HPP serving elevator with a bridged walkway from the new HPP Community Service space to their main building. The courtyard on floor 2 and terrace located over the existing utility shed will support HPP users and act as a natural connector for the HPP campus.

On level 1 is the entrance to the HPP Campus Expansion Space, the residential first floor lobby, mail, management, resident services, and utility spaces. The 2nd floor consists of 5 residential units, HPP office space and an HPP courtyard which also provides access to the existing HPP campus through a secondary outdoor terrace. The Project has a unique vertical means of access necessary to connect HPP to its existing campus. Because of this, HPP will pay for the dedicated 3-stop elevator servicing their community service spaces, walkway connector to the existing HPP campus, and the connector staircase between levels 1 & 2. Mercy is financially responsible for the two stairwells and elevators supporting resident access.

Floors 3 through 8 are stacked units in 1, 2 and 3 bedroom configurations, and each floor also features a "study" overlooking the courtyard. The interior space accessing the resident-only courtyard on floor 3 offers community space along with laundry and small porch overlooking 18th Street.

The building façade up to the 6th floor presents a "crinkled" design with a mixture of thin brick tile, metal panel cladding and glazing areas of varied sizes, while the 7th and 8th floors receive a cement plaster finish. The courtyard facades will also have an economical cement plaster finish and will have a storefront exterior at the study overhang.

The 60% Construction Drawing set (dated 3/24/23) incorporates an HPP Expanded Campus space consisting of approximately 12,200 sf interior, 420 sf exterior covered space and 670 sqft of HPP garden space. The residential courtyard is 1,900 sf and one of the two proposed family childcare units includes a dedicated 170 sf patio.

Project team has navigated most issues through City review agencies and the Site Permit is nearing completion. The last design hurdle the team is navigating is the permitting of the connector walkway between the new building and HPP's existing building. This walkway will have to be under a separate building permit and will be submitted in parallel with the new building's Addenda 1, structural scope

A recent challenge the design team addressed was the enlargement of the north lightwell which will address the last major site permit concern from DBI. The team had initially planned on an easement with the neighboring affordable housing property to allow a reduced lightwell and have a larger three-bedroom unit. Unfortunately, DBI did not agree this was a correct interpretation of the code, so the team had to increase the lightwell size, reduce the unit size, and use shared light for one of the bedrooms. The design team did a good job maintaining the unit and bedroom counts and navigating the coordination efforts with city agencies.

Another change since schematic design was the addition of another unit to the 2nd floor, enabled through HPP & Mercy's development of shared spaces for their staff. Overall unit layouts are efficiently designed. The exterior design has been detailed significantly since 100% Design Drawings, and the significant review of the finishes' costs will be needed as the project transitions to construction. The team is actively evaluating two million dollars in value engineering opportunities identified by Suffolk, with the objective of reducing overall cost of the building before the next milestone, 95% Construction Drawings.

The Project faces challenges in cost containment in an environment of a highly volatile construction market combined with a unique set of program challenges. However, through VE over the past three months, the project team has removed approximately $900k from construction costs. The current construction budget is approximately 19% more per unit, and 17% more per bedroom than similar Type I buildings. This has significantly improved since the last loan evaluation but does not diminish the need for the project to incorporate savings wherever possible. Construction cost per square foot is 7% higher than projects of similar building type, Type 1, which is tolerable. The overall total development cost is similarly above average at approximately 36% per unit and 23% per square foot. This is primarily driven by acquisition and soft costs. An area for cost improvement is with soft costs, which are approximately 66% more per unit than similar projects. Soft costs have increased by over one million dollars to support the additional permit packages, additional value engineering work, and the potential of additional units to make the project financially viable for funding.

4.4 HPP Community Campus Expansion.

4.4.1. Space Description. The HPP Campus Expansion will be built in a separate commercial parcel on the lower two levels and will be financed entirely by HPP through New Markets Tax Credits (NMTC) and other sources. The approximately 12,800 sf space will include flexible, multi-use office, program and training spaces along with other supportive spaces. This space will have own dedicated elevator. The commercial space will be an air rights parcel.

4.4.2. HPP Parcel Development Plan. Homeless Prenatal Program will be the tenant and equity partner of the NMTC partnership for the commercial air rights parcel.

4.4.3. Operating Pro Forma. The HPP Campus Expansion will be separately financed using New Markets Tax Credits and thus commercial income will not be included in the residential project financing.

4.4.4. Tenant Improvement Build Out. All tenant improvements will be separately funded by HPP, which will also cover a pro rata share of building envelope costs.

4.4.5. Capital Campaign to fund buildout. HPP began the Pre-Planning Phase of its capital campaign in 2021, with pro-bono support from the nationally recognized firm, CCS Fundraising. The agency then hired Theresa Nelson & Associates to help the team design and execute the campaign's Planning Phase, which involved considerable policy planning, project development and leadership engagement.

HPP is currently conducting the campaign's Quiet Phase and is actively soliciting Board support and leadership gifts. The Quiet Phase is slated to be the longest and most involved phase, as HPP seeks to secure ~75% of the goal before launching the Public Phase of the campaign, which promotes the project externally.

The Sponsor partners have agreed that HPP should have at least $16M secured at groundbreaking, including secured pledges and bank financing. HPP currently has $5.5M in cash/pledges toward this total. While the agency is ramping up its capital campaign major donor strategy as part of the Quiet Phase, HPP does not anticipate having secured all funding by the anticipated start of construction if the Project receives State funding in the 2023 round. HPP is in conversation with its Board and financial institutions to be able to secure a capital campaign bridge loan if needed.

4.4.6. New Market's Tax Credits. HPP is working with Equity Community Builders (ECB) on securing New Markets Tax Credits (NMTC) for the project. ECB/HPP are in conversation with various CDEs (Community Development Entities) that are interested in funding this project. The total anticipated NMTC equity of likely-awarded NMTCs would be ~$4.6M.

The CY2022 New Markets Tax Credit (NMTC) Award is expected to be announced in Fall 2023. Several CDE's have included HPP in their applications and are very interested in funding the HPP commercial project should they receive allocation. Prospective CDE lenders include San Francisco Community Investment Fund (SFCIF), TELACU, Corporation for Supportive Housing (CSH), Local Initiative Support Corporation (LISC), Nonprofit Finance Fund (NFF), and Axion Opportunity Fund

(AOF). Prospective NMTC Investors include Capital One, JP Morgan Chase, PNC Bank, Wells Fargo and US Bank. We expect the project to require 2 CDE's for a total NMTC allocation of $20-25M. The transaction will be ready to close Spring 2024, or the following year, depending on the overall Project schedule.

In the event that the Project does not move forward due to feasibility, HPP would repay MOHCD's acquisition loan within 5 years, and the loan will be secured by a deed of trust in first position.

4.4.7. Funding Overview

FUNDING SOURCES	AMOUNT
Cash Received to Date	$ 5,183,500
Pledges Received	$407,000
Fundraising Remaining	$6,109,500
NMTC Equity	$4,600,000
TOTAL	**$16,300,000***

*$16.3 needed for groundbreaking; HPP will continue to fundraise toward the $20M total goal (which includes tenant improvements at the existing HPP hub on Potrero)

4.5. Service Space. Amenity and support spaces include a community room, kitchen, outdoor common space, common laundry, small on-floor lounges or studies, management offices, lobby, circulation, and supportive service spaces designed to serve the intended population. The ground-floor residential amenity space is intended for resident gathering, mail, stroller/bike storage, resident services, maintenance, and residential management.

4.6. Communications Wiring and Internet Access. The Project will comply with the MOHCD Communication Systems Design Standards, in conformance with the Fiber to Housing (FTH) program implemented by MOHCD and DTIS. Service to the building from Public Right of Way to a MPOE and to IDF is designed to adequately accommodate City fiber and cabling for City DTIS and multiple service providers. Owner, Property Manager and Services Provider(s) shall coordinate adoption of FTH services by residents to the greatest extent feasible to ensure residents receive high quality free internet service.

Temporary power service will be provided by PG&E with permanent power service provided by SF PUC. A waiver has already been approved for the temporary power service.

4.7. Public Art Component. Public Art is required fand the development team is interested in introducing innovative and impactful artwork into the Project that will have a positive impact to the building's inhabitants, the Mission community and greater San Francisco. An important aspect of this process is the creation of a curatorial statement that will guide public art selection and potentially art within the property. The team is interested in exploring how art can advance the HPP Theory of Change and the project goal of ending the cycle of poverty for homeless families. The project team selected Denver based *Nine Dot Arts* as its consultant. The total public art budget is currently $117,263.

4.8. Marketing, Occupancy, and Lease-Up. The 50% of the units funded with LOSP will be leased up through HSH's Coordinated Entry system. The remaining lottery units will be leased through the City's DALHLIA process with anticipated additional limitations on preferences due to HCD funds in the transaction. Mercy's final marketing plan should address specifically any challenges that may arise from the 70% AMI units and large number of 1-bedroom units. Per Section 4.9 below, the Sponsor proposes that two of the 70% AMI units be Family Childcare Units operated as a pilot, benefiting from the higher income restriction.

Anticipated preferences in the DAHLIA units include

1) Certificate of Preference

2) Displaced Tenant Housing Preference Program for up to 20% of lottery units

3) Neighborhood Resident Housing Preference assumed at 25% given assumed HCD funding

4) Live or Work in San Francisco

4.9. Proposed Family Childcare (FCC) Units. The Sponsor proposes two family childcare units at the Project in the 70% AMI units through a new partnership with Faces SF (Family and Childhood Empowerment Services), as a pilot initiative. For over 10 years, Faces SF has provided childcare, family, and workforce services, primarily in the Bayview/Hunter's Point, Excelsior, Portola, and Visitacion Valley communities. It operates four centers, but its network of 37 FCC units is spread across the City. The organization provides training and technical assistance to providers, and ensures high quality FCC environments that are compliant with health and safety codes by conducting team visits to FFCs. The organization invests in its providers' success and encourages the adoption of FCC best practices by providing one-on-one coaching services and free training. Faces SF was created through the merging of two organizations with a long history of providing child and family services: Florence Critenton Services (est. 1882) and the Whitney Young Child Development Center (est. 1953).

Recognizing the challenges of leasing FCC units to qualified, licensed and income eligible households in affordable housing, the Sponsor proposal for the pilot is that Faces SF would select providers and refer them to a separate FCC lottery. Faces would provide technical assistance to the operators and ensure high quality services, as well as subsidies for the childcare slots. Families living at the Project would be prioritized, with a focus on 0 – 2 years olds, where demand far exceeds the supply of licensed childcare providers. The goal of the pilot is to provide access to affordable, high quality childcare for families, increasing female labor force participation and driving economic growth and financial stability for families. MOHCD staff are reviewing the proposal with the MOHCD Marketing & Lottery Manager on the merits and feasibility of this proposal.

4.10. Project Feasibility. The Sponsor is exploring multiple options to increase feasibility of the Project given the challenges of lack of economies of scale at 74 units, state financing competitiveness and operating cashflow. In the event that the Project is not selected for funding under the current HCD SuperNOFA application or continues to have a gap above and beyond the MOHCD preliminary gap commitment, the strategies include the following:

- The project submitted a 2023 SuperNOFA application for $34,369,117. To fill any remaining financing gaps, the Sponsor is contemplating an application to the National Housing Trust Fund (NHTF) upon NOFA release assumed for this summer. The Sponsor has another application pending with the Community Care Expansion program through the California Department of Social Services (CDSS) for $13M and has not received a response.

- If the project is unable to secure funding through the 2023 SuperNOFA, the Sponsor is evaluating how to designate the residential parcel as HCD recognized surplus land, increase the unit count through varied methods and improve access to set aside categories within the NOFA.

- Alternatively, the Sponsor proposes that AHSC could provide an alternative path to feasibility due to the project's proximity to transit and high density of family units, and will provide the analysis to MOHCD.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	**Name**	**SBE/LBE**	**Outstanding Procurement Issues**
Architect	Mithun	N	N
Landscape Architect	Mithun	N	N
General Contractor	Guzman-Suffolk JV LLC	Y	N
Owner's Rep/Construction Manager	Waypoint	Y	N
Financial Consultant	California Housing Partnership Corporation	N	N
Permit Expediter	Dale Durrett	N	N
EBM	Sitco	N	N
Special Inspections	CEL	N	N
PV	Cal Solar	N	N
Public Art	Nine dot Arts	Y	N
IT/Low Voltage	Salter	Y	N
Joint Trench	UDCE	Y	N
Legal	Gubb & Barshay LLP	N	N
Property Manager	Mercy Housing Management Group	N	N
Services Provider	Homeless Prenatal Program	N	N

5.1. Procurement Plan. Mercy met with Contracts Monitoring Division (CMD) to establish goals for the project, which were set at 20%.

5.2. Opportunities for BIPOC-Led Organizations. HPP's vision for the project and key role in the development reflects Project impact and leadership by a BIPOC majority Board. HPP has a strong tradition of hiring and promoting from their clients whom are majority BIPOC resulting in the majority of their staff being BIPOC and clients.

To increase contracting with BIPOC-led firms, the Sponsor is doing the following:

- Partnering with the San Francisco National Organization of Minority Architects to identify opportunities for participation in projects, in this case for architect subcontracts.

-Creating a BIPOC-led or -owned professional firms list for distributing contracting opportunities (building on efforts from The Kelsey Civic Center project)

-Including meaningful scoring in RFQ and RFP procurements for professional services (i.e. Owner's Rep, Architect and Engineers, and General Contractor) for firms with racial and gender equity-centered initiatives in regards to advancement within the organization, hiring and subcontracting.

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

6.1. Prior MOHCD/OCII Funding. There is no existing MOHCD loan.

6.2. Disbursement Status. The project has incurred costs dating back to December 1, 2019, with predevelopment costs funded by SF HAF. The Sponsor requests Loan Committee approval of payment of costs no earlier than December 1, 2019 so long as these costs are deemed acceptable and correspond to gap budget attached herein.

6.3. Fulfillment of Loan Conditions. Below is the status of Loan Conditions since this project was at Loan Committee for the preliminary gap request on June 24, 2022:

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

   Status: Ongoing and MOHCD Monthly Project Update reporting is in need of improvement

2. Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines and MOHCD Commercial Space Underwriting Guidelines.

   Status: Completed for this request; the operating budget does no cashflow for 15 years without more rental subsidy, and is a work in progress; the Commercial Space Policy does not apply as the HPP Campus Expansion is not being financed with residential sources including the MOHCD loan.

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

   Status: Completed. Updated draft services plan was submitted to HSH and MOHCD in April 2023 and has incorporated HSH and MOHCD comments.

4. Sponsor must work with MOHCD staff and project's General Contractor to Value Engineer construction budget.

   Status: In progress with MOHCD CR participation.

5. Sponsor must work with MOHCD staff to revise unit mix so that the project will include a higher number of units serving households at 50% MOHCD AMI.

   Status: In progress.

6. Sponsor must provide signed LOI from commercial tenant prior to MOHCD's gap loan closing. Status:

   Status: **Not applicable,** as the HPP Campus Expansion is no longer contemplated to be structured as a commercial tenant of the residential; however, the development agreement between Mercy and the Homeless

Prenatal Program is being developed and will be shared, as well as a Reciprocal Easement Agreement.

7. 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.

   Status: In progress.

8. Sponsor must provide the Reciprocal Easement Agreement between the commercial and residential parcels to MOHCD no less than 90 days prior to Loan Committee date for gap loan.

   Status: **In progress.**

9. Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.

   Status: In progress.

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

    Status: Will be submitted at the appropriate time.

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

    Status: Will be submitted at the appropriate time.

12. Sponsor must provide quarterly updated response to any letters requesting corrective action.

    Status: Will be provided if letter requesting corrective action is received.

13. Sponsor must submit an updated 1st year operating budget and 20-year cash flow – if any changes have occurred – by November 1st before the year the project will achieve TCO so that MOHCD may request the LOSP subsidy.

    Status: Will be submitted at the appropriate time.

14. Sponsor must apply for any other higher value rent and operating subsidies available including Continuum of Care contracts or Project Based Vouchers.

    Status: Will be submitted at the appropriate time.

15. Sponsor to provide self-scores for all third party funding requests.

    Status: Ongoing.

16. Sponsor to work with MOHCD to find a land ownership and ground lease structure that complies with MOHCD policies. Land purchase will be contingent on MOHCD reviewing the appraisal and Purchase and Sale Agreement (PSA).

Status: Complete.

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative. Predevelopment costs have been funded to date by the SFHAF loan that is being requested to be taken out, as well as $2.5M in additional MOHCD predevelopment financing that make up this request. MHC extended a Line of Credit (LOC) in amount of $250K during the initial years of the Project, and were reimbursed at the SFHAF loan closing.

Predevelopment Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Acquisition Cost is based on appraisal	Y	The entire site was acquired by HPP for $7M supported by an appraisal. This request includes takeout of the FRB acquisition loan in the amount of $4.9 million excluding interest; the loan terms are 3.25% fixed rate with loan term ending June 2023 with an extension until end of September 2023; interest paid on the loan will be included in project costs at construction loan closing.
Holding costs are reasonable	N/A	Holding costs are not included in the predevelopment budget and are currently covered by HPP, for reimbursement at construction loan closing for the residential housing portion; MOHCD will review and need to approve holding costs to be included as part of the acquisition cost, which is a proposed loan condition
Architecture and Engineering Fees are within standards	Y	Architect design fees are budgeted at $2.3 million in predev which includes third party design consultants and $34K for potential redesign to look at the option of increasing unit density.
Consultant and legal fees are reasonable	Y	Consultant and legal fees are reasonable
Entitlement fees are accurately estimated	Y	Entitlement fees reflect actual costs to get through zoning change and SB35 approval
Construction Management Fees are within standards	Y	Construction management fees are reasonable at $160K, reflecting 3.5 years of predevelopment work and assisting with the allocation of design and cost between the two projects
Developer Fee is within standards	Y	Requested developer fee is within UG standards at $550K, one half of Project Management Fee prior to construction loan closing

Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is currently 10%

6.4.2. Predevelopment Uses Evaluation:

6.4.2.1. Acquisition - First Republic Bank Acquisition Loan Takeout : $4.9 million is proposed to take out the acquisition provided by First Republic Bank (FRB) to 2530 18th Street, LP, an affiliate of HPP, dated June 25, 2020. The loan term expired on June 25, 2023 and was extended until September 25, 2023. While the loan has a low fixed interest rate of 3.25%, negotiating a new term with the FRB takeover bank would have a far higher interest rate, which would increase the cost of the residential and HPP projects, as well as the future MOHCD gap for the residential project. The MOHCD Deed of Trust will be recorded in first position on the parcel and will be due and payable at the earlier of 5 years, or at transfer of the air rights parcel to the City to ground lease to the residential limited partnership.

CommonSpirit Health Operating Investment Pool, LLC provided a second loan to 2530 18th LLC, managed by HPP, in the amount of $2 million dated January 13, 2022, at 2% interest, to take out the original seller carryback financing. The loan term is five years, and HPP will keep these low cost funds in their HPP development project and it is not included in the request.

6.4.2.2. SF HAF Predev Loan Takeout: $2,435,211 of the proposed MOHCD predevelopment loan is proposed for takeout of the SF HAF Predev Loan to the residential limited partnership, which funded architecture and engineering, legal, entitlements and financial consultants. This predevelopment loan has a fixed interest rate of 3.25%; taking it out now with committed MOHCD funds will provide cost savings to the project by reducing interest carry. MHC will provide backup documentation demonstrating the eligibility of predevelopment costs for the MOHCD takeout loan prior to loan closing.

6.4.2.3. Other predevelopment costs to be funded by the MOHCD loan total $2,511,689, and are lean and reasonable. These funds include standard architecture, engineering and environmental studies, legal and financing application costs.

6.5. Proposed Permanent Financing. The perm budget included is preliminary as the Sponsor is exploring options to increase feasibility given the challenges of economies of scale at 74 units, state financing competitiveness and operating cashflow (see Section 4.10, Project Feasibility).

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

- 4% Tax Credit Equity ($36,11,097): Investor TBD, Sponsor assumes $0.93 per federal LIHTC and $0.85 per State LIHTC. Considering the market and more recent projects in MOHCD pipeline that have closed, this equity amount appears conservative. Any increases in equity would assist in reducing the overall gap. See Section 9.2, Loan Conditions.

- MHP Loan ($28,320,125): The sponsor applied for HCD MHP and IIG in 2023, and upon receiving an award, would apply for the next round of CDLAC / Tax Credit financing. The MHP loan terms are 55 years, 3% simple interest with a 0.42% mandatory payment, residual receipts, $500 PUPA replacement reserve requirement, minimum of 6 months of operating reserves.

  This Project does not meet the MHP scoring priorities of high resource area or surplus land. The Sponsor's Scoring Analysis for the 2023 application is a score of 105 out of 113 maximum points, and a tie breaker score of 153.72%, which is not highly competitive. As outlined in Section 4.9 Project Feasibility, the Sponsor is exploring options to increase the Project's competitiveness for MHP, including making the air rights parcel surplus land and increasing density.

Scoring Summary - MHP Round 2023	Project Points	Max Points
Affordability | 30 points	30	30
State Policy Priorities | 18 points	10	18
Sponsor Experience/ Applicant and Property Management experience | 20 points	20	20
Project Readiness | 20 points; negative 5 points	20	20
Financing Commitments (10 pt max)	10	10
Local & Environmental Approvals (7 pt max)	0	2
Organizational Documents (3 pt max)	3	3
TCAC Hybrid Projects (-5 pts max)	0	0
Adaptive Reuse / Infill / Proximity to Amenities / Sust Bldng Methods | 21 points	20	20
Infill Development & Net Density(5 pt max)	5	5
Proximity to Amenities (6 pt max)	5	5
Broadband Access (5 pt max)	5	5
Sustainable Building Methods (5 pt max)	5	5
Cost Containment | 5 points	5	5
TOTAL POINTS (85 minimum score required)	**105**	**113**
Tiebreaker	**153.72%**	

- IIG Sponsor Loan ($6,048,992): 55 years, 3% simple interest, deferred payment, $500 PUPA replacement reserve requirement, minimum of 6 months of operating reserves; IIG will not be funded if MHP is not awarded.

- MOHCD/HSH Loan ($16,000,000): 55 years, 3% simple interest, residual receipts, and committed under the Preliminary Gap Request in 2022.

- AHP ($1,000,000): Bank TBD, 15 years, 0% simple interest, disbursement into project in 2024
    - Mercy expects to make a future request for a bridge loan from MOHCD for the AHP at the final gap request since the project will not score maximum points until permanent conversion.

- Deferred Developer Fee ($1,000,000): deferred developer in the amount of $1,000,000 to be paid over 15 years if there is cashflow.

- Construction Loan ($41,991,000): While not a permanent source, the construction loan terms are lender TBD, 33 month term, projected all in rate with cushion 6.91%. It would be funded through proceeds from a bond allocation.

- Other potential funding: As outlined in Section 4.9 Project Feasibility, MHC and HHP are pursuing other financing sources to increase the feasibility of both projects. The Sponsor applied for $13 million in "Community Care Expansion Program" (CCE), a new state funding grant for construction of facilities / housing to address homelessness, in Spring 2023, and an award would be divided between the two projects.

6.5.2 CDLAC Tax-Exempt Bond Application:

The Project's basis boost from their previous DDA / QCT placeholder application with CMFA is expiring at the end of 2023, and CMFA has indicated that it is not possible to extend it. Nonetheless, if the Sponsor secures an MHP award, they would be somewhat competitive for a CDLAC allocation, although less competitive with the current inclusion of State tax credits. They would not apply until they have received an MHP award.

CDLAC Self-Score	
Opportunity Map Resource Level	TCAC/HCD Opportunity Map: Moderate
TCAC Housing Type (new construction only)	TCAC regs: Large Family

Bond Allocation Request Amount	$40,725,663
Total Self-Score (out of 120 points)	119
Tiebreaker Score	10.29

6.5.3 Residential Uses Evaluation:

Development Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Hard Cost per unit is within standards	N	$791K /unit which is high compared to similar projects; this is due to size and site conditions, and the hard cost is 7% higher per square foot than comparable projects (see
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5%; in addition, Design Contingency is held at 2% due to potential redesign to increase density, bid contingency is held at 2%, plan check contingency is held at 2%
Architecture and Engineering Fees are within standards	Y	Total A&E costs of $3.2 million include potential redesign analysis to increase project density, and is within standards
Construction Management Fees are within standards	Y	CM Fee of $260K for the multiyear project with complex division between residential and HPP service projects is warranted and within standards; HPP is paying for its portion of CM fee
Developer Fee is within standards, see also disbursement chart below	N	Project management fee: $1.1 million At risk fee: $1.1 million Deferred developer fee $1 million Total fee: $3,200,000
Consultant and legal fees are reasonable	Y	Consultant and legal fees appear reasonable
Entitlement fees are accurately estimated	Y	Entitlement fees are based on actual costs and are being fully paid by the residential project as they pertain to residential entitlements
Construction Loan interest is appropriately sized	Y	Construction loan interest is appropriate for conservative assumptions of interest rate environment
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%;
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 6 months in compliance with MHP requirements

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

Total Developer Fee:	$2,200,000	
Project Management Fee Paid to Date:	$ 494,000	
Amount of Remaining Project Management Fee:	$ 606,000	
Amount of Fee at Risk (the "At Risk Fee"):	$1,100,000	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Acquisition/Predev		.
Predevelopment closing	$494,000 (paid)	45%
Submission of HCD funding application	-	-
Submission of Joint CDLAC/TCAC app post award of MHP	$100,000	10%
Construction close	$225,000	20%
Construction Completion	$225,000	20%
Project close-out	$56,000	5%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		Percentage At Risk Fee
100% lease up and draft cost certification	$220,000	20%
Permanent conversion	$550,000	50%
Project close-out	$330,000	30%

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

7.1. Annual Operating Budget. The Project is currently estimating operating expenses of $1.2 million, around $16.2K PUPA, not including ground lease and minimum HCD debt payments. The Sponsor indicates that more revenue is needed to properly operate the property, and under the current budget, the Project cashflow goes negative in Year 5 and is not currently feasible. The Sponsor would like to discuss cost allocations with MOHCD in Fall 2023 to demonstrate the higher burden that PSH units place on operating budgets based on MHC comparable projects. The relatively small project with half PSH units, and 24 hour desk clerk coverage will result in higher than average operating costs. CoC for a portion or all of the PSH units, or SFHA project-based vouchers on non-PSH units, could help address this gap.

- The Project is requesting 37 LOSP subsidies
  - LOSP subsidy is projected at $574K, or $7,800 PUPA

- The preliminary operating budget assumes a per unit pro rata split for all operating costs except for:
  - Security/Front Desk Coverage costs 75% to LOSP. This will need to be reviewed with MOHCD staff prior to approval.
- Staffing is assumed at 1 Senior Property Manager, .5 Assistant Property Manager, .33 Housing Support Specialist, 4.5 FTE Desk Clerk coverage for 24 hour presence, and 2 FTE janitor and maintenance staff.
- Insurance budgeted at $155,000 and is reasonable
- Supportive services for the non-LOSP units is budgeted at $33,500 (0.4 FTE) and is well within standards seen at other projects.
- Reserves
- Replacement reserves are set at $500 per unit in line with HCD's requirement for MHP

7.2. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Guidelines Standard	**Meets Standard? (Y/N)**	**Notes**
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	N/A	No perm debt, but project goes negative in year 5.
Vacancy rate meets TCAC Standards	Y	Vacancy rate is 5% for all units, which is compliant with TCAC.
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 2.5% for non LOSP, 1% growth shown for LOSP units
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 proposed at $15,500 PUPA before reserves for project operating feasibility; however, the sponsor believes that accurate operating costs would be higher, that more project income is needed, and that LOSP needs to pay for a higher percentage of operating cost. Even this reduced operating budget goes negative in Year 5. MOHCD's family PSH portfolio between 50 – 100 units with 30% – 70% homeless set-aside, new construction projects, built between 2003 – 2023, indicate an average per unit cost of $17,000, escalated to 2023 (1036 Mission, Broadway Sansome, 1100 Ocean are excellent family project comps). However, the 3.5% cost escalation from 2020 will not capture big

		jumps in operating cost that affordable projects have encountered over the last several years such as insurance and minimum wage compensation increases. MOHCD and MHC will meet to review MHC's analysis for PSH unit costs, and this is addressed as a proposed loan condition.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is $55,188 or $63 PUPM
Property Management staffing level is reasonable per comparables	Y	Proposed staffing: 1 FTE Senior Property Manager (PM) .5 FTE Assistant PM 0.33 FTE Housing Support Specialist 4.5 FTE Desk Clerk/ Community Coordinator (24 hour coverage) 1 FTE Maintenance Manager 1 FTE Janitor
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is $24,270/yr, and increases annually by 3.5%. Annual PM Fee is $24,280/yr
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are $500 per unit per year as required by State MHP funding
Limited Partnership Asset Management Fee meets standards	Y	$5,000 and does not escalate over time per Underwriting Guidelines

7.3. Target population and Income Restrictions for All Sources. The Project is proposed at 74 units, with half of the units (37) as permanent supportive housing units for families. The remaining 37 DAHLIA units have income restrictions at 50% - 70% MOHCD AMI. The Sponsor proposes that two of the 70% AMI units serve as family childcare units, utilizing a new partnership with Faces SF.

The table below summarizes the affordability restrictions from all funders, including those proposed to HCD in the recent MHP/IIG applications, and will be used at the time of marketing to determine the most restrictive income and rent levels.

UNIT SIZE NON-LOTTERY	No. of Units		MAXIMUM INCOME LEVEL MOHCD	TCAC	HCD
1 BR – LOSP	18		50% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
2 BR – LOSP	16		50% MOHCD AMI	30% TCAC AMI	30% TCAC AMI

3 BR – LOSP	3	50% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
Sub-Total	**37**			
LOTTERY				
1 BR	10	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
1 BR	8	60% MOHCD AMI	50% TCAC AMI	50% TCAC AMI
Sub-Total	**18**			
2 BR	6	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
2 BR	7	60% MOHCD AMI	50% TCAC AMI	50% TCAC AMI
2 BR	2	70% MOHCD AMI	80% TCAC AMI	80% TCAC AMI
Sub-Total	**15**			
3 BR	1	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
3 BR	2	70% MOHCD AMI	60% TCAC AMI	60% TCAC AMI
Sub-Total	**3**			
STAFF UNITS				
2 BR	**1**			
TOTAL	**74**			

7.4. MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level
1BR	28	50% of Median Income
2BR	22	50% of Median Income
3BR	4	50% of Median Income
1BR	8	60% of Median Income
2BR	7	60% of Median Income
2BR	2	70% of Median Income
3BR	2	70% of Median Income
2BR	1	Manager's Unit

8. SUPPORT SERVICES

8.1. Services Plan.

This project seeks to assist families in maintaining independence, stability and functioning within a safe and affordable housing community, resulting in improved health and well-being while establishing and maintaining long-term housing. HPP will provide services for the 37 formerly homeless households and MHC will provide services to the entire property, or 74 households. Both agencies will work together to provide client-centered services steeped in the Strengthening Factors Framework (parental resilience, social connections, knowledge of parenting and child development, concrete support in times of need, social and emotional competence of children).

HPP's main outcome for the project is that families will stabilize. HPP understands that families face unique challenges, and will join this housing community at different places along the spectrum of healing from the trauma of homelessness and/or any additional underlying stress and need. Using PSH best practices, such as harm reduction, de-escalation, and trauma-informed practices, the team will support residents throughout their tenancy. Larger building programming will be designed with residents and with consideration of the needs of the tenant population as a whole. Additional services will be individualized to meet specific family needs. Stabilization of households in an environment conducive to their success is core to this model.

HPP and MHC are proposing the following on-site support services staff to support the households referred from Coordinated Entry (funded by HSH) and the lottery units referred from the DAHLIA program (funded by building operations):

- Coordination with Property Management
- Housing Retention Services
- Service Coordination
- Social Engagement and Youth Programming

With HPP and MHC support, families will have comprehensive support. HPP will offer a layered program that provides continuity of care including individualized intensive case management; outreach and engagement; intake and assessment; benefits advocacy and assistance; referrals and coordination of services; wellness checks; support groups and social events; housing stability support; clinical services; and exit planning. Holistic services will be conducted collaboratively to integrate services/treatment, including with tenants' off-site case managers/care team. HPP will coordinate closely with MHC to ensure tenant stability. This project offers an innovative approach to family homelessness against HPP's track record for success: 95% of families housed by HPP remain housed a year later.

8.2 Services Budget. The .4 FTE Resident Services Coordinator (RSC) will be available to support the non-PSH households and will be funded from the operating budget, which includes $43,500 for RSC staffing in Year 1. This conforms to MOHCD's Underwriting Guidelines.

For the PSH units, the 2 FTE Case Management will be funded through a separate services contract between the Sponsor and HSH. The Project will receive HSH's Tier 5 annual services funding level, which is $12,900/unit or $477K total. The total supportive services budget including PSH and non-PSH units totals $531K in Year 1.

						TOTAL HSH	TOTAL Op Budg	TOTAL
Staffing	**Manager**	**Dir of Hsg**	**Clinical Sup.**	**CM**	**CM (MSW)**		**RSCII**	
Funder	HSH	HSH	HSH	HSH	HSH		Op Budget	
FTE	0.90	0.12	0.30	1	1	3.32	0.5	$ 3.82
								$ -
Salary	98,846	145,251	130,555	68,000	87,137	529,789	25,000	554,789
Salary (FTE Adjusted)	88,961	17,430	39,167	68,000	87,137	300,695		300,695
								0
Benefits @28%*	24,909	4,880	10,967	19,040	24,398	84,195	5,000	89,195
Subtotal Salary	113,871	22,311	50,133	87,040	111,535	384,890	30,000	414,890
Total Salary	113,871	22,311	50,133	87,040	111,535	384,890	30,000	414,890
Client Supplies & Programming						26,000		26,000
Training						5,000		5,000
Travel						3,677		3,677
Indirect Cost @ 15%	17,081	3,347	7,520	13,056	16,730	57,733	3,516	61,249
TOTAL	130,951	25,657	57,653	100,096	128,266	477,300	33,516	**510,816**
Cost Per Unit						12,900 per 37 PSH Units	453 per 74 TI Units	6,903 per 74 TI Units

8.3 <u>HSH Assessment of Service Plan and Budget.</u> 2530 18th Street is a new construction affordable housing project with 74 units, expected to break ground in 2024. 37 of the units will be designated as Permanent Supportive Housing (PSH) units which are set aside for families experiencing homelessness. Referrals into these units will be provided via the City and County of San Francisco's Coordinated Entry system. The project will be subsidized for ongoing operations and supportive services by the Local Operating Subsidy Program (LOSP).

Through the MOHCD procurement process, Homeless Prenatal Program (HPP) was selected to be the Supportive Services provider, and Mercy Housing was selected to be the Property Management provider and to provide Resident Services coordination. HPP's services will be dedicated to serve the 37 households who will reside in the PSH units. The HSH will manage the contract and budget for these services to be provided.

HPP submitted a robust Supportive Services Plan that outlines the plan for coordination with Property Management and the Resident Services teams, to assist families in successfully adjusting to permanent housing, and help them to maintain housing for the long-term. The plan speaks to community building strategies and ongoing planning and coordination at the site level to ensure the needs of individual residents are balanced with the safety and security of the property. The plan also speaks to HPP's partnerships with community agencies to be able to bring services into the building to address food security, educational goals, mental health and financial goals, among other things. HPP also seeks to address the personal challenges and goals of individual families by conducting assessments prior to move-in, and conducting ongoing assessments and creating individualized service plans.

9 STAFF RECOMMENDATIONS

9.1 Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	$4,900,000 acquisition take out loan
Borrower:	**2530 18th, LLC**
Loan Term:	5 years
Loan Maturity Date:	Earlier of construction loan closing and transfer or residential air rights parcel to City or September 30, 2028
Loan Repayment Type:	Deferred
Loan Interest Rate:	0%
Date Loan Committee approves prior expenses can be paid:	12/1/2019

Financial Description of Proposed Loan	
Loan Amount:	$4,946,900 Predevelopment Loan
Borrower:	**Mercy Housing California 104, L.P.**

Loan Term:	5 years (to be wrapped into perm 55 year loan at construction loan closing)
Loan Maturity Date:	2078
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	12/1/2019

9.2. Recommended Loan Conditions

Continuance of previous loan conditions that are in progress:

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

2. Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines and MOHCD Commercial Space Underwriting Guidelines.

3. Sponsor must work with MOHCD staff and project's General Contractor to Value Engineer construction budget.
4. Sponsor must work with MOHCD staff to revise unit mix and affordability restrictions so that the project will include a higher number of units serving households at 50% MOHCD AMI.
5. Sponsor must provide signed LOI from commercial tenant prior to MOHCD's gap loan closing.
6. 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.
7. Sponsor must provide the Reciprocal Easement Agreement between the HPP Campus Expansion and residential parcels to MOHCD no less than 90 days prior to Loan Committee date for gap loan.
8. Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
9. 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.

10. 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. Increased local staff participation in the lease up will be required.
11. Sponsor must provide quarterly updated response to any letters requesting corrective action.
12. Sponsor must submit an updated 1st year operating budget and 20-year cash flow – if any changes have occurred – by November 1st before the year the project will achieve TCO so that MOHCD may request the LOSP subsidy.
13. Sponsor must apply for any other higher value rent and operating subsidies available including Continuum of Care contracts or Project Based Vouchers.
14. Sponsor to provide self-scores for all third party funding requests.

New Conditions:

1. Increase equity pay in assumptions to $0.98 for updated financial projections, pending discussions with financial advisor on current tax credit investment climate
2. MHC will provide updated operating budget and proposed LOSP Cost Split by November 1, 2023, to review with MOHCD and HSH.

HPP Loan Conditions:

1. MOHCD Holding costs are not included in the predevelopment budget and are currently covered by HPP, for reimbursement at construction loan closing for the residential housing portion; MOHCD will review and need to approve them to be included as part of the acquisition cost
2. HPP to provide quarterly fundraising updates on the HPP Campus Expansion
3. In the event that the Project does not move forward within five years, HPP will repay MOHCD's acquisition loan within five years of recording the MOHCD Deed of Trust

o 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. Developer Resumes
D. Asset Management Analysis of Sponsor
E. Threshold Eligibility Requirements and Ranking Criteria
F. Site Map with amenities
G. Elevations and Floor Plans, if available
H. Comparison of City Investment in Other Housing Developments
I. Predevelopment Budget – N/A
J. Development Budget
K. 1st Year Operating Budget
L. 20-year Operating Pro Forma

RE: 2530 18th St ACQUISITION TAKE OUT AND PREDEVELOPMENT FINANCING

Shaw, Eric (MYR)
Fri 8/25/2023 1:00 PM
To:Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

I approve

From: Shaw, Eric (MYR) <eric.shaw@sfgov.org>
Sent: Friday, August 25, 2023 11:47 AM
To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>
Subject: ACQUISITION TAKE OUT AND PREDEVELOPMENT FINANCING

approve

Eric D. Shaw
Director/ Interim Director HopeSF

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

2530 18th Street

Menjivar, Salvador (HOM)
Fri 9/1/2023 3:18 PM
To:Shaw, Eric (MYR) <eric.shaw@sfgov.org>
Cc:Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

I conditionally approve Mercy Housing California (MHC) and Homeless Prenatal Program (HPP) request for acquisition and predevelopment take-out financing in support of 2530 18th Street, a new construction of 74-unit of affordable housing development with 50% (37) of the units set aside for families who have experienced homelessness, in the total amount of $9,846,900. The sponsors of the project have at times expressed that some of the PSH units will not be filled with referrals from the SF Coordinated Entry (CE) System. My approval of this loan is conditioned to the sponsors eventually agreeing that all PSH units will be filled with homeless families referred by CE.

Best,

salvador

Salvador Menjivar
Director of Housing
Pronouns: He/Him
San Francisco Department of Homelessness and Supportive Housing
salvador.menjivar1**@sfgov.org** **|** 415-308-2843

Learn: [dhsh.sfgov.org]hsh.sfgov.org | Follow: @SF_HSH | Like: @SanFranciscoHSH

2530 18th Street Acquisition Take-Out and Predevelopment Loan Request Loan

Colomello, Elizabeth (CII)

Fri 8/25/2023 11:46 AM

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

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

Hi Vanessa-
I approve the subject request on behalf of OCII.
Thanks-
Elizabeth

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

2530 18th Street

Van Degna, Anna (CON)

Fri 8/25/2023 11:46 AM

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

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

Approved

Anna Van Degna (*she/her/hers)*
Director, Controller's Office of Public Finance
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place
City Hall, Room 338
San Francisco, CA 94102
Phone: (415) 554-5956
Email: anna.vandegna@sfgov.org

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	6/16/2023	
1	Acquisition/Predev Financing Commitment	12/19/2019	First Republic Bank provided initial land commitment to HPP
2.	Site Acquisition	12/19/2019	Acquired by HPP
3.	Development Team Selection		
a.	Architect	10/21/21	
b.	General Contractor	10/21/21	
c.	Owner's Representative	10/21/21	
d.	Property Manager	10/21/21	
e.	Service Provider	10/21/21	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	4/11/22	
b.	Submittal of Design Development & Cost Estimate	8/8/22	
c.	Submittal of 50% CD Set & Cost Estimate	12/16/22	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	6/2/23	
5.	Commercial Space		
a.	Reciprocal Easement Agreement with commercial parcel Submission	9/25/23	
b.	LOI/s Executed	n/a	
6.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	10/28/21	
b.	CEQA Environ Review Submission	n/a	
c.	NEPA Environ Review Submission	n/a	
d.	CUP/PUD/Variances Submission	n/a	
7.	PUC/PG&E		

a.	Temp Power Application Submission	6/1/22	
b.	Perm Power Application Submission	6/1/22	
8.	Permits		
a.	Building / Site Permit Application Submitted	10/28/21	
b.	Addendum #1 Submitted	4/10/23	
c.	Addendum #2 Submitted	9/25/23	
9.	Request for Bids Issued	6/5/23	
10.	Service Plan Submission		
a.	Preliminary	12/1/22	
b.	Final	11/29/24	
11.	Additional City Financing		
a.	Preliminary Gap Financing Application	12/1/22	
b.	Acquisition Take Out and Predev Financing Application c. Gap Financing Request	8/25/23 2/1/24	
12.	Other Financing		
a.	HCD Application - MHP	6/1/23	
b.	Construction Financing RFP	5/3/24	
c.	AHP Application	3/1/25	
d.	CDLAC Application	5/2/24	
e.	TCAC Application	5/2/24	
f.	Other Financing Application		
g.	LOSP Funding Request	11/29/24	
13.	Closing		
a.	Construction Loan Closing	11/29/24	
b.	Conversion of Construction Loan to Permanent Financing	7/16/27	
14.	Construction		
a.	Notice to Proceed	12/1/24	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	8/7/26	
15.	Marketing/Rent-up		

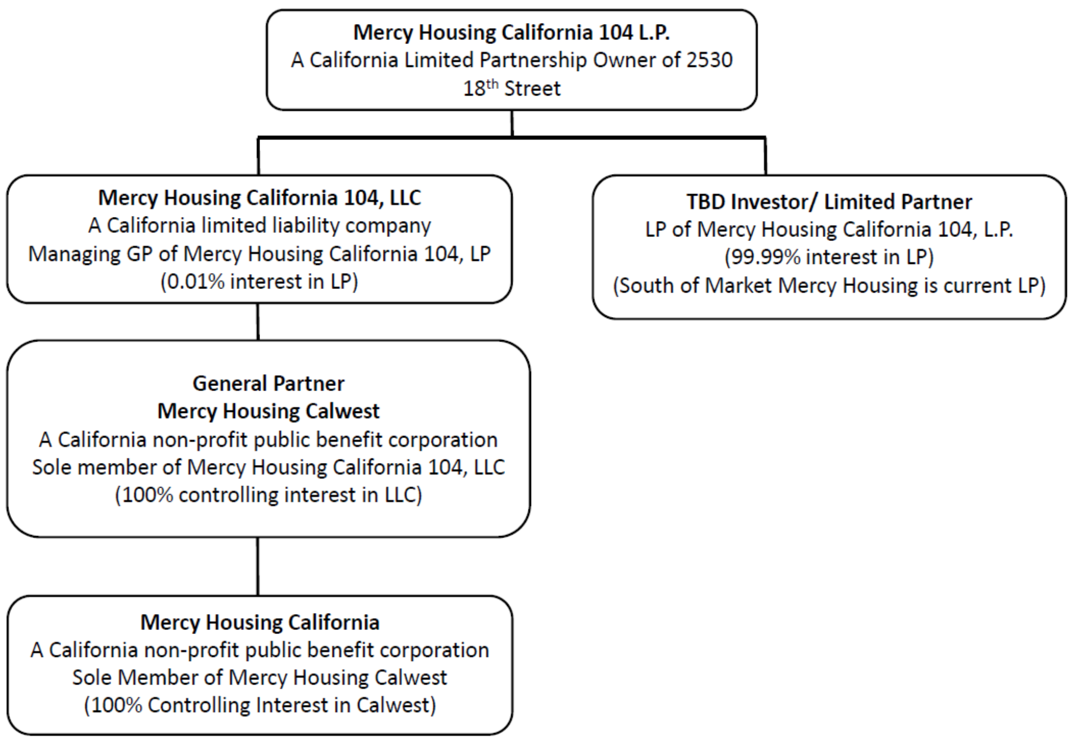
a.	Marketing Plan Submission	11/29/25	
b.	Commence Marketing	2/1/26	
c.	95% Occupancy	12/1/26	
16.	Cost Certification/8609	10/30/27	
17.	Close Out MOH/OCII Loan(s)		

Attachment B Borrower Org Chart:

Homeless Prenatal Program (HPP) Expansion Program Borrower Entity: 2530 18th, LLC

Residential Borrower Entity: Mercy Housing California 104, L.P.

Borrower Org Chart



Attachment C: Development Staff Resumes

KION SAWNEY

Project Developer

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California
Project Developer I, July 2020 to present

- Manage and perform all tasks related to the development of affordable housing associated with acquisition and new construction.
- Responsible for reviewing sites for potential housing developments, preliminary land use analysis to determine feasibility; secure local approvals and neighborhood acceptance; prepare financial analysis and secure project funding; oversee design and construction process and close out with the investors and lender.
- Projects include: 600 7th Street – 221 units of affordable PSH and family housing; 2530 18th Street with Homeless Prenatal Program - 73 units of affordable family housing.

Beacon Development Group, San Francisco, California
Housing Developer, August 2016 to 2019

- Directly managed an affordable housing development portfolio worth over $150 million in Northern California and concurrently supporting projects in Southern California and Washington State - the portfolio included urban infill construction, re-syndications, acquisition rehabs, new markets TC and 4% non-competitive.
- Oversaw all aspects of project development, working closely with clients and project teams on site acquisition, predevelopment, entitlements, design, financing, construction, and project close out. Negotiated development, loan, and partnership agreements with public and private equity partners.

Nashville Civic Design Center, Nashville, Tennessee
Research Fellow, May 2014 to 2016

- Authored, "Creating Inclusive Communities," a publication describing 7 topic areas for Nashville to pursue that improve housing accessibility for low to moderate-income individuals. The report assembled statistical demographic changes, engaged with over 50 community stakeholders, and showcased national best practices.
- Advised and consulted with the Mayor's Office, government agencies and officials, community organizations and trade groups on tools to increase the city's affordable housing stock and improve non-profit capacity.
- In partnership with the Chamber of Commerce and the Urban Land Institute, proposing an innovation district in the city's midtown and began preliminary work for its creation.

EDUCATION

BA, Urban Planning, Vanderbilt University, 2014

CURRENT PROFESSIONAL AFFILIATIONS & COMMUNITY INVOLVEMENT

Commissioner, San Francisco Residential Rent Stabilization and Arbitration Board
Board Member, Yimby Action: San Francisco Board
Tree Planting Leader, Friends of the Urban Forest

Attachment D: Asset Management Evaluation of Project Sponsor

Mercy Housing California (MHC) will assume asset management duties for 2530 18th Street. Asset Management falls under the National Portfolio Management department of Mercy Housing Inc, which is led by Senior Vice President Melissa Clayton.

Total Number of Projects and Average Number of Units Per Project Currently in Developer's Asset Management Portfolio
California represents the largest portion of the portfolio with 156 operating properties across the state; 55 Mercy owned and occupied properties are located in the City of San Francisco.

Developer's Current Asset Management Staffing Including Job Titles, Full Time Employees, an Organizational Chart and the Status of Each Position (filled/vacant)
Yelena Zilberfayn is the Vice President of Asset Management at Mercy Housing where she has worked for the past 22 years, 9 of which in the Asset Management Department, and is responsible for a portfolio of real estate assets serving families, seniors, and special needs individuals. She leads a team of five Asset Managers, four in San Francisco, one in Sacramento.

Two Asset Management Analysts and one Commercial Asset Management Analyst based in the National Office in Denver, CO, and one Commercial Asset Manager based in San Francisco are supporting Yelena's team. In addition, there are two Asset Managers overseeing other regions in CA and one Capital Project Investment Manager, reporting directly to Melissa Clayton.
Yelena is located in the San Francisco office and interfaces directly with Doug Shoemaker, President of Mercy Housing California (MHC), and Jennifer Dolin, Vice President of Operations of MHC. Yelena and her team act as Mercy Housing's representatives in relation to the physical and financial status of each asset and protect its financial health and long-term viability.
Mercy's portfolio management also includes Transaction Team comprised of 2 staff devoted to other specialized needs such as the Year 15 buy out and the refinance of properties.
All positions are currently filled and they are all full time.

The breakdown of the Bay Area asset management staff positions is as follows:
(1) Vice President of Asset Management
(1) Director of Portfolio Analysis
(4) Asset Managers
(2) Asset Management Analysts
(1) Commercial Asset Management Analyst
(1) Commercial Asset Manager

Each Asset Manager oversees a portfolio of up to 25 assets. The 4 Asset Managers in the San Francisco office currently have 90 assets in their portfolio. Eight of these properties are in predevelopment, under construction or in rehab in the City of San Francisco or Bay Area. In San Francisco, Asset Managers manage fewer than the maximum of 25 assets in order to free up capacity for future developments. Once development is complete, a San Francisco based Asset Manager will assume asset management duties for 1530 18th Street.

Description of Scope and Range of Duties of Developer's Asset Management Team

Asset Management staff has oversight over all operations of the properties. The portfolio is analyzed monthly through the Portfolio Scorecard, which looks at physical and economic occupancy, trade and intercompany payables. In addition, the team performs quarterly risk ratings according to Affordable Housing Investment Council (AHIC) standards, of every property to evaluate occupancy, reserves, management, capital needs and available reserves. If a property is placed on the watchlist, there is a quarterly meeting with the Asset Management team, Mercy Housing Management Group and Mercy Housing California President to find a solution to get the property off the watchlist.

Asset Managers are responsible for tracking all capital needs on their portfolio on a quarterly basis as part of Mercy's watchlist process. They are assisted by various staff of Mercy Housing Management Group, including the Regional Facilities Manager and the various Area Directors of Operations assigned to the properties. Using various analysis including our watchlist and budget planning, reviewing CNAs, and Reserve analysis, the Asset Managers determine when the necessary capital needs can be completed in the short and long term.

The analyst team submits reserve replacement requests bi-annually. In addition, the analyst team helps with the compliance with financing requirements and various reporting regulatory requirements by sending quarterly and annual reporting to investors and funders.
Portfolio preservation planning is accomplished through balancing the use of reserves with the payment of scheduled partnership and deferred development fees through cash flow.
The transaction team handles some of the longer term needs of the portfolio such as Year 15 analysis and investor buyout and a property restructuring such as a refinance.

<u>Description of Developer's Coordination Between Asset Management and Other Functional Teams, Including Property Management, Accounting, Compliance, Facilities Management, etc.</u>
There is constant coordination between Property Management, related departments and Asset Management. Asset management oversees all aspects of operations so there is ongoing coordination with property management on a daily basis in regards to those issues. Asset and Property Management work together on the annual audits and budgets. In addition, there is constant coordination around cash management and the financial oversight of the property. There is also contact around preparation of the financials. Asset Management and Compliance primarily coordinate around compliance issues that directly affect ownership and the partnership. Asset management and facilities coordinate around preparation the budget and capital projects. The Asset Management staff also coordinates around emergencies.

<u>Developer's Budget for Asset Management Team Shown as Cost Center (nationwide)</u>
Asset Management staffing budget is $2,460,839.

<u>Number of Projects Expected to be in Developer's Asset Management Portfolio in 5 Years and, If Applicable, Plans to Augment Staffing to Manage Growing Portfolio</u>
Mercy Housing anticipates that the portfolio will grow from 156 buildings to approximately 170 buildings in the next 5 years. Two new Asset Manager positions based in San Francisco were added in 2017 and one in 2019.

MOHCD Asset Management staff assessment of Sponsor's asset management capacity: The Sponsor's description of their asset management functions, duties and coordination with related teams within the organization demonstrates an adequate asset management operation for their existing portfolio. With 7 FTE asset managers statewide and a portfolio of 156 projects in California, the project/asset management staff ratio is 22, which is in line with the industry standard of 20-25 recommended by NeighborWorks America. In addition, the Sponsor's asset management staff also includes Asset Management Analysts who support the Asset Managers. The full range of asset management responsibilities are covered by the asset managers and the analysts. With an increase of 15-16 projects in the Sponsor's portfolio anticipated over the next 5 years, the ratio will increase but remain within the industry standard.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

Minimum Qualifications and Scoring from Homeless Family NOFA 2022

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

	Category	Points
A.	**EXPERIENCE:**	**40**

i.	**Developer (12 pts)**
	➢ Experience with the following:
	  o Completing projects on time and on budget
	  o Obtaining competitive financing terms
	  o Developing Type V/I or III/I construction
	  o Developing housing for low-income families and those experiencing homelessness
	➢ Building community support through outreach
	➢ Current staff capacity and experience to take on this project type	

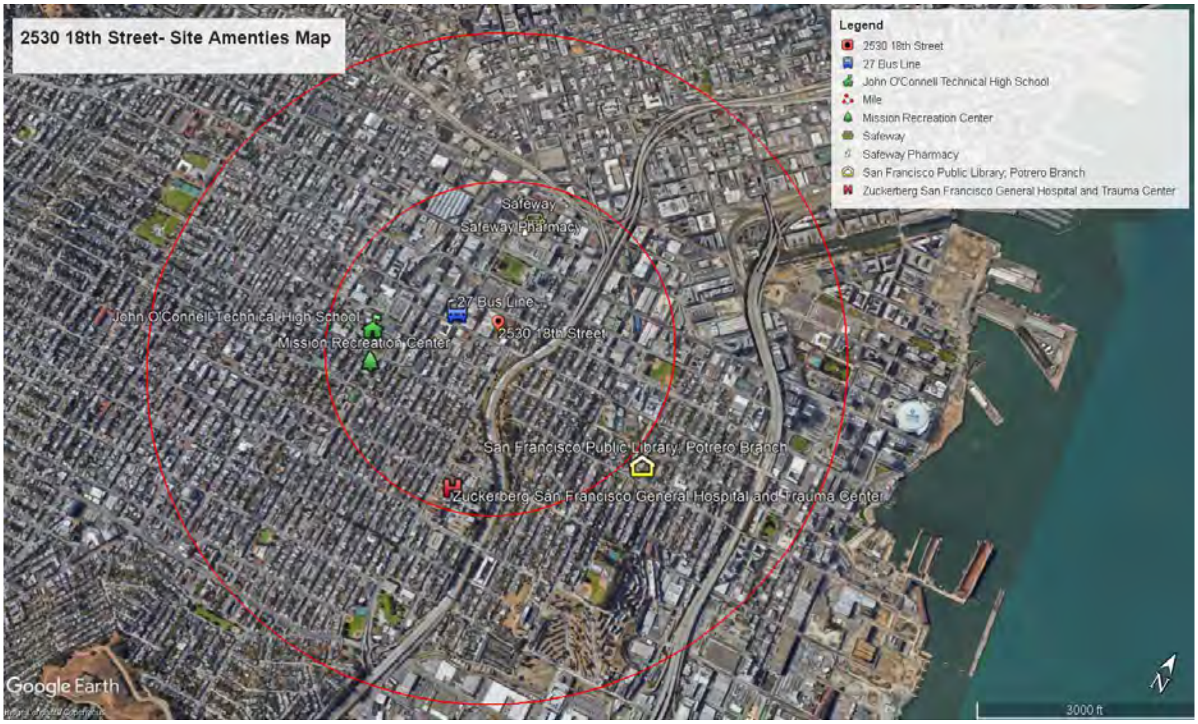
ii.	**Owner (4 pts)** ➢ Track record successfully owning housing financed with Low-Income Housing Tax Credits o Experience owning affordable housing for low-income families and those experiencing homelessness ➢ Effectiveness of current asset management structure and staffing, given portfolio size ➢ Capacity for assuming asset management of an expanded portfolio once the development is complete	
iii.	**Property Manager (8 pts)** ➢ Experience managing property for low-income families and those experiencing homelessness ➢ Experience achieving high rates of housing retention ➢ Implements low barrier tenant selection policies consistent with Housing First principles and the HSH Documentation Policy ➢ Contributes to long-term sustainability of the development ➢ Achieves cost efficiencies in operations	
iv.	**Service Providers (8 pts)** ➢ Experience delivering services to low-income families and those experiencing homelessness ➢ 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	
v.	**Racial Equity (8 pts)** ➢ Describes level of racial equity awareness ➢ Experience providing housing to COP and neighborhood preference holders ➢ Uses innovative approaches to engagement with COP and neighborhood preference holders ➢ Demonstrates commitment to racially diverse project development teams ➢ Demonstrates experience with serving historically excluded communities of color, including formerly homeless households ➢ Describes approaches to overcoming historical obstacles to communities of color obtaining high quality affordable housing ➢ Describes experience providing access and implementing effective service delivery strategies to historically excluded communities of color, including formerly homeless households	
B.	**VISION:**	**60**
i.	**Program Concept (20 pts)** ➢ Proposes site whose location, size, configuration, and zoning support the development of affordable and permanent supportive housing, including ability to maximize unit yield in a cost-effective construction type and make use of entitlement expediting such as SB 35. ➢ 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 particular groups served by the programs and spaces (families, families experiencing homelessness, young adults, children etc.). ➢ Describes how the program will contribute to lowering barriers to persons of color seeking and retaining quality housing.	
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 members of the community; 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.	
iii.	**Services Delivery Strategy (10 pts)** ➢ Describes the Development Team's services delivery strategy and includes: o The overall service philosophy; o Model for providing services to formerly homeless residents (including case management ratio and provision of amenities such as front desk clerks, if applicable); o The services goals of the proposed vision. ➢ A brief description of the desired outcome of the services to be provided and innovative approaches to services provision, including the strategy of engaging residents and encouraging access to services. ➢ Describes how services for residents will be coordinated with the existing network of services in the neighborhood and community.	
iv.	**Finance & Cost Containment Approach (10 pts)** ➢ Describes the Development Team's financing approach to the project. ➢ 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. ➢ Does not include proforma financials.	
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 smaller and Black, Indigenous and people of color, (BIPOC)-led organizations ➢ Explains how the Development Team's model removes barriers to intergenerational wealth, self-sufficiency and resiliency for persons of color, particularly COP holders, African American households and/or households in historically African American neighborhoods.	

	➢ 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.	
	TOTAL POSSIBLE POINTS	**100**

Attachment F: Site Map with amenities



Attachment G: Elevation

Attachment H: Comparison of City Investment in Other Housing Developments

Affordable Multifamily Housing New Construction Cost Comparison - San Francisco

Updated *8/18/2023*

		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		$ 78,299	$ 48,466	$ 425	$ 121,088	$ 68,082	$ 38	$ 121,130	$ 73,339	$ 84	$ 318,957	$ 188,901	$ 184	$ (74,442)	123.3%
Delta Percentage		377%	369%	358%	18%	16%	6%	66%	63%	49%	36%	34%	23%	-26%	185%
SUBJECT PROJECT		$ 99,084	$ 61,616	$ 543	$ 791,179	$ 491,994	$ 664	$ 305,457	$ 189,948	$ 256	$ 1,195,720	$ 743,557	$ 1,004	$ 216,216	81.9%
Comparable Projects	*Average:*	*$ 20,786*	*$ 13,149*	*$ 118.47*	*$ 670,092*	*$ 423,912*	*$ 626*	*$ 184,327*	*$ 116,608*	*$ 172*	*$ 876,764*	*$ 554,657*	*$ 819*	*$ 290,658*	66.8%

*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*	*$ 80,541,800*	*$ 18,824,491*	*$ 101,144,660*	*$ 29,006,149*	*$ 99,484,962*				
Comparable Projects Completed (filtered)	*Average:*	*18,635*		*106*	*171*	*100,418*	*12,246*	*112,664*	*$5,185,149*	*$64,430,523*	*$15,072,442*	*$84,688,113*	*$27,788,500*	*$79,502,964*				
Comparable Projects Under Construction (filtered)	*Average:*	*21,830*		*116*	*189*	*110,171*	*21,465*	*131,637*	*$3,333*	*$78,458,038*	*$23,574,096*	*$102,035,467*	*$39,512,240*	*$102,032,134*				
Comparable Projects In Predevelopment (filtered)	*Average:*	*13,609*		*86*	*127*	*79,792*	*6,965*	*85,562*	*$1,217,458*	*$63,627,300*	*$18,161,189*	*$83,486,658*	*$22,277,214*	*$82,472,110*				
Total Comparable Projects	*Average:*	*18,025*		*103*	*162*	*96,794*	*13,559*	*109,954*	*$2,135,313*	*$68,838,620*	*$18,935,909*	*$90,070,080*	*$29,859,318*	*$88,002,403*				
neless Prenatal Program (HPP) & Family Housing	2530 18th St	13,504	4/12/2024	74	119	79,010	12,768	88,166	$ 7,332,250	$ 58,547,274	$ 22,603,791	$ 88,483,315	$ 16,000,000	$ 81,151,065	4%, MHP, IIG, AHP	Type IB	8	60% CDs Dated 3/24/23 Assuming land cost is $7M
Delta of Subject and Comp Project Averages		-4,521		-29	-43	-17,784	-791	-21,788	$5,196,937	($10,291,346)	$3,667,882	($1,586,765)	($13,859,318)	($6,851,338)				
Delta Percentage		-25%		-28%	-27%	-18%	-6%	-20%	243%	-15%	19%	-2%	-46%	-8%				

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	$ 48,898,433	$ 6,583,453	$ 61,032,915	$ 17,704,400	$ 55,481,886	2 HCD Loans (MHP & TOD)	Type IB	9	
Eddy and Taylor Family Housing	222 Taylor	22,344	Jun-19	113	211	108,440	21,086	129,526	$ 9,300,000	$ 67,488,078	$ 14,837,459	$ 91,625,537	$ 22,187,436	$ 82,325,537	2 HCD Loans (MHP & TOD)	Type IB	8	Extensive PG&E regional switch required
1296 Shotwell Senior	1296 Shotwell	11,667	Jan-20	94	94	66,153	-	66,153	$ 831,098	$ 53,709,722	$ 231,384	$ 54,772,204	$ 27,812,014	$ 53,941,106	4% LIHTC HOME AHF	Type IA	9	seismic damper
490 South Van Ness	490 S. Van Ness Avenue	14,250	Apr-21	81	121	51,639	28,985	80,624	$ 18,500,000	$ 55,840,878	$ 13,393,811	$ 87,734,689	$ 28,892,030	$ 69,234,689		Type IA	7 +	Over partial basement
2060 Folsom Street	2060 Folsom	29,075	May-21	127	252	155,648	11,810	167,458	$ 134,931	$ 86,578,395	$ 20,100,172	$ 106,813,498	$ 31,697,110	$ 106,678,567	HCD AHSC Loan	Type IB	9	$6MM
500 Turk Street (555 Larkin)	500 Turk Street	18,906	Dec-22	108	186	101,752	7,639	109,391	$ 1,853,895	$ 59,418,267	$ 29,815,020	$ 91,087,182	$ 32,400,000	$ 89,233,287	HCD AHSC Loan	Type I	8	Type I 8 stories on constrained site
681 Florida	681 Florida Street	19,000	Oct-22	130	199	126,830	9,250	136,080	$ 125,091	$ 79,079,886	$ 20,545,793	$ 99,750,770	$ 33,826,507	$ 99,625,679	HCD MHP Loan	Type IB	9	8,400+/- PDR
Completed Projects (average):	*Average:*	*33,232*		*114*	*180*	*107,052*	*13,623*	*120,706*	*2,804,446*	*70,321,397*	*15,199,643*	*88,325,486*	*24,478,457*	*85,521,040*				

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)
180 Jones Street	180 Jones Street	4,853	Nov-24	70	70	36,166	3,304	39,470	$ 10,000	$ 38,293,496	$ 15,262,708	$ 53,566,204	$ 12,858,477	$ 53,556,204	4% LIHTC + MHP	Type I	9	Small very tight site; studios (95% CD est. updated est at close)
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
The Kelsey	240 Van Ness	18,313	Dec-24	112	144	94,001	1,349	95,350	$ 24,590	$ 69,202,040	$ 19,297,224	$ 88,523,854	$ 27,103,503	$ 88,499,264	4% LIHTC , IIG, AHSC	Type IB	8	11/15/2022 gap eval; bid set 80% CD
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% [illegible]
772 Pacific Avenue	772 Pacific Avenue	9,219	Apr-24	86	86	45,458	8,847	54,305	$ -	$ 58,265,200	$ 17,129,912	$ 75,395,112	$ 25,176,182	$ 75,395,112	4% Credits; MHP, AHP	Type IA	8	Comml rpl of Asia SF rest (9/30/21 Loan Eval)
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
In Predevelopment	*Average:*	*23,881*		*119*	*176*	*115,798*	*9,196*	*124,400*	*532,666*	*82,842,245*	*18,540,036*	*102,136,764*	*25,987,793*	*101,637,389*				

Attachment I: Predevelopment Budget

Application Date:	8/2/23	**# Units:**	74		
Project Name:	2530 18th Street	***# Bedrooms:***	119		**LOSP Project**
Project Address:	2530 18th St	**# Beds:**		**n/a**	
Project Sponsor:	Mercy Housing Calwest, Mercy Housing California				

							Total Sources	**Comments**	
SOURCES	-	**2,435,211**	**4,900,000**	**2,511,689**	-	-	**9,846,900**		
Name of Sources:	MOHCD/OCII	MOHCD - Take out of SFHAF Cost	MOHCD - Acq. of FRB Loan	MOHCD - New Predev. Cost					
USES									
ACQUISITION									
Acquisition cost or value			4,900,000				4,900,000	Value of the FRB Loan	
Legal / Closing costs / Broker's Fee							0		
Holding Costs							0		
Transfer Tax							0		
TOTAL ACQUISITION	**0**	**0**	**4,900,000**	**0**	**0**	**0**	**4,900,000**		
CONSTRUCTION (HARD COSTS)									Construction line item costs as a % of hard costs
Unit Construction/Rehab				357,500			357,500	Cost includes temp + perm switchgear/ perm, taxes, Insurance, SDO, OHP Fee, Contigency	
Commercial Shell Construction							0		
Demolition				190,610			190,610	Pre-NTP Demolition and Shoring	
Environmental Remediation				100,000			100,000		
Onsight Improvements/Landscaping							0		
Offsite Improvements							0		
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes							0		**0.0%**
GC Overhead & Profit							0		**0.0%**
CG General Conditions							0		**0.0%**
Sub-total Construction Costs	*0*	*0*	*0*	*648,110*	*0*	*0*	*648,110*		
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
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							0	5% new construction / 15% rehab	**0.0%**
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
TOTAL CONSTRUCTION COSTS	**0**	**0**	**0**	**648,110**	**0**	**0**	**648,110**		
SOFT COSTS									
Architecture & Design									
Architect design fees		1,765,764		400,000			2,165,764	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)				127,174			127,174	Early Design Subcontractors to the GC (Shoring, Fire Alarm, Earthwork)	
Architect Construction Admin							0		
Reimbursables				15,163			15,163		
Additional Services				34,242			34,242	Alternative feasibilty analysis + design	
Sub-total Architect Contract	*0*	*1,765,764*	*0*	*576,579*	*0*	*0*	*2,342,343*		
Other Third Party design consultants (not included under Architect contract)		146,246		38,000			184,246	Consultants not covered under architect contract; name consultant type and contract amount	
Total Architecture & Design	**0**	**1,912,010**	**0**	**614,579**	**0**	**0**	**2,526,589**		
Engineering & Environmental Studies									
Survey		34,500		20,000			54,500		
Geotechnical studies		33,675		50,000			83,675		
Phase I & II Reports		66,812		50,000			116,812		
CEQA / Environmental Review consultants		3,000		30,000			33,000		
NEPA / 106 Review		24,461		50,000			74,461		
CNA/PNA (rehab only)							0		
Other environmental consultants							0	Name consultants & contract amounts	
Total Engineering & Environmental Studies	**0**	**162,447**	**0**	**200,000**	**0**	**0**	**362,447**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee							0		
Construction Loan Interest		88					88		
Title & Recording							0		
CDLAC & CDIAC fees		1,200					1,200		
Bond Issuer Fees		2,500					2,500		
Other Bond Cost of Issuance							0		
Other Lender Costs (specify)		2,979					2,979	MHC LOC Fees	
Sub-total Const. Financing Costs	*0*	*6,766*	*0*	*0*	*0*	*0*	*6,766*		
Permanent Financing Costs									
Permanent Loan Origination Fee							0		
Credit Enhance. & Appl. Fee							0		
Title & Recording							0		
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Total Financing Costs	**0**	**6,766**	**0**	**0**	**0**	**0**	**6,766**		
Legal Costs									
Borrower Legal fees		30,946					30,946		
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel							0		
Permanent Lender Counsel							0		
HAF Legal		34,470					34,470		
Total Legal Costs	**0**	**65,416**	**0**	**0**	**0**	**0**	**65,416**		
Other Development Costs									
Appraisal		8,500		15,000			23,500		
Market Study		12,098		15,000			27,098		
* Insurance							0		
* Property Taxes							0		
Accounting / Audit							0		
* Organizational Costs		73					73		
Entitlement / Permit Fees		66,648					66,648		
* Marketing / Rent-up		11,758					11,758		
* Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees							0		
TCAC App / Alloc / Monitor Fees		25,409		55,000			80,409		
* Financial Consultant fees		35,552		40,000			75,552		
Construction Management fees / Owner's Rep		70,175		90,000			160,175		
Security during Construction							0		
* Relocation							0		
Pre-Development Loan Interest		2,766					2,766		
							0		Total Soft Cost Contingency as % of Total Soft Costs
Takeout of the SFHAF Loan				0			0		
Total Other Development Costs	**0**	**232,979**	**0**	**215,000**	**0**	**0**	**447,979**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)			0	340,000	0	0	340,000	Should be either 10% or 5% of total soft costs.	**10.0%**
TOTAL SOFT COSTS	**0**	**2,379,619**	**0**	**1,369,579**	**0**	**0**	**3,749,198**		
RESERVES									
* Operating Reserves							0		
Replacement Reserves							0		
* Tenant Improvements Reserves							0		
Other (specify)							0		
Other (specify)							0		
Other (specify)							0		
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones		55,592		494,000			549,592		
Developer Fee - Cash-out At Risk							0		
Commercial Developer Fee									
Developer Fee - GP Equity (also show as source)									
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
TOTAL DEVELOPER COSTS	**0**	**55,592**	**0**	**494,000**	**0**	**0**	**549,592**		
TOTAL DEVELOPMENT COST	**0**	**2,435,211**	**4,900,000**	**2,511,689**	**0**	**0**	**9,846,900**		
Development Cost/Unit by Source	0	32,908	66,216	33,942	0	0	133,066		
Development Cost/Unit as % of TDC by Source	0.0%	24.7%	49.8%	25.5%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	0	0	66,216	0	0	0	66,216		
Construction Cost (inc Const Contingency)/Unit By Source	0	0	0	8,758	0	0	8,758		
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	7.35	0.00	0.00	7.35		

**Possible non-eligible GO Bond/COP Amount:*	*0*
City Subsidy/Unit	-
Tax Credit Equity Pricing:	N/A
Construction Bond Amount:	0
Construction Loan Term (in months):	0 months
Construction Loan Interest Rate (as %):	0.00%

Attachment J: Development Budget

Application Date: 8/2/23 — **# Units:** 74
Project Name: 2530 18th Street — ***# Bedrooms:*** 119 — **LOSP Project**
Project Address: 2530 18th St — **# Beds:** — **n/a**
Project Sponsor: Mercy Housing Calwest, Mercy Housing California

Name of Sources:	MOHCD/OCII	HCD-MHP	HCD-IIG	AHP	Investor Equity	Defferred Dev. Fee	GP Equity		Total Sources	Comments	
SOURCES	**16,000,000**	**28,320,125**	**6,048,992**	**1,000,000**	**36,114,097**	**1,000,000**	**100**	**-**	**88,483,315**		
USES											
ACQUISITION											
Acquisition cost or value	6,020,000								6,020,000	Purchase price for land: $6,020,000	
Legal / Closing costs / Broker's Fee	21,500								21,500		
Holding Costs	1,180,938								1,180,938		
Transfer Tax	109,812								109,812		
TOTAL ACQUISITION	**7,332,250**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**7,332,250**		
CONSTRUCTION (HARD COSTS)											
* Unit Construction/Rehab	0	6,045,178	6,048,992	1,000,000	32,829,750		100		45,924,020	Include FF&E, Contractor Contingency, Owner 2% Escalation. 60% CD VE	
* Commercial Shell Construction									0		
* Demolition									0		
Environmental Remediation									0		
* Onsight Improvements/Landscaping									0		
* Offsite Improvements									0		
* Infrastructure Improvements									0	HOPE SF/OCII costs for streets etc.	Construction line item costs as a % of hard costs
Parking									0		
GC Bond Premium/GC Insurance/GC Taxes		2,393,370							2,393,370	BR/ GL/ Subguard/ P&P/ Taxes	**4.5%**
GC Overhead & Profit	1,564,692								1,564,692		**3.0%**
CG General Conditions	876,891	1,928,217			83,575				2,888,683		**5.5%**
Sub-total Construction Costs	*2,441,583*	*10,366,765*	*6,048,992*	*1,000,000*	*32,913,325*	*0*	*100*	*0*	*52,770,765*		
Design Contingency (remove at DD)	1,050,274								1,050,274	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**2.0%**
Bid Contingency (remove at bid)	1,050,274								1,050,274	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**2.0%**
Plan Check Contingency (remove/reduce during Plan Revie	1,050,274								1,050,274	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**2.0%**
Hard Cost Construction Contingency		2,625,687							2,625,687	5% new construction / 15% rehab	**5.0%**
Sub-total Construction Contingencies	*3,150,822*	*2,625,687*	*0*	*0*	*0*	*0*	*0*	*0*	*5,776,509*		
TOTAL CONSTRUCTION COSTS	**5,592,405**	**12,992,452**	**6,048,992**	**1,000,000**	**32,913,325**	**0**	**100**	**0**	**58,547,274**		
SOFT COSTS											
Architecture & Design											
Architect design fees		2,348,194							2,348,194	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)									0		
Architect Construction Admin									0		
Reimbursables									0		
Additional Services	300,000	86,000			492,258				878,258		
Sub-total Architect Contract	*300,000*	*2,434,194*	*0*	*0*	*492,258*	*0*	*0*	*0*	*3,226,452*		
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	**300,000**	**2,434,194**	**0**	**0**	**492,258**	**0**	**0**	**0**	**3,226,452**		
Engineering & Environmental Studies											
Survey		41,280							41,280		
Geotechnical studies									0		
Phase I & II Reports		45,666							45,666		
CEQA / Environmental Review consultants		315,868							315,868		
NEPA / 106 Review		43,175							43,175		
CNA/PNA (rehab only)									0		
Other environmental consultants									0	Name consultants & contract amounts	
Total Engineering & Environmental Studies	**0**	**445,989**	**0**	**0**	**0**	**0**	**0**	**0**	**445,989**		
Financing Costs											
Construction Financing Costs											
Construction Loan Origination Fee		264,426							264,426		
Construction Loan Interest		6,936,369							6,936,369		
Title & Recording		30,000							30,000		
CDLAC & CDIAC fees									0		
Bond Issuer Fees		830,104							830,104		
Other Bond Cost of Issuance	154,488	100,000							254,488		
MOHCD Pre-Develeopment Loan Origination Fee	160,000								160,000		
Sub-total Const. Financing Costs	*314,488*	*8,160,899*	*0*	*0*	*0*	*0*	*0*	*0*	*8,475,387*		
Permanent Financing Costs											
Permanent Loan Origination Fee									0		
Credit Enhance. & Appl. Fee									0		
Title & Recording	45,000								45,000		
Sub-total Perm. Financing Costs	*45,000*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*45,000*		
Total Financing Costs	**359,488**	**8,160,899**	**0**	**0**	**0**	**0**	**0**	**0**	**8,520,387**		
Legal Costs											
Borrower Legal fees									0		
Land Use / CEQA Attorney fees									0		
Tax Credit Counsel									0		
Bond Counsel		30,000							30,000		
Construction Lender Counsel		107,500							107,500		
Permanent Lender Counsel		75,000							75,000		
* Other Legal (specify)									0		
Total Legal Costs	**0**	**212,500**	**0**	**0**	**0**	**0**	**0**	**0**	**212,500**		
Other Development Costs											
Appraisal		21,500							21,500		
Market Study		38,700							38,700		
* Insurance		700,000							700,000		
* Property Taxes									0		
Accounting / Audit		40,000							40,000		
* Organizational Costs									0		
Entitlement / Permit Fees		2,143,263							2,143,263		
* Marketing / Rent-up		421,464							421,464		
* Furnishings		250,000							250,000	$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		129,930							129,930		
* Financial Consultant fees		65,000							65,000		
Construction Management fees / Owner's Rep		264,235							264,235		
Security during Construction									0		
* Relocation									0		
Public Art	117,263								117,263		
Lender Inspectors	15,000								15,000		
Pre-Dev Financing	83,594								83,594		
Total Other Development Costs	**215,857**	**4,074,092**	**0**	**0**	**0**	**0**	**0**	**0**	**4,289,949**		Total Soft Cost Contingency as % of Total Soft Costs
Soft Cost Contingency											
Contingency (Arch, Eng, Fin, Legal & Other Dev)	0		0	0	1,670,000	0	0	0	1,670,000	Should be either 10% or 5% of total soft costs.	**10.0%**
TOTAL SOFT COSTS	**875,345**	**15,327,674**	**0**	**0**	**2,162,258**	**0**	**0**	**0**	**18,365,277**		
RESERVES											
* Operating Reserves					1,038,514				1,038,514		
Replacement Reserves									0		
* Tenant Improvements Reserves									0		
* Other (specify)									0		
* Other (specify)									0		
* Other (specify)									0		
TOTAL RESERVES	**0**	**0**	**0**	**0**	**1,038,514**	**0**	**0**	**0**	**1,038,514**		
DEVELOPER COSTS											
Developer Fee - Cash-out Paid at Milestones	1,100,000								1,100,000		
Developer Fee - Cash-out At Risk	1,100,000								1,100,000		
Commercial Developer Fee									0		
Developer Fee - GP Equity (also show as source)									0		
Developer Fee - Deferred (also show as source)						1,000,000			1,000,000		
Development Consultant Fees									0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)									0		
TOTAL DEVELOPER COSTS	**2,200,000**	**0**	**0**	**0**	**0**	**1,000,000**	**0**	**0**	**3,200,000**		
TOTAL DEVELOPMENT COST	**16,000,000**	**28,320,125**	**6,048,992**	**1,000,000**	**36,114,097**	**1,000,000**	**100**	**0**	**88,483,315**		
Development Cost/Unit by Source	216,216	382,704	81,743	13,514	488,028	13,514	1	0	1,195,720		
Development Cost/Unit as % of TDC by Source	18.1%	32.0%	6.8%	1.1%	40.8%	1.1%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	81,351	0	0	0	0	0	0	0	81,351		
Construction Cost (inc Const Contingency)/Unit By Source	75,573	175,574	81,743	13,514	444,775	0	1	0	791,179		
Construction Cost (inc Const Contingency)/SF	63.43	147.36	68.61	11.34	373.31	0.00	0.00	0.00	664.06		

**Possible non-eligible GO Bond/COP Amount:*	*0*
City Subsidy/Unit	216,216
Tax Credit Equity Pricing:	0.980
Construction Bond Amount:	41,991,000
Construction Loan Term (in months):	33 months
Construction Loan Interest Rate (as %):	6.91%

Attachment K: 1st Year Operating Budget

		LOSP Units	Non-LOSP Units			
Application Date:	**8/2/2023**			**Project Name:**	**2530 18th Street**	
Total # Units:	**74**	37	37	**Project Address:**	**2530 18th St**	
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	**2026**	LOSP/non-LOSP Allocation		**Project Sponsor:**	**Mercy Housing Calwest, Mercy Housing California**	
		50%	50%		*Correct errors noted in Col N!*	

INCOME	**LOSP**	**non-LOSP**	**Total**	**Comments**	
Residential - Tenant Rents	133,200	688,620	821,820	Links from 'New Proj - Rent & Unit Mix' Worksheet	**Alternative LOSP Split**
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet	Residential - Tenant Assistance Payments (No
Residential - LOSP Tenant Assistance Payments	574,195		574,195		
Commercial Space			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	**Alternative LOSP Split**
Supportive Services Income	0	0			Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Laundry and Vending	2,251	2,251	4,502	Links from 'Utilities & Other Income' Worksheet	**Projected LOSP Split**
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	Tenant Charges
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Other Commercial Income			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	**Alternative LOSP Split**
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0			Withdrawal from Capitalized Reserve (deposit
Gross Potential Income	**709,646**	**690,871**	**1,400,517**		
Vacancy Loss - Residential - Tenant Rents	(6,660)	(34,431)	(41,091)	Vacancy loss is 5% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!	
Vacancy Loss - Commercial			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
EFFECTIVE GROSS INCOME	**702,986**	**656,440**	**1,359,426**	***PUPA: 18,371***	

OPERATING EXPENSES	**LOSP**	**non-LOSP**	**Total**	**Comments**	
Management					**Alternative LOSP Split**
Management Fee	27,594	27,594	55,188	1st Year to be set according to HUD schedule.	Management Fee
Asset Management Fee	12,140	12,140	24,280		Asset Management Fee
Sub-total Management Expenses	**39,734**	**39,734**	**79,468**	***PUPA: 1,074***	
Salaries/Benefits					**Alternative LOSP Split**
Office Salaries	27,673	27,673	55,346	(0.5 FTE) Assistant Property Manager, (0.33 FTE) Housing Support Specialist	Office Salaries
Manager's Salary	37,595	37,595	75,189	(1.0 FTE) Senior Property Manager	Manager's Salary
Health Insurance and Other Benefits	34,450	34,450	68,900		Health Insurance and Other Benefits
Other Salaries/Benefits	1,720	1,720	3,440		Other Salaries/Benefits
Administrative Rent-Free Unit	0	0			Administrative Rent-Free Unit
Sub-total Salaries/Benefits	**101,437**	**101,437**	**202,874**	***PUPA: 2,742***	
Administration					
Advertising and Marketing	1,095	1,095	2,190		
Office Expenses	9,672	9,672	19,343		
Office Rent	0	0			**Projected LOSP Split**
Legal Expense - Property	2,500	2,500	5,000		Legal Expense - Property
Audit Expense	5,625	5,625	11,250		
Bookkeeping/Accounting Services	5,475	5,475	10,950		**Projected LOSP Split**
Bad Debts	0	0			Bad Debts
Miscellaneous	0	0			
Sub-total Administration Expenses	**24,367**	**24,367**	**48,733**	***PUPA: 659***	
Utilities					**Projected LOSP Split**
Electricity	53,584	53,584	107,168		Electricity
Water	12,776	12,776	25,551		
Gas	0	0			
Sewer	30,600	30,600	61,200		
Sub-total Utilities	**96,960**	**96,960**	**193,919**	***PUPA: 2,621***	
Taxes and Licenses					**Alternative LOSP Split**
Real Estate Taxes	1,925	1,925	3,850		Real Estate Taxes
Payroll Taxes	0	0			Payroll Taxes
Miscellaneous Taxes, Licenses and Permits	0	0			
Sub-total Taxes and Licenses	**1,925**	**1,925**	**3,850**	***PUPA: 52***	
Insurance					
Property and Liability Insurance	77,500	77,500	155,000		
Fidelity Bond Insurance	0	0			**Alternative LOSP Split**
Worker's Compensation	0	0			Worker's Compensation
Director's & Officers' Liability Insurance	0	0			
Sub-total Insurance	**77,500**	**77,500**	**155,000**	***PUPA: 2,095***	
Maintenance & Repair					**Alternative LOSP Split**
Payroll	57,768	57,768	115,536		Payroll
Supplies	4,878	4,878	9,755		Supplies
Contracts	22,325	22,325	44,649		Contracts
Garbage and Trash Removal	32,266	32,266	64,532		**Alternative LOSP Split**
Security Payroll/Contract	135,690	45,230	180,920	(4.5 FTE) Desk Clerk/ Community Coordinator Hybrid + Benefits + Contract Security	Security Payroll/Contract
HVAC Repairs and Maintenance	6,030	6,030	12,060		
Vehicle and Maintenance Equipment Operation and Repairs	750	750	1,500		
Miscellaneous Operating and Maintenance Expenses	0	0			
Sub-total Maintenance & Repair Expenses	**259,706**	**169,246**	**428,952**	***PUPA: 5,797***	
					Alternative LOSP Split
Supportive Services	0	33,516	33,516		Supportive Services
Commercial Expenses			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL OPERATING EXPENSES	***601,628***	***544,684***	***1,146,312***	***PUPA: 15,491***	

Reserves/Ground Lease Base Rent/Bond Fees	**LOSP**	**non-LOSP**	**Total**	**Comments**		
Ground Lease Base Rent	7,500	7,500	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.	
Bond Monitoring Fee	1,250	1,250	2,500			**Alternative LOSP Split**
Replacement Reserve Deposit	18,500	18,500	37,000	SuperNOFA minimum		Replacement Reserve Deposit
Operating Reserve Deposit	0	0				Operating Reserve Deposit
Other Required Reserve 1 Deposit	0	0				Other Required Reserve 1 Deposit
Other Required Reserve 2 Deposit	0	0				
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	**27,250**	**27,250**	**54,500**	***PUPA: 736***	Min DSCR: 1.09	
					Mortgage Rate: 5.00%	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**628,878**	**571,934**	**1,200,812**	***PUPA: 16,227***	Term (Years): 30	
					Supportable 1st Mortgage Pmt: 145,517	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**74,108**	**84,506**	**158,613**	***PUPA: 2,143***	Supportable 1st Mortgage Amt: $2,258,927	
					Proposed 1st Mortgage Amt: $28,320,125	

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)	**LOSP**	**non-LOSP**	**Total**	**Comments**		**Alternative LOSP Split**
Hard Debt - First Lender	0	0	0		Provide additional comments here, if needed.	Hard Debt - First Lender
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	59,473	59,473	118,945	HCD-MHP	Provide additional comments here, if needed.	Hard Debt - Second Lender (HCD Program 0.4
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.	Hard Debt - Third Lender (Other HCD Progran
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.	Hard Debt - Fourth Lender
Commercial Hard Debt Service			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		
TOTAL HARD DEBT SERVICE	**59,473**	**59,473**	**118,945**	***PUPA: 1,607***		
CASH FLOW (NOI minus DEBT SERVICE)	**14,635**	**25,033**	**39,668**			
Commercial Only Cash Flow			0			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	0	0				Allocation of Commercial Surplus to LOPS/no
AVAILABLE CASH FLOW	**14,635**	**25,033**	**39,668**			
USES OF CASH FLOW BELOW (This row also shows DSCR.)			*1.33*			

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL	**LOSP**	**non-LOSP**	**Total**	**Comments**		
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0				
Partnership Management Fee (see policy for limits)	12,135	12,135	24,270		1st	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	2,500	2,500	5,000		2nd	**Alternative LOSP Split**
Other Payments	0	0			3rd	Other Payments
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0			Provide additional comments here, if needed.	Non-amortizing Loan Pmnt - Lender 1 (select l
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0			Provide additional comments here, if needed.	
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0		Def. Develop. Fee split: 0%	Provide additional comments here, if needed.	Deferred Developer Fee (Enter amt <= Max Fe
TOTAL PAYMENTS PRECEDING MOHCD	**14,635**	**14,635**	**29,270**	***PUPA: 396***		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**0**	**10,398**	**10,398**			

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**Yes**	
Will Project Defer Developer Fee?	**No**			
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	33%			Sum of DD F from LOSP and non-LOSP:
% of Residual Receipts available for distribution to **soft debt lenders** in	67%			Ratio of Sum of DDF and calculated 50%:

Soft Debt Lenders with Residual Receipts Obligations	*(Select lender name/program from drop down)*	**Total Principal Amt**	**Distrib. of Soft Debt Loans**
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects	$16,000,000	35.98%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	$150,000	0.34%
HCD (soft debt loan) - Lender 3	HCD-MHP	$28,320,125	63.68%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

	non-LOSP	Total	Comments
MOHCD Residual Receipts Amount Due	2,518	2,518	67% of residual receipts, multiplied by 36.32% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0		Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		**7,881**	***Total Resid Receipts due not allocated, please revise F142***

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

	Total	Comments
HCD Residual Receipts Amount Due	4,415	67% of residual receipts, multiplied by 63.68% -- HCD-MHP's pro rata share of all soft debt
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	**4,415**	
REMAINDER (Should be zero unless there are distributions below)	**3,466**	
Owner Distributions/Incentive Management Fee	3,466	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses	0	
Final Balance (should be zero)	**0**	

Application Date:	**8/2/2023**
Total # Units:	**74**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:**	**2026**

INCOME

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

OPERATING EXPENSES

Management	**LOSP**	**non-LOSP**	Approved By (reqd)
Management Fee			
Asset Management Fee			
Sub-total Management Expenses			
Salaries/Benefits	**LOSP**	**non-LOSP**	Approved By (reqd)
Office Salaries			
Manager's Salary			
Health Insurance and Other Benefits			
Other Salaries/Benefits			
Administrative Rent-Free Unit			
Sub-total Salaries/Benefits			
Administration			
Advertising and Marketing			
Office Expenses			
Office Rent	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	*50.00%*	*50.00%*	
Audit Expense			
Bookkeeping/Accounting Services	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts			
Miscellaneous			
Sub-total Administration Expenses			
Utilities	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Electricity	*50.00%*	*50.00%*	
Water			
Gas			
Sewer			
Sub-total Utilities			
Taxes and Licenses	**LOSP**	**non-LOSP**	Approved By (reqd)
Real Estate Taxes			
Payroll Taxes			
Miscellaneous Taxes, Licenses and Permits			
Sub-total Taxes and Licenses			
Insurance			
Property and Liability Insurance			
Fidelity Bond Insurance	**LOSP**	**non-LOSP**	Approved By (reqd)
Worker's Compensation			
Director's & Officers' Liability Insurance			
Sub-total Insurance			
Maintenance & Repair	**LOSP**	**non-LOSP**	Approved By (reqd)
Payroll			
Supplies	*50.00%*	*50.00%*	(LOSP-specific expenses must be tracked at entry level in project's
Contracts			
Garbage and Trash Removal	**LOSP**	**non-LOSP**	Approved By (reqd)
Security Payroll/Contract	*75.00%*	*25.00%*	
HVAC Repairs and Maintenance			
Vehicle and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			
Sub-total Maintenance & Repair Expenses			
	LOSP	**non-LOSP**	Approved By (reqd)
Supportive Services	*0.00%*	*100.00%*	
Commercial Expenses			

TOTAL OPERATING EXPENSES

Reserves/Ground Lease Base Rent/Bond Fees			
Ground Lease Base Rent			
Bond Monitoring Fee	**LOSP**	**non-LOSP**	Approved By (reqd)
Replacement Reserve Deposit			
Operating Reserve Deposit			
Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit			
Required Reserve Deposit/s, Commercial			
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			

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

NET OPERATING INCOME (INCOME minus OP EXPENSES)

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

CASH FLOW (NOI minus DEBT SERVICE)

Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	n-LOSP (residual income)		

AVAILABLE CASH FLOW

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

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	**LOSP**	**non-LOSP**	Approved By (reqd)
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	lender in comments field)		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	*0.00%*	*100.00%*	

TOTAL PAYMENTS PRECEDING MOHCD

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?

Will Project Defer Developer Fee?

Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	0
% of Residual Receipts available for distribution to **soft debt lenders** in	#VALUE!

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

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

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

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

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

Attachment L: 20-year Operating Proforma

2530 18th Street

	LOSP Units	Non-LOSP Units		Year 1 2026			Year 2 2027			Year 3 2028		
Total # Units: 74	37	37										
	50.00%	50.00%										
INCOME	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents	1.0%	2.5%		133,200	688,620	821,820	134,532	705,836	840,368	135,877	723,481	859,359
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		574,195		574,195	593,930		593,930	614,388		614,388
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		2,251	2,251	4,502	2,307	2,307	4,615	2,365	2,365	4,730
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-		-	-	
Gross Potential Income				***709,646***	***690,871***	**1,400,517**	***730,769***	***708,143***	**1,438,912**	***752,630***	***725,846***	**1,478,477**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(6,660)	(34,431)	(41,091)	(6,727)	(35,292)	(42,018)	(6,794)	(36,174)	(42,968)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***702,986***	***656,440***	**1,359,426**	***724,043***	***672,851***	**1,396,894**	***745,837***	***689,672***	**1,435,509**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	27,594	27,594	55,188	28,560	28,560	57,120	29,559	29,559	59,119
Asset Management Fee	3.5%	3.5%	per MOHCD policy	12,140	12,140	24,280	12,565	12,565	25,130	13,005	13,005	26,009
Sub-total Management Expenses				***39,734***	***39,734***	**79,468**	***41,125***	***41,125***	**82,249**	***42,564***	***42,564***	**85,128**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		27,673	27,673	55,346	28,641	28,641	57,283	29,644	29,644	59,288
Manager's Salary	3.5%	3.5%		37,595	37,595	75,189	38,910	38,910	77,821	40,272	40,272	80,544
Health Insurance and Other Benefits	3.5%	3.5%		34,450	34,450	68,900	35,656	35,656	71,311	36,904	36,904	73,807
Other Salaries/Benefits	3.5%	3.5%		1,720	1,720	3,440	1,780	1,780	3,560	1,843	1,843	3,685
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***101,437***	***101,437***	**202,874**	***104,987***	***104,987***	**209,975**	***108,662***	***108,662***	**217,324**
Administration												
Advertising and Marketing	3.5%	3.5%		1,095	1,095	2,190	1,133	1,133	2,267	1,173	1,173	2,346
Office Expenses	3.5%	3.5%		9,672	9,672	19,343	10,010	10,010	20,020	10,360	10,360	20,721
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		2,500	2,500	5,000	2,588	2,588	5,175	2,678	2,678	5,356
Audit Expense	3.5%	3.5%		5,625	5,625	11,250	5,822	5,822	11,644	6,026	6,026	12,051
Bookkeeping/Accounting Services	3.5%	3.5%		5,475	5,475	10,950	5,667	5,667	11,333	5,865	5,865	11,730
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				***24,367***	***24,367***	**48,733**	***25,219***	***25,219***	**50,439**	***26,102***	***26,102***	**52,204**
Utilities												
Electricity	3.5%	3.5%		53,584	53,584	107,168	55,459	55,459	110,919	57,401	57,401	114,801
Water	3.5%	3.5%		12,776	12,776	25,551	13,223	13,223	26,445	13,685	13,685	27,371
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		30,600	30,600	61,200	31,671	31,671	63,342	32,779	32,779	65,559
Sub-total Utilities				***96,960***	***96,960***	**193,919**	***100,353***	***100,353***	**200,706**	***103,865***	***103,865***	**207,731**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		1,925	1,925	3,850	1,992	1,992	3,985	2,062	2,062	4,124
Payroll Taxes	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses				***1,925***	***1,925***	**3,850**	***1,992***	***1,992***	**3,985**	***2,062***	***2,062***	**4,124**
Insurance												
Property and Liability Insurance	3.5%	3.5%		77,500	77,500	155,000	80,213	80,213	160,425	83,020	83,020	166,040
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***77,500***	***77,500***	**155,000**	***80,213***	***80,213***	**160,425**	***83,020***	***83,020***	**166,040**
Maintenance & Repair												
Payroll	3.5%	3.5%		57,768	57,768	115,536	59,790	59,790	119,580	61,883	61,883	123,765
Supplies	3.5%	3.5%		4,878	4,878	9,755	5,048	5,048	10,096	5,225	5,225	10,450
Contracts	3.5%	3.5%		22,325	22,325	44,649	23,106	23,106	46,212	23,915	23,915	47,829
Garbage and Trash Removal	3.5%	3.5%		32,266	32,266	64,532	33,395	33,395	66,791	34,564	34,564	69,128
Security Payroll/Contract	3.5%	3.5%		135,690	45,230	180,920	140,439	46,813	187,252	145,355	48,452	193,806
HVAC Repairs and Maintenance	3.5%	3.5%		6,030	6,030	12,060	6,241	6,241	12,482	6,459	6,459	12,919
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		750	750	1,500	776	776	1,553	803	803	1,607
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***259,706***	***169,246***	**428,952**	***268,796***	***175,170***	**443,965**	***278,204***	***181,301***	**459,504**
Supportive Services	3.5%	3.5%		-	33,516	33,516	-	34,689	34,689	-	35,903	35,903
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				***601,628***	***544,684***	***1,146,312***	***622,685***	***563,748***	**1,186,433**	***644,479***	***583,479***	**1,227,958**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						***15,491***						
Reserves/Ground Lease Base Rent/Bond Fees									*Note: Hidden columns are in between total columns. To update*			
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500
Replacement Reserve Deposit				18,500	18,500	37,000	18,500	18,500	37,000	18,500	18,500	37,000
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				***27,250***	***27,250***	**54,500**	***27,250***	***27,250***	**54,500**	***27,250***	***27,250***	**54,500**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***628,878***	***571,934***	**1,200,812**	***649,935***	***590,998***	**1,240,933**	***671,729***	***610,729***	**1,282,458**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						***16,227***						
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***74,108***	***84,506***	**158,613**	***74,108***	***81,853***	**155,960**	***74,107***	***78,943***	**153,051**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									*Note: Hidden columns are in between total columns. To update*			
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	59,473	59,473	118,945	59,473	59,473	118,945	59,473	59,473	118,945
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				***59,473***	***59,473***	**118,945**	***59,473***	***59,473***	**118,945**	***59,473***	***59,473***	**118,945**
CASH FLOW (NOI minus DEBT SERVICE)				***14,635***	***25,033***	**39,668**	***14,635***	***22,380***	**37,015**	***14,635***	***19,471***	**34,106**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				***14,635***	***25,033***	**39,668**	***14,635***	***22,380***	**37,015**	***14,635***	***19,471***	**34,106**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***			***1.334***			***1.311***			***1.287***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									*Note: Hidden columns are in between total columns. To update*			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	12,135	12,135	24,270	12,135	12,135	24,270	12,135	12,135	24,270
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	2,500	2,500	5,000	2,500	2,500	5,000	2,500	2,500	5,000
Other Payments				-	-	-	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-	-	-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***14,635***	***14,635***	***29,270***	***14,635***	***14,635***	***29,270***	***14,635***	***14,635***	***29,270***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	10,398	**10,398**	-	7,745	**7,745**	(0)	4,836	**4,836**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		*67% / 33%*										
				Max Deferred Developer Fee Amt:								
		Dist. Soft Debt Loans		*Cum. Deferred Developer Fee:*		-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		*36.32%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			2,518			1,875			1,171
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			1,875			1,171
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		*63.68%*	loans, and HCD residual receipt policy.			4,415			3,288			2,053
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						**4,415**			**3,288**			**2,053**
REMAINDER (Should be zero unless there are distributions below)						**3,466**			**2,582**			**1,612**
Owner Distributions/Incentive Management Fee						3,466			2,582			1,612
Other Distributions/Uses						-						
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						-			**37,000**			**74,000**
Replacement Reserve Deposits						**37,000**			**37,000**			**37,000**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						**37,000**			**74,000**			**111,000**
			RR Balance/Unit			*$500*			*$1,000*			*$1,500*
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%*
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						-			-			-

	LOSP Units	Non-LOSP Units		Year 1 2026			Year 2 2027			Year 3 2028		
Total # Units: 74	*37*	*37*										
	50.00%	*50.00%*										
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

2530 18th Street

Total # Units:	LOSP Units	Non-LOSP Units
74	37	37
	50.00%	50.00%

INCOME	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 4 2029 LOSP	Year 4 2029 non-LOSP	Year 4 2029 Total	Year 5 2030 LOSP	Year 5 2030 non-LOSP	Year 5 2030 Total	Year 6 2031 LOSP	Year 6 2031 non-LOSP	Year 6 2031 Total
Residential - Tenant Rents	1.0%	2.5%		137,236	741,568	878,805	138,608	760,108	898,716	139,995	779,110	919,105
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		635,595		635,595	657,577		657,577	680,361		680,361
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		2,424	2,424	4,848	2,485	2,485	4,970	2,547	2,547	5,094
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				775,255	743,993	1,519,248	798,670	762,592	1,561,262	822,903	781,657	1,604,560
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(6,862)	(37,078)	(43,940)	(6,930)	(38,005)	(44,936)	(7,000)	(38,956)	(45,955)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				768,393	706,914	1,475,308	791,740	724,587	1,516,327	815,903	742,702	1,558,605
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	30,594	30,594	61,188	31,665	31,665	63,329	32,773	32,773	65,546
Asset Management Fee	3.5%	3.5%	per MOHCD policy	13,460	13,460	26,920	13,931	13,931	27,862	14,419	14,419	28,837
Sub-total Management Expenses				44,054	44,054	88,108	45,596	45,596	91,191	47,192	47,192	94,383
Salaries/Benefits												
Office Salaries	3.5%	3.5%		30,681	30,681	61,363	31,755	31,755	63,510	32,867	32,867	65,733
Manager's Salary	3.5%	3.5%		41,682	41,682	83,363	43,141	43,141	86,281	44,650	44,650	89,301
Health Insurance and Other Benefits	3.5%	3.5%		38,195	38,195	76,390	39,532	39,532	79,064	40,916	40,916	81,831
Other Salaries/Benefits	3.5%	3.5%		1,907	1,907	3,814	1,974	1,974	3,947	2,043	2,043	4,086
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				112,465	112,465	224,930	116,401	116,401	232,803	120,476	120,476	240,951
Administration												
Advertising and Marketing	3.5%	3.5%		1,214	1,214	2,428	1,257	1,257	2,513	1,301	1,301	2,601
Office Expenses	3.5%	3.5%		10,723	10,723	21,446	11,098	11,098	22,197	11,487	11,487	22,973
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		2,772	2,772	5,544	2,869	2,869	5,738	2,969	2,969	5,938
Audit Expense	3.5%	3.5%		6,237	6,237	12,473	6,455	6,455	12,910	6,681	6,681	13,361
Bookkeeping/Accounting Services	3.5%	3.5%		6,070	6,070	12,140	6,283	6,283	12,565	6,503	6,503	13,005
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				27,016	27,016	54,031	27,961	27,961	55,922	28,940	28,940	57,880
Utilities												
Electricity	3.5%	3.5%		59,410	59,410	118,819	61,489	61,489	122,978	63,641	63,641	127,282
Water	3.5%	3.5%		14,164	14,164	28,329	14,660	14,660	29,320	15,173	15,173	30,347
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		33,927	33,927	67,854	35,114	35,114	70,228	36,343	36,343	72,686
Sub-total Utilities				107,501	107,501	215,001	111,263	111,263	222,527	115,157	115,157	230,315
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,134	2,134	4,269	2,209	2,209	4,418	2,286	2,286	4,573
Payroll Taxes	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses				2,134	2,134	4,269	2,209	2,209	4,418	2,286	2,286	4,573
Insurance												
Property and Liability Insurance	3.5%	3.5%		85,926	85,926	171,851	88,933	88,933	177,866	92,046	92,046	184,091
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				85,926	85,926	171,851	88,933	88,933	177,866	92,046	92,046	184,091
Maintenance & Repair												
Payroll	3.5%	3.5%		64,048	64,048	128,097	66,290	66,290	132,580	68,610	68,610	137,221
Supplies	3.5%	3.5%		5,408	5,408	10,816	5,597	5,597	11,194	5,793	5,793	11,586
Contracts	3.5%	3.5%		24,752	24,752	49,503	25,618	25,618	51,236	26,515	26,515	53,029
Garbage and Trash Removal	3.5%	3.5%		35,774	35,774	71,548	37,026	37,026	74,052	38,322	38,322	76,644
Security Payroll/Contract	3.5%	3.5%		150,442	50,147	200,589	155,707	51,902	207,610	161,157	53,719	214,876
HVAC Repairs and Maintenance	3.5%	3.5%		6,686	6,686	13,371	6,920	6,920	13,839	7,162	7,162	14,323
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		832	832	1,663	861	861	1,721	891	891	1,782
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				287,941	187,646	475,587	298,019	194,214	492,232	308,449	201,011	509,460
Supportive Services	3.5%	3.5%		-	37,160	37,160	-	38,460	38,460	-	39,806	39,806
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				667,036	603,901	1,270,937	690,382	625,038	1,315,420	714,546	646,914	1,361,459
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees				'delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.								
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500
Replacement Reserve Deposit				18,500	18,500	37,000	18,500	18,500	37,000	18,500	18,500	37,000
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				27,250	27,250	54,500	27,250	27,250	54,500	27,250	27,250	54,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				694,286	631,151	1,325,437	717,632	652,288	1,369,920	741,796	674,164	1,415,959
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				74,108	75,763	149,871	74,107	72,299	146,407	74,107	68,538	142,645
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				'delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.								
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	59,473	59,473	118,945	59,473	59,473	118,945	59,473	59,473	118,945
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				59,473	59,473	118,945	59,473	59,473	118,945	59,473	59,473	118,945
CASH FLOW (NOI minus DEBT SERVICE)				14,635	16,291	30,926	14,635	12,827	27,462	14,635	9,065	23,700
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				14,635	16,291	30,926	14,635	12,827	27,462	14,635	9,065	23,700
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:			1.26			1.231			1.199
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				'delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.								
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	12,135	12,135	24,270	12,135	12,135	24,270	12,135	12,135	24,270
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	2,500	2,500	5,000	2,500	2,500	5,000	2,500	2,500	5,000
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				14,635	14,635	29,270	14,635	14,635	29,270	14,635	14,635	29,270
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	1,656	1,656	(0)	(1,808)	(1,808)	(0)	(5,570)	(5,570)
Does Project have a MOHCD Residual Receipt Obligation?		Yes										
Will Project Defer Developer Fee?		No										
Residual Receipts split for all years. - Lender/Owner		67% / 33%										
		Dist. Soft Debt Loans				-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		36.32%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			401			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						401			-			-
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		63.68%	loans, and HCD residual receipt policy.			703			-			-
Lender 4 Residual Receipts Due		0.00%				-			-			-
Lender 5 Residual Receipts Due		0.00%				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						703			-			-
REMAINDER (Should be zero unless there are distributions below)						552			-			-
Owner Distributions/Incentive Management Fee						552			-			-
Other Distributions/Uses												
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						111,000			148,000			185,000
Replacement Reserve Deposits						37,000			37,000			37,000
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						148,000			185,000			222,000
			RR Balance/Unit			$2,000			$2,500			$3,000
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%
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						-			-			-

Total # Units:	LOSP Units	Non-LOSP Units										
74	***37***	***37***		**Year 4**			**Year 5**			**Year 6**		
	50.00%	*50.00%*		**2029**			**2030**			**2031**		
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

2530 18th Street

	LOSP Units	Non-LOSP Units										
Total # Units: 74	37	37		Year 7 2032			Year 8 2033			Year 9 2034		
	50.00%	50.00%										
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**
Residential - Tenant Rents	1.0%	2.5%		141,394	798,588	939,983	142,808	818,553	961,361	144,237	839,017	983,253
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		703,977		703,977	728,453		728,453	753,819		753,819
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		2,611	2,611	5,221	2,676	2,676	5,352	2,743	2,743	5,485
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				**847,982**	**801,199**	**1,649,180**	**873,937**	**821,229**	**1,695,166**	**900,799**	**841,759**	**1,742,558**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(7,070)	(39,929)	(46,999)	(7,140)	(40,928)	(48,068)	(7,212)	(41,951)	(49,163)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				**840,912**	**761,269**	**1,602,181**	**866,797**	**780,301**	**1,647,098**	**893,587**	**799,808**	**1,693,395**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	33,920	33,920	67,840	35,107	35,107	70,215	36,336	36,336	72,672
Asset Management Fee	3.5%	3.5%	per MOHCD policy	14,923	14,923	29,846	15,445	15,445	30,891	15,986	15,986	31,972
Sub-total Management Expenses				**48,843**	**48,843**	**97,686**	**50,553**	**50,553**	**101,105**	**52,322**	**52,322**	**104,644**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		34,017	34,017	68,034	35,208	35,208	70,415	36,440	36,440	72,880
Manager's Salary	3.5%	3.5%		46,213	46,213	92,426	47,831	47,831	95,661	49,505	49,505	99,010
Health Insurance and Other Benefits	3.5%	3.5%		42,348	42,348	84,695	43,830	43,830	87,660	45,364	45,364	90,728
Other Salaries/Benefits	3.5%	3.5%		2,114	2,114	4,229	2,188	2,188	4,377	2,265	2,265	4,530
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				**124,692**	**124,692**	**249,384**	**129,056**	**129,056**	**258,113**	**133,573**	**133,573**	**267,147**
Administration												
Advertising and Marketing	3.5%	3.5%		1,346	1,346	2,692	1,393	1,393	2,786	1,442	1,442	2,884
Office Expenses	3.5%	3.5%		11,889	11,889	23,777	12,305	12,305	24,610	12,736	12,736	25,471
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		3,073	3,073	6,146	3,181	3,181	6,361	3,292	3,292	6,584
Audit Expense	3.5%	3.5%		6,915	6,915	13,829	7,157	7,157	14,313	7,407	7,407	14,814
Bookkeeping/Accounting Services	3.5%	3.5%		6,730	6,730	13,460	6,966	6,966	13,931	7,210	7,210	14,419
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				**29,953**	**29,953**	**59,905**	**31,001**	**31,001**	**62,002**	**32,086**	**32,086**	**64,172**
Utilities												
Electricity	3.5%	3.5%		65,868	65,868	131,737	68,174	68,174	136,348	70,560	70,560	141,120
Water	3.5%	3.5%		15,704	15,704	31,409	16,254	16,254	32,508	16,823	16,823	33,646
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		37,615	37,615	75,230	38,932	38,932	77,863	40,294	40,294	80,589
Sub-total Utilities				**119,188**	**119,188**	**238,376**	**123,360**	**123,360**	**246,719**	**127,677**	**127,677**	**255,354**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,366	2,366	4,733	2,449	2,449	4,898	2,535	2,535	5,070
Payroll Taxes	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses				**2,366**	**2,366**	**4,733**	**2,449**	**2,449**	**4,898**	**2,535**	**2,535**	**5,070**
Insurance												
Property and Liability Insurance	3.5%	3.5%		95,267	95,267	190,535	98,602	98,602	197,203	102,053	102,053	204,105
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				**95,267**	**95,267**	**190,535**	**98,602**	**98,602**	**197,203**	**102,053**	**102,053**	**204,105**
Maintenance & Repair												
Payroll	3.5%	3.5%		71,012	71,012	142,023	73,497	73,497	146,994	76,069	76,069	152,139
Supplies	3.5%	3.5%		5,996	5,996	11,991	6,206	6,206	12,411	6,423	6,423	12,845
Contracts	3.5%	3.5%		27,443	27,443	54,885	28,403	28,403	56,806	29,397	29,397	58,794
Garbage and Trash Removal	3.5%	3.5%		39,663	39,663	79,326	41,051	41,051	82,103	42,488	42,488	84,976
Security Payroll/Contract	3.5%	3.5%		166,798	55,599	222,397	172,636	57,545	230,181	178,678	59,559	238,237
HVAC Repairs and Maintenance	3.5%	3.5%		7,412	7,412	14,825	7,672	7,672	15,344	7,940	7,940	15,881
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		922	922	1,844	954	954	1,908	988	988	1,975
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				**319,245**	**208,047**	**527,292**	**330,419**	**215,328**	**545,747**	**341,983**	**222,865**	**564,848**
Supportive Services	3.5%	3.5%		-	41,200	41,200	-	42,642	42,642	-	44,134	44,134
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				**739,555**	**669,556**	**1,409,111**	**765,439**	**692,990**	**1,458,429**	**792,229**	**717,245**	**1,509,474**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500
Replacement Reserve Deposit				18,500	18,500	37,000	18,500	18,500	37,000	18,500	18,500	37,000
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				**27,250**	**27,250**	**54,500**	**27,250**	**27,250**	**54,500**	**27,250**	**27,250**	**54,500**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				**766,805**	**696,806**	**1,463,611**	**792,689**	**720,240**	**1,512,929**	**819,479**	**744,495**	**1,563,974**
PUPA (w/ Reserves/GL Base Rent/ Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**74,108**	**64,463**	**138,571**	**74,108**	**60,061**	**134,168**	**74,108**	**55,313**	**129,421**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	59,473	59,473	118,945	59,473	59,473	118,945	59,473	59,473	118,945
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				**59,473**	**59,473**	**118,945**	**59,473**	**59,473**	**118,945**	**59,473**	**59,473**	**118,945**
CASH FLOW (NOI minus DEBT SERVICE)				**14,635**	**4,991**	**19,626**	**14,635**	**588**	**15,223**	**14,635**	**(4,159)**	**10,476**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				**14,635**	**4,991**	**19,626**	**14,635**	**588**	**15,223**	**14,635**	**(4,159)**	**10,476**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			**DSCR:**			**1.165**			**1.128**			**1.088**
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	12,135	12,135	24,270	12,135	12,135	24,270	12,135	12,135	24,270
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	2,500	2,500	5,000	2,500	2,500	5,000	2,500	2,500	5,000
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				**14,635**	**14,635**	**29,270**	**14,635**	**14,635**	**29,270**	**14,635**	**14,635**	**29,270**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	(9,644)	**(9,644)**	-	(14,047)	**(14,047)**	-	(18,794)	**(18,794)**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		*67% / 33%*										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*				-			-			-
MOHCD Residual Receipts Amount Due		*36.32%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		63.68%	loans, and HCD residual receipt policy.			-			-			-
Lender 4 Residual Receipts Due		0.00%				-			-			-
Lender 5 Residual Receipts Due		0.00%				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses						-			-			-
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						222,000			259,000			296,000
Replacement Reserve Deposits						37,000			37,000			37,000
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						259,000			296,000			333,000
			RR Balance/Unit			*$3,500*			*$4,000*			*$4,500*
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%*
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						-			-			-

	LOSP Units	Non-LOSP Units		Year 7			Year 8			Year 9		
Total # Units:				2032			2033			2034		
74	***37***	***37***										
	50.00%	*50.00%*										
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

2530 18th Street

	LOSP Units	Non-LOSP Units
Total # Units: 74	37	37
	50.00%	50.00%

INCOME	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 10 2035 LOSP	Year 10 2035 non-LOSP	Year 10 2035 Total	Year 11 2036 LOSP	Year 11 2036 non-LOSP	Year 11 2036 Total	Year 12 2037 LOSP	Year 12 2037 non-LOSP	Year 12 2037 Total
Residential - Tenant Rents	1.0%	2.5%		145,679	859,992	1,005,671	147,136	881,492	1,028,627	148,607	903,529	1,052,136
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		780,109		780,109	807,353		807,353	835,586		835,586
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		2,811	2,811	5,623	2,882	2,882	5,763	2,954	2,954	5,907
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				**928,599**	**862,803**	**1,791,402**	**957,370**	**884,373**	**1,841,744**	**987,147**	**906,483**	**1,893,629**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(7,284)	(43,000)	(50,284)	(7,357)	(44,075)	(51,431)	(7,430)	(45,176)	(52,607)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				**921,315**	**819,804**	**1,741,119**	**950,013**	**840,299**	**1,790,312**	**979,716**	**861,306**	**1,841,023**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	37,608	37,608	75,216	38,924	38,924	77,848	40,286	40,286	80,573
Asset Management Fee	3.5%	3.5%	per MOHCD policy	16,546	16,546	33,091	17,125	17,125	34,249	17,724	17,724	35,448
Sub-total Management Expenses				**54,153**	**54,153**	**108,307**	**56,049**	**56,049**	**112,097**	**58,010**	**58,010**	**116,021**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		37,715	37,715	75,430	39,035	39,035	78,070	40,401	40,401	80,803
Manager's Salary	3.5%	3.5%		51,237	51,237	102,475	53,031	53,031	106,062	54,887	54,887	109,774
Health Insurance and Other Benefits	3.5%	3.5%		46,952	46,952	93,903	48,595	48,595	97,190	50,296	50,296	100,592
Other Salaries/Benefits	3.5%	3.5%		2,344	2,344	4,688	2,426	2,426	4,852	2,511	2,511	5,022
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				**138,248**	**138,248**	**276,497**	**143,087**	**143,087**	**286,174**	**148,095**	**148,095**	**296,190**
Administration												
Advertising and Marketing	3.5%	3.5%		1,492	1,492	2,985	1,545	1,545	3,089	1,599	1,599	3,197
Office Expenses	3.5%	3.5%		13,181	13,181	26,363	13,643	13,643	27,285	14,120	14,120	28,240
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		3,407	3,407	6,814	3,526	3,526	7,053	3,650	3,650	7,300
Audit Expense	3.5%	3.5%		7,666	7,666	15,333	7,935	7,935	15,869	8,212	8,212	16,425
Bookkeeping/Accounting Services	3.5%	3.5%		7,462	7,462	14,924	7,723	7,723	15,446	7,993	7,993	15,987
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				**33,209**	**33,209**	**66,418**	**34,371**	**34,371**	**68,743**	**35,574**	**35,574**	**71,149**
Utilities												
Electricity	3.5%	3.5%		73,029	73,029	146,059	75,586	75,586	151,171	78,231	78,231	156,462
Water	3.5%	3.5%		17,412	17,412	34,823	18,021	18,021	36,042	18,652	18,652	37,304
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		41,705	41,705	83,409	43,164	43,164	86,329	44,675	44,675	89,350
Sub-total Utilities				**132,146**	**132,146**	**264,292**	**136,771**	**136,771**	**273,542**	**141,558**	**141,558**	**283,116**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,624	2,624	5,247	2,715	2,715	5,431	2,810	2,810	5,621
Payroll Taxes	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses				**2,624**	**2,624**	**5,247**	**2,715**	**2,715**	**5,431**	**2,810**	**2,810**	**5,621**
Insurance												
Property and Liability Insurance	3.5%	3.5%		105,625	105,625	211,249	109,321	109,321	218,643	113,148	113,148	226,295
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				**105,625**	**105,625**	**211,249**	**109,321**	**109,321**	**218,643**	**113,148**	**113,148**	**226,295**
Maintenance & Repair												
Payroll	3.5%	3.5%		78,732	78,732	157,464	81,487	81,487	162,975	84,340	84,340	168,679
Supplies	3.5%	3.5%		6,648	6,648	13,295	6,880	6,880	13,760	7,121	7,121	14,242
Contracts	3.5%	3.5%		30,426	30,426	60,852	31,491	31,491	62,982	32,593	32,593	65,186
Garbage and Trash Removal	3.5%	3.5%		43,975	43,975	87,950	45,514	45,514	91,029	47,107	47,107	94,215
Security Payroll/Contract	3.5%	3.5%		184,932	61,644	246,575	191,404	63,801	255,206	198,103	66,034	264,138
HVAC Repairs and Maintenance	3.5%	3.5%		8,218	8,218	16,437	8,506	8,506	17,012	8,804	8,804	17,607
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		1,022	1,022	2,044	1,058	1,058	2,116	1,095	1,095	2,190
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				**353,953**	**230,665**	**584,618**	**366,341**	**238,738**	**605,079**	**379,163**	**247,094**	**626,257**
Supportive Services	3.5%	3.5%		-	45,679	45,679	-	47,278	47,278	-	48,932	48,932
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				**819,957**	**742,349**	**1,562,306**	**848,656**	**768,331**	**1,616,987**	**878,359**	**795,222**	**1,673,581**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500
Replacement Reserve Deposit				18,500	18,500	37,000	18,500	18,500	37,000	18,500	18,500	37,000
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				**27,250**	**27,250**	**54,500**	**27,250**	**27,250**	**54,500**	**27,250**	**27,250**	**54,500**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				**847,207**	**769,599**	**1,616,806**	**875,906**	**795,581**	**1,671,487**	**905,609**	**822,472**	**1,728,081**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**74,107**	**50,205**	**124,313**	**74,107**	**44,718**	**118,825**	**74,108**	**38,834**	**112,941**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	59,473	59,473	118,945	59,473	59,473	118,945	59,473	59,473	118,945
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				**59,473**	**59,473**	**118,945**	**59,473**	**59,473**	**118,945**	**59,473**	**59,473**	**118,945**
CASH FLOW (NOI minus DEBT SERVICE)				**14,635**	**(9,267)**	**5,368**	**14,635**	**(14,755)**	**(120)**	**14,635**	**(20,639)**	**(6,004)**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				**14,635**	**(9,267)**	**5,368**	**14,635**	**(14,755)**	**(120)**	**14,635**	**(20,639)**	**(6,004)**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			*DSCR:*			**1.045**			**0.999**			**0.95**
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	12,135	12,135	24,270	12,135	12,135	24,270	12,135	12,135	24,270
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	2,500	2,500	5,000	2,500	2,500	5,000	2,500	2,500	5,000
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				**14,635**	**14,635**	**29,270**	**14,635**	**14,635**	**29,270**	**14,635**	**14,635**	**29,270**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				(0)	(23,902)	**(23,902)**	(0)	(29,390)	**(29,390)**	-	(35,274)	**(35,274)**
Does Project have a MOHCD Residual Receipt Obligation?		*Yes*										
Will Project Defer Developer Fee?		*No*										
Residual Receipts split for all years. - Lender/Owner		*67% / 33%*										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*				-			-			-
MOHCD Residual Receipts Amount Due		*36.32%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*63.68%*	loans, and HCD residual receipt policy.			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**333,000**			**370,000**			**407,000**
Replacement Reserve Deposits						**37,000**			**37,000**			**37,000**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						**370,000**			**407,000**			**444,000**
			RR Balance/Unit			*$5,000*			*$5,500*			*$6,000*
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%*
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						-			-			-

	LOSP Units	Non-LOSP Units										
Total # Units:												
74	***37***	***37***		**Year 10**			**Year 11**			**Year 12**		
	50.00%	*50.00%*		**2035**			**2036**			**2037**		
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

2530 18th Street

Total # Units:	LOSP Units	Non-LOSP Units										
74	37	37		Year 13 2038			Year 14 2039			Year 15 2040		
	50.00%	50.00%										
INCOME	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents	1.0%	2.5%		150,093	926,117	1,076,210	151,594	949,270	1,100,864	153,110	973,002	1,126,112
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		864,843		864,843	895,160		895,160	926,575		926,575
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		3,027	3,027	6,055	3,103	3,103	6,206	3,181	3,181	6,361
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				1,017,964	929,145	1,947,108	1,049,857	952,373	2,002,231	1,082,865	976,183	2,059,048
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(7,505)	(46,306)	(53,811)	(7,580)	(47,464)	(55,043)	(7,655)	(48,650)	(56,306)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				1,010,459	882,839	1,893,298	1,042,278	904,910	1,947,187	1,075,210	927,533	2,002,742
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	41,696	41,696	83,393	43,156	43,156	86,312	44,666	44,666	89,333
Asset Management Fee	3.5%	3.5%	per MOHCD policy	18,344	18,344	36,689	18,986	18,986	37,973	19,651	19,651	39,302
Sub-total Management Expenses				60,041	60,041	120,082	62,142	62,142	124,284	64,317	64,317	128,634
Salaries/Benefits												
Office Salaries	3.5%	3.5%		41,815	41,815	83,631	43,279	43,279	86,558	44,794	44,794	89,588
Manager's Salary	3.5%	3.5%		56,808	56,808	113,616	58,796	58,796	117,592	60,854	60,854	121,708
Health Insurance and Other Benefits	3.5%	3.5%		52,056	52,056	104,112	53,878	53,878	107,756	55,764	55,764	111,528
Other Salaries/Benefits	3.5%	3.5%		2,599	2,599	5,198	2,690	2,690	5,380	2,784	2,784	5,568
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				153,279	153,279	306,557	158,643	158,643	317,287	164,196	164,196	328,392
Administration												
Advertising and Marketing	3.5%	3.5%		1,655	1,655	3,309	1,713	1,713	3,425	1,772	1,772	3,545
Office Expenses	3.5%	3.5%		14,614	14,614	29,229	15,126	15,126	30,252	15,655	15,655	31,310
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		3,778	3,778	7,555	3,910	3,910	7,820	4,047	4,047	8,093
Audit Expense	3.5%	3.5%		8,500	8,500	17,000	8,797	8,797	17,595	9,105	9,105	18,210
Bookkeeping/Accounting Services	3.5%	3.5%		8,273	8,273	16,546	8,563	8,563	17,125	8,862	8,862	17,725
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				36,819	36,819	73,639	38,108	38,108	76,216	39,442	39,442	78,884
Utilities												
Electricity	3.5%	3.5%		80,969	80,969	161,938	83,803	83,803	167,606	86,736	86,736	173,472
Water	3.5%	3.5%		19,305	19,305	38,609	19,980	19,980	39,961	20,680	20,680	41,359
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		46,239	46,239	92,477	47,857	47,857	95,714	49,532	49,532	99,064
Sub-total Utilities				146,512	146,512	293,025	151,640	151,640	303,281	156,948	156,948	313,896
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,909	2,909	5,818	3,011	3,011	6,021	3,116	3,116	6,232
Payroll Taxes	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses				2,909	2,909	5,818	3,011	3,011	6,021	3,116	3,116	6,232
Insurance												
Property and Liability Insurance	3.5%	3.5%		117,108	117,108	234,216	121,207	121,207	242,413	125,449	125,449	250,898
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				117,108	117,108	234,216	121,207	121,207	242,413	125,449	125,449	250,898
Maintenance & Repair												
Payroll	3.5%	3.5%		87,291	87,291	174,583	90,347	90,347	180,693	93,509	93,509	187,017
Supplies	3.5%	3.5%		7,370	7,370	14,740	7,628	7,628	15,256	7,895	7,895	15,790
Contracts	3.5%	3.5%		33,734	33,734	67,468	34,915	34,915	69,829	36,137	36,137	72,273
Garbage and Trash Removal	3.5%	3.5%		48,756	48,756	97,512	50,463	50,463	100,925	52,229	52,229	104,458
Security Payroll/Contract	3.5%	3.5%		205,037	68,346	273,383	212,213	70,738	282,951	219,641	73,214	292,854
HVAC Repairs and Maintenance	3.5%	3.5%		9,112	9,112	18,223	9,431	9,431	18,861	9,761	9,761	19,521
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		1,133	1,133	2,267	1,173	1,173	2,346	1,214	1,214	2,428
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				392,434	255,742	648,176	406,169	264,693	670,862	420,385	273,958	694,342
Supportive Services	3.5%	3.5%		-	50,645	50,645	-	52,418	52,418	-	54,252	54,252
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				909,101	823,055	1,732,157	940,920	851,862	1,792,782	973,852	881,677	1,855,529
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500
Replacement Reserve Deposit				18,500	18,500	37,000	18,500	18,500	37,000	18,500	18,500	37,000
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				27,250	27,250	54,500	27,250	27,250	54,500	27,250	27,250	54,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				936,351	850,305	1,786,657	968,170	879,112	1,847,282	1,001,102	908,927	1,910,029
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				74,108	32,534	106,641	74,107	25,798	99,905	74,108	18,605	92,713
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	59,473	59,473	118,945	59,473	59,473	118,945	59,473	59,473	118,945
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				59,473	59,473	118,945	59,473	59,473	118,945	59,473	59,473	118,945
CASH FLOW (NOI minus DEBT SERVICE)				14,635	(26,939)	(12,304)	14,635	(33,675)	(19,040)	14,635	(40,867)	(26,232)
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				14,635	(26,939)	(12,304)	14,635	(33,675)	(19,040)	14,635	(40,867)	(26,232)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:			0.897			0.84			0.779
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	12,135	12,135	24,270	12,135	12,135	24,270	12,135	12,135	24,270
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	2,500	2,500	5,000	2,500	2,500	5,000	2,500	2,500	5,000
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				14,635	14,635	29,270	14,635	14,635	29,270	14,635	14,635	29,270
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	(41,574)	(41,574)	(0)	(48,310)	(48,310)	-	(55,502)	(55,502)
Does Project have a MOHCD Residual Receipt Obligation?		Yes										
Will Project Defer Developer Fee?		No										
Residual Receipts split for all years. - Lender/Owner		67% / 33%										
		Dist. Soft Debt Loans				-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		36.32%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		63.68%	loans, and HCD residual receipt policy.			-			-			-
Lender 4 Residual Receipts Due		0.00%				-			-			-
Lender 5 Residual Receipts Due		0.00%				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						444,000			481,000			518,000
Replacement Reserve Deposits						37,000			37,000			37,000
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						481,000			518,000			555,000
			RR Balance/Unit			$6,500			$7,000			$7,500
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%
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						-			-			-

	LOSP Units	Non-LOSP Units		Year 13 2038			Year 14 2039			Year 15 2040		
Total # Units:												
74	***37***	***37***										
	50.00%	*50.00%*										
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

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	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 16 2041 LOSP	Year 16 2041 non-LOSP	Year 16 2041 Total	Year 17 2042 LOSP	Year 17 2042 non-LOSP	Year 17 2042 Total	Year 18 2043 LOSP	Year 18 2043 non-LOSP	Year 18 2043 Total
Total # Units: 74	LOSP Units 37 (50.00%)	Non-LOSP Units 37 (50.00%)										
INCOME												
Residential - Tenant Rents	1.0%	2.5%		154,641	997,327	1,151,968	156,187	1,022,260	1,178,448	157,749	1,047,817	1,205,566
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		959,125		959,125	992,852		992,852	1,027,798		1,027,798
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		3,260	3,260	6,520	3,342	3,342	6,683	3,425	3,425	6,851
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income				1,117,027	1,000,587	2,117,614	1,152,382	1,025,602	2,177,984	1,188,972	1,051,242	2,240,214
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(7,732)	(49,866)	(57,598)	(7,809)	(51,113)	(58,922)	(7,887)	(52,391)	(60,278)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				1,109,295	950,721	2,060,016	1,144,572	974,489	2,119,061	1,181,085	998,851	2,179,936
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	46,230	46,230	92,459	47,848	47,848	95,695	49,522	49,522	99,045
Asset Management Fee	3.5%	3.5%	per MOHCD policy	20,339	20,339	40,677	21,051	21,051	42,101	21,787	21,787	43,575
Sub-total Management Expenses				66,568	66,568	133,137	68,898	68,898	137,796	71,310	71,310	142,619
Salaries/Benefits												
Office Salaries	3.5%	3.5%		46,362	46,362	92,723	47,984	47,984	95,968	49,664	49,664	99,327
Manager's Salary	3.5%	3.5%		62,984	62,984	125,968	65,188	65,188	130,377	67,470	67,470	134,940
Health Insurance and Other Benefits	3.5%	3.5%		57,716	57,716	115,431	59,736	59,736	119,471	61,826	61,826	123,653
Other Salaries/Benefits	3.5%	3.5%		2,882	2,882	5,763	2,982	2,982	5,965	3,087	3,087	6,174
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				169,943	169,943	339,885	175,891	175,891	351,781	182,047	182,047	364,094
Administration												
Advertising and Marketing	3.5%	3.5%		1,835	1,835	3,669	1,899	1,899	3,797	1,965	1,965	3,930
Office Expenses	3.5%	3.5%		16,203	16,203	32,406	16,770	16,770	33,540	17,357	17,357	34,714
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		4,188	4,188	8,377	4,335	4,335	8,670	4,487	4,487	8,973
Audit Expense	3.5%	3.5%		9,424	9,424	18,848	9,754	9,754	19,507	10,095	10,095	20,190
Bookkeeping/Accounting Services	3.5%	3.5%		9,173	9,173	18,345	9,494	9,494	18,987	9,826	9,826	19,652
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				40,822	40,822	81,645	42,251	42,251	84,502	43,730	43,730	87,460
Utilities												
Electricity	3.5%	3.5%		89,772	89,772	179,544	92,914	92,914	185,828	96,166	96,166	192,332
Water	3.5%	3.5%		21,403	21,403	42,807	22,153	22,153	44,305	22,928	22,928	45,856
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		51,266	51,266	102,531	53,060	53,060	106,120	54,917	54,917	109,834
Sub-total Utilities				162,441	162,441	324,882	168,126	168,126	336,253	174,011	174,011	348,022
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		3,225	3,225	6,450	3,338	3,338	6,676	3,455	3,455	6,910
Payroll Taxes	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses				3,225	3,225	6,450	3,338	3,338	6,676	3,455	3,455	6,910
Insurance												
Property and Liability Insurance	3.5%	3.5%		129,840	129,840	259,679	134,384	134,384	268,768	139,087	139,087	278,175
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				129,840	129,840	259,679	134,384	134,384	268,768	139,087	139,087	278,175
Maintenance & Repair												
Payroll	3.5%	3.5%		96,782	96,782	193,563	100,169	100,169	200,338	103,675	103,675	207,350
Supplies	3.5%	3.5%		8,172	8,172	16,343	8,458	8,458	16,915	8,754	8,754	17,507
Contracts	3.5%	3.5%		37,401	37,401	74,803	38,710	38,710	77,421	40,065	40,065	80,130
Garbage and Trash Removal	3.5%	3.5%		54,057	54,057	108,114	55,949	55,949	111,898	57,907	57,907	115,814
Security Payroll/Contract	3.5%	3.5%		227,328	75,776	303,104	235,285	78,428	313,713	243,520	81,173	324,693
HVAC Repairs and Maintenance	3.5%	3.5%		10,102	10,102	20,205	10,456	10,456	20,912	10,822	10,822	21,644
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		1,257	1,257	2,513	1,300	1,300	2,601	1,346	1,346	2,692
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				435,098	283,546	718,644	450,327	293,470	743,797	466,088	303,742	769,830
Supportive Services	3.5%	3.5%		-	56,151	56,151	-	58,116	58,116	-	60,150	60,150
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				1,007,937	912,536	1,920,473	1,043,215	944,475	1,987,690	1,079,727	977,531	2,057,259
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				1,250	1,250	2,500	1,250	1,250	2,500	1,250	1,250	2,500
Replacement Reserve Deposit				18,500	18,500	37,000	18,500	18,500	37,000	18,500	18,500	37,000
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				27,250	27,250	54,500	27,250	27,250	54,500	27,250	27,250	54,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				1,035,187	939,786	1,974,973	1,070,465	971,725	2,042,190	1,106,977	1,004,781	2,111,759
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				74,108	10,935	85,042	74,108	2,764	76,872	74,108	(5,930)	68,177
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	59,473	59,473	118,945	59,473	59,473	118,945	59,473	59,473	118,945
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				59,473	59,473	118,945	59,473	59,473	118,945	59,473	59,473	118,945
CASH FLOW (NOI minus DEBT SERVICE)				14,635	(48,538)	(33,903)	14,635	(56,708)	(42,073)	14,635	(65,403)	(50,768)
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				14,635	(48,538)	(33,903)	14,635	(56,708)	(42,073)	14,635	(65,403)	(50,768)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:			0.715			0.646			0.573
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	12,135	12,135	24,270	12,135	12,135	24,270	12,135	12,135	24,270
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	2,500	2,500	5,000	2,500	2,500	5,000	2,500	2,500	5,000
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				14,635	14,635	29,270	14,635	14,635	29,270	14,635	14,635	29,270
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	(63,173)	(63,173)	-	(71,343)	(71,343)	-	(80,038)	(80,038)
Does Project have a MOHCD Residual Receipt Obligation?		Yes										
Will Project Defer Developer Fee?		No										
Residual Receipts split for all years. - Lender/Owner		67% / 33%										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		Dist. Soft Debt Loans										
MOHCD Residual Receipts Amount Due		36.32%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		63.68%	loans, and HCD residual receipt policy.			-			-			-
Lender 4 Residual Receipts Due		0.00%				-			-			-
Lender 5 Residual Receipts Due		0.00%				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses						-			-			-
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						555,000			592,000			629,000
Replacement Reserve Deposits						37,000			37,000			37,000
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						592,000			629,000			666,000
			RR Balance/Unit			$8,000			$8,500			$9,000
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%
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						-			-			-

	LOSP Units	Non-LOSP Units		Year 16 2041			Year 17 2042			Year 18 2043		
Total # Units:												
74	***37***	***37***										
	50.00%	*50.00%*										
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

2530 18th Street

	LOSP Units	Non-LOSP Units							
Total # Units:									
74	***37***	***37***		Year 19 2044			Year 20 2045		
	50.00%	*50.00%*							
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		*159,327*	1,074,012	1,233,339	*160,920*	1,100,862	1,261,783
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*1,064,004*		1,064,004	*1,101,516*		1,101,516
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		*3,511*	*3,511*	7,022	*3,599*	*3,599*	7,197
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-	
Gross Potential Income				***1,226,842***	***1,077,523***	**2,304,365**	***1,266,034***	***1,104,461***	**2,370,496**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	*(7,966)*	*(53,701)*	(61,667)	*(8,046)*	*(55,043)*	(63,089)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-
EFFECTIVE GROSS INCOME				***1,218,875***	***1,023,822***	**2,242,698**	***1,257,988***	***1,049,418***	**2,307,406**
OPERATING EXPENSES									
Management									
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*51,256*	*51,256*	102,511	*53,050*	*53,050*	106,099
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*22,550*	*22,550*	45,100	*23,339*	*23,339*	46,678
Sub-total Management Expenses				***73,805***	***73,805***	**147,611**	***76,389***	***76,389***	**152,777**
Salaries/Benefits									
Office Salaries	3.5%	3.5%		*51,402*	*51,402*	102,804	*53,201*	*53,201*	106,402
Manager's Salary	3.5%	3.5%		*69,831*	*69,831*	139,663	*72,275*	*72,275*	144,551
Health Insurance and Other Benefits	3.5%	3.5%		*63,990*	*63,990*	127,981	*66,230*	*66,230*	132,460
Other Salaries/Benefits	3.5%	3.5%		*3,195*	*3,195*	6,390	*3,307*	*3,307*	6,613
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-
Sub-total Salaries/Benefits				***188,418***	***188,418***	**376,837**	***195,013***	***195,013***	**390,026**
Administration									
Advertising and Marketing	3.5%	3.5%		*2,034*	*2,034*	4,068	*2,105*	*2,105*	4,210
Office Expenses	3.5%	3.5%		*17,965*	*17,965*	35,929	*18,593*	*18,593*	37,187
Office Rent	3.5%	3.5%		-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		*4,644*	*4,644*	9,287	*4,806*	*4,806*	9,613
Audit Expense	3.5%	3.5%		*10,448*	*10,448*	20,897	*10,814*	*10,814*	21,628
Bookkeeping/Accounting Services	3.5%	3.5%		*10,170*	*10,170*	20,340	*10,526*	*10,526*	21,051
Bad Debts	3.5%	3.5%		-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-
Sub-total Administration Expenses				***45,261***	***45,261***	**90,521**	***46,845***	***46,845***	**93,689**
Utilities									
Electricity	3.5%	3.5%		*99,532*	*99,532*	199,063	*103,015*	*103,015*	206,031
Water	3.5%	3.5%		*23,730*	*23,730*	47,461	*24,561*	*24,561*	49,122
Gas	3.5%	3.5%		-	-	-	-	-	-
Sewer	3.5%	3.5%		*56,839*	*56,839*	113,678	*58,829*	*58,829*	117,657
Sub-total Utilities				***180,101***	***180,101***	**360,202**	***186,405***	***186,405***	**372,810**
Taxes and Licenses									
Real Estate Taxes	3.5%	3.5%		*3,576*	*3,576*	7,151	*3,701*	*3,701*	7,402
Payroll Taxes	3.5%	3.5%		-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		-	-	-	-	-	-
Sub-total Taxes and Licenses				***3,576***	***3,576***	**7,151**	***3,701***	***3,701***	**7,402**
Insurance									
Property and Liability Insurance	3.5%	3.5%		*143,955*	*143,955*	287,911	*148,994*	*148,994*	297,988
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-
Sub-total Insurance				***143,955***	***143,955***	**287,911**	***148,994***	***148,994***	**297,988**
Maintenance & Repair									
Payroll	3.5%	3.5%		*107,303*	*107,303*	214,607	*111,059*	*111,059*	222,118
Supplies	3.5%	3.5%		*9,060*	*9,060*	18,120	*9,377*	*9,377*	18,754
Contracts	3.5%	3.5%		*41,468*	*41,468*	82,935	*42,919*	*42,919*	85,838
Garbage and Trash Removal	3.5%	3.5%		*59,934*	*59,934*	119,867	*62,031*	*62,031*	124,063
Security Payroll/Contract	3.5%	3.5%		*252,043*	*84,014*	336,057	*260,864*	*86,955*	347,819
HVAC Repairs and Maintenance	3.5%	3.5%		*11,201*	*11,201*	22,401	*11,593*	*11,593*	23,185
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		*1,393*	*1,393*	2,786	*1,442*	*1,442*	2,884
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***482,401***	***314,373***	**796,774**	***499,285***	***325,376***	**824,661**
Supportive Services	3.5%	3.5%		-	*62,256*	62,256	-	*64,435*	64,435
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
TOTAL OPERATING EXPENSES				***1,117,518***	***1,011,745***	**2,129,263**	***1,156,631***	***1,047,156***	**2,203,787**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)									
Reserves/Ground Lease Base Rent/Bond Fees									
Ground Lease Base Rent				*7,500*	*7,500*	15,000	*7,500*	*7,500*	15,000
Bond Monitoring Fee				*1,250*	*1,250*	2,500	*1,250*	*1,250*	2,500
Replacement Reserve Deposit				*18,500*	*18,500*	37,000	*18,500*	*18,500*	37,000
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				***27,250***	***27,250***	**54,500**	***27,250***	***27,250***	**54,500**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***1,144,768***	***1,038,995***	**2,183,763**	***1,183,881***	***1,074,406***	**2,258,287**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)									
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***74,107***	***(15,172)***	**58,935**	***74,107***	***(24,988)***	**49,120**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	*59,473*	*59,473*	118,945	*59,473*	*59,473*	118,945
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				***59,473***	***59,473***	**118,945**	***59,473***	***59,473***	**118,945**
CASH FLOW (NOI minus DEBT SERVICE)				***14,635***	***(74,645)***	**(60,010)**	***14,635***	***(84,460)***	**(69,825)**
Commercial Only Cash Flow						-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-	
AVAILABLE CASH FLOW				***14,635***	***(74,645)***	**(60,010)**	***14,635***	***(84,460)***	**(69,825)**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***			***0.495***			***0.413***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	*12,135*	*12,135*	24,270	*12,135*	*12,135*	24,270
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	*2,500*	*2,500*	5,000	*2,500*	*2,500*	5,000
Other Payments				-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***14,635***	***14,635***	***29,270***	***14,635***	***14,635***	***29,270***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				(0)	(89,280)	**(89,280)**	(0)	(99,095)	**(99,095)**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***							
Will Project Defer Developer Fee?		***No***							
Residual Receipts split for all years. - Lender/Owner		*67% / 33%*							
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*							
MOHCD Residual Receipts Amount Due		*36.32%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE									
HCD Residual Receipts Amount Due		*63.68%*	loans, and HCD residual receipt policy.			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-
REMAINDER (Should be zero unless there are distributions below)						-			-
Owner Distributions/Incentive Management Fee						-			-
Other Distributions/Uses									
Final Balance (should be zero)						-			-
REPLACEMENT RESERVE - RUNNING BALANCE									
Replacement Reserve Starting Balance						**666,000**			**703,000**
Replacement Reserve Deposits						**37,000**			**37,000**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-
Replacement Reserve Interest									
RR Running Balance						**703,000**			**740,000**
			RR Balance/Unit			*$9,500*			*$10,000*
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%*
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						-			-

Total # Units:	LOSP Units	Non-LOSP Units							
74	***37***	***37***			**Year 19**			**Year 20**	
	50.00%	*50.00%*			**2044**			**2045**	
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals									
Other Reserve 2 Interest									
Other Required Reserve 2 Running Balance						-			-