

Citywide Affordable Housing Loan Committee
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

1234 Great Highway Senior
\$23,348,500 for Acquisition and \$651,500 for Predevelopment
Total Funding \$24,000,000

Evaluation of Request for:	Acquisition and Predevelopment
Loan Committee Date:	October 13, 2023
Prepared By:	Jenny Collins, Project Manager
Asset Manager:	Carmen Otero
Construction Representative:	Holly Faust
Source of Funds Recommended:	\$4,047,507 LMIHAF \$19,952,493 2023 Certificates of Participation
NOFA/PROGRAM/RFP:	2023 Multisite Site Acquisition and Predevelopment NOFA
Total Previous City Funds Committed:	N/A
Applicant/Sponsor Name:	Tenderloin Neighborhood Development Corporation Self Help for the Elderly

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	1234 Great Highway	Sponsor(s):	Tenderloin Neighborhood Development Corporation Self Help for the Elderly
Project Address (w/cross St):	1234 Great Highway (Lincoln & Irving)	Ultimate Borrower Entity:	1234 Great Highway LLC for Acquisition portion & TBD Limited Partnership for Predevelopment portion

Project Summary:

In January of 2023, MOHCD issued a Multisite Acquisition and Predevelopment Notice of Funding Availability (NOFA) for the financing for new, affordable rental housing. Tenderloin Neighborhood Development Corporation (TNDC) and Self Help for the Elderly (SHE, together the Sponsor), applied to the NOFA for acquisition of 1234 Great Highway, currently a 54-room motel named Roadway Inn (Site), located in the Outer Sunset District of San Francisco, spanning the entire block between Great Highway (west) and La Playa (east) across Lincoln (north) and Irving (south). The Site will continue to be operated as a motel during the interim use period and will be redeveloped into a 216-unit, Type III/I residential building with 7 stories and ground floor commercial. The Sponsors aim to promote the development of permanent affordable housing for low income and formerly homeless seniors in a high resource neighborhood on the Westside that is consistent with the City's Consolidated Plan and Master Plan Housing Element.

1234 Great Highway (Project) will create 216 affordable units (89 studios, 121 1-bedrooms and 6 2-bedrooms), with 50% of units serving formerly homeless seniors supported by the City's Local Operating Subsidy (LOSP), and 40% of units supported by the City's Senior Operating Subsidy (SOS). The remaining units will serve low-income seniors between 50% and 60% MOHCD AMI. The ground floor will also include approximately 5,900 sf of commercial retail space at the corner of Great Highway and Lincoln, which is planned to be an Adult Day Health Care Center to be operated by SHE.

The underwriting for this request is based solely on the response from the Sponsor to the NOFA. Funding will take out the San Francisco Housing Accelerator Fund's (SFHAF) acquisition and predevelopment financing in the amount of \$21,700,000 and provide predevelopment funding in the amount of \$2,300,000. The HAF acquisition closing will take place in October and the MOHCD take out of the HAF loan will take place in January, after Board of Supervisors approval. However, more work needs to be done during the predevelopment period to bring the Project budget in line with MOHCD underwriting. As per the requirements of the NOFA and the interim use plan, the Project is not scheduled to start construction until 2026, assuming successful applications for State financing in 2025. The land will be transferred to MOHCD upon construction start. Lease up is estimated to begin in late 2028. The small amount of predevelopment financing will not carry the sponsor through full predevelopment phase so sponsor is exploring other financing options.

Project Description:

Construction Type:	Type III/I	Project Type:	New Construction
Number of Stories:	7	Lot Size (acres and sf):	0.70 acre
Number of Units:	216	Architect:	TBD
Total Residential Area:	183,224 sf	General Contractor:	TBD
Total Commercial Area:	5,900 sf	Property Manager:	Tenderloin Neighborhood Development Corporation
Total Building Area:	189,124 sf	Supervisor and District:	Supervisor Engardio, D4
Landowner (future):	MOHCD	MOHCD Acquisition Cost:	\$23,348,500
Total Development Cost:	\$187,165,227	MOHCD Acquisition Cost per/unit:	\$108,095
Total Development Cost (TDC) w/o land:	\$163,816,727		
TDC/unit w/o land:	\$758.411	MOHCD Gap request	\$50,244,304
MOHCD Predevelopment Loan Amount:	\$651,500	Total MOHCD Subsidy est/per unit	\$343,724
HOME Funds?	N	Parking	Est. 20 spots, plus shuttle

PRINCIPAL DEVELOPMENT ISSUES

- **MOHCD Underwriting and Subsidy per unit:** The Project underwriting for this request is based solely on the response from the Sponsor to the NOFA. Per the terms of the NOFA, the Sponsor needs to limit the MOHCD subsidy to \$350k per unit, including acquisition and gap financing amount. Based on the NOFA submission, the Sponsor is at approximately \$343k per door, closely abutting the subsidy ceiling. The Sponsor will refine the development budget to bring the numbers in line with MOHCD guidelines by MOHCD Acquisition and Predevelopment closing and will seek additional sources to comply with the MOHCD NOFA requirement. Considering the nascent stage of development, MOHCD gap is likely to change. See Section 6.5.1 for Permanent Sources and Uses analysis for opportunities to reduce the MOHCD subsidy.
- **Commercial Property Development:** The Sponsor is assuming a cost of about \$4.7M to build out the Adult Day Health Care Center. The assumptions on operation and development costs are still in the beginning stages and need to be refined. Sponsor will return to MOHCD before approval of a preliminary gap commitment with a more developed plan and scope of work. In addition, the Sponsor will look to alternative ways to fund the cost, in order to reduce the MOHCD debt. See Section 6.5.4 for Commercial Plan.
- **Interim Use:** At the time of purchase contract execution, the original owner had anticipated operating the Site after closing on the transaction. Since then, the owner has decided to retire. The Sponsor has identified a new operator, who will take over upon the SFHAF acquisition loan closing in October. The amount of rent the Sponsor originally anticipated from the original owner is now less with the new operator, by about \$9k per month. The Sponsor still expects to break even on the holding costs and is aware that holding costs should not be

shown in the Project costs overall, and any additional cost above what is presented here is borne solely by the Sponsor. Any additional interim use income above the holding costs of the interim use will be put back into the development of the Project. See Section 4.7.

- **Community Engagement:** Based on TNDC’s experience with community outreach at 2550 Irving, neighbors may have major concerns about the height, scale and density of the proposed development and the Sponsors may face significant opposition for the Project, despite by-right approvals. The Sponsor will need to plan accordingly for both community engagement and costs. See Section 3.1.
- **SOS:** This Project is currently asking that 87 units, out of 216 be covered by the City’s Senior Operating Subsidy (SOS), which is about 40% of the total units. At this time, the SOS queue is completely spoken for and no additional funds remain for programming. The Sponsor and MOHCD will need to find alternative sources of funds in order to subsidize the senior units currently showing in the proforma at 60% AMI, and which currently are carrying approximately \$4.6M in permanent debt for the property. See Section 6.5.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Per Unit	Terms	Status
MOHCD Acq Loan	\$23,348,500	\$108,095	3 years 0%	Committed
MOHCD Predev Loan	\$651,500	\$3,016	3 years 3%	Committed
SFHAF Loan	\$2,240,000	\$10,370	TBD	In Process
Interim Use Income	\$720,000	\$3,333	n/a	n/a
Total	\$26,960,000	\$124,815		

Permanent Sources	Amount	Per Unit	Terms	Status
MOHCD/OCII	\$74,244,304*	\$343,724	55 Years 3% Res Rec	Not Committed
Perm Loan	\$4,630,000	\$21,435	6.67%/30 yrs.	Not Committed
LIHTC Equity	\$58,688,342	\$271,705	.96 cents	Not Committed
HCD MHP	\$35,000,000	\$162,037	55 Years 3%, .42% Pymt	Not Committed
HCD IIG	\$7,500,000	\$34,722	55 Years 3%, .42% Pymt	Not Committed
FHLB SF AHP	\$1,000,000	\$4,630	15yr, 0%	Not Committed
GP Equity	\$5,357,287	\$24,802		Committed
Interim Use Income	\$720,000	\$3,333		Committed
Deferred Developer Fee	\$25,294	\$117		Committed
Total	\$187,165,227	\$866,506		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$23,464,076	\$108,630	\$124
Hard Costs	\$127,371,724	\$589,684	\$673
Soft Costs	\$26,785,844	\$124,009	\$142
Reserves	\$1,961,003	\$9,079	\$10
Developer Fee	\$7,582,580	\$35,105	\$40
Total	\$187,165,227	\$866,506	\$990

*The MOHCD Gap Loan estimate includes predevelopment and acquisition funding for a total of \$24,000,000 and additional funding of \$50,244,304. Acquisition will be considered paid in full once the

Site is transferred to MOHCD at construction close. The final gap amount will be \$52,244,304, inclusive of predevelopment funds, but not acquisition.

1. BACKGROUND

1.1 Project History Leading to This Request. On January 27th, 2023, MOHCD issued a Multisite Acquisition and Predevelopment Notice of Funding Availability (NOFA) to develop new affordable rental housing for low-income families including a set aside for referrals of homeless households from HSH's Coordinated Entry System. After the initial review of applicants, five teams were interviewed, and all five teams were provided an award letter on June 22, 2023. TNDC and SHE were selected as one of the five teams.

Under the NOFA, teams were to propose acquisition of a property in a high resource area, to be competitive for state financing, as well as be able to hold a property for the near term, requiring an interim use. TNDC identified the Rodeway Inn at 1234 Great Highway. The Site had been considered recently as a potential affordable housing site by other stakeholders, partly due to the size, but also due to it being in a High Resource neighborhood. Per the TCAC website, the Site is in a High Opportunity Area with access to transit and amenities; it is also zoned to support a substantial number of units allowing economies of scale.

TNDC has a development underway at 2550 Irving Street, also located in District 4. TNDC had developed a good relationship with SHE during their work on the 2550 Irving project and was aware that SHE was interested in expanding their development capacity. TNDC and SHE responded to this NOFA as a Joint Venture.

TNDC submitted a Letter of Intent to the Seller and operator, 121 EGA Limited Partnership, on February 9, 2023, and began due diligence for the acquisition while negotiating the Purchase and Sale Agreement (PSA). The PSA originally noted that the original owner/operator would operate the Site during the interim use, but during the due diligence period, the original operator declined to continue operations after the Site changed owners, citing health concerns. TNDC found another operator and subsequently, a Letter of Intent was signed between TNDC and a 3rd party operator, Mr. Dipak Patel, as the assignee for a 2-yr term with an option to extend, resulting in \$22,000 in monthly income, to cover holding costs related to property taxes associated with the Site; the new operator will carry commercial general liability and worker's compensation insurance.

A review of the Preliminary Title Report was done by TNDC, and no concerns are identified. An appraisal was conducted by Colliers International on March 31, 2023, and derived an as-is value of \$21,800,000.

1.2 Applicable NOFA/RFQ/RFP. (See Attachment E for Threshold Eligibility Requirements and Ranking Criteria). MOHCD issued a Multisite Acquisition and Predevelopment Notice of Funding Availability (NOFA), for the financing for new, affordable rental housing on January 27, 2023. The NOFA specifically sought projects with acquisitions in high resource areas that would be competitive for state financing. In addition, the NOFA goals included the following:

- Construction starts 2026
- Interim Use through 2025
- Maximizing density
- City Subsidy of no more than \$350k per unit with acquisitions
- A 25% LOSP set aside
- Racial Equity goals

TNDC and SHE met the minimum threshold eligibility requirements and was one of five teams to submit qualifications to acquire and develop a site. Via a competitive scoring process, the Sponsor was awarded acquisition and predevelopment funding with a score of 89 out of 100 points.

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. Borrower entity for the acquisition of the property is 1234 Great Highway LLC. TNDC is the sole manager of this entity.

1.3.2 Joint Venture Partnership/Roles and Responsibilities. TNDC and SHE will create a Limited Partnership for the affordable housing development before execution of the predevelopment loan documents. TNDC's in-house Property Management, Tenant Services, Asset Management, Accounting, and Community Organizing teams will ensure the Project's transition from development and construction into leasing and stabilized operations. TNDC and SHE will jointly provide services for the future residents at 1234 Great Highway. TNDC will be the Lead Service Provider (LSP) with Self Help for the Elderly in a supportive capacity. TNDC will provide all on-site supportive services for the residents with prior experiences of homelessness and provide a comprehensive services package to all residents at 1234 Great Highway. SHE will also provide referrals and linkages for residents within the local community. SHE will support tenants' economic stability through benefits counseling and their economic mobility through employment training and support. SHE's employment services support seniors through each step of the job seeking process from training and counseling to job placement and retention, enhancing seniors' independence, self-esteem, and quality of life. Additionally, SHE will also aid residents with applications for public benefit programs, naturalization and citizenship assistance, health insurance counseling and advocacy. TNDC's in-house Property Management, Tenant Services, Asset Management, Accounting, and Community Organizing teams will ensure the Project's transition from development and construction into leasing and stabilized operations.

1.3.3 Demographics of Board of Directors, Staff and People Served. At TNDC, the CEO, 85% of staff, 60% of the Board, and half of the executive staff are people of color. Of the TNDC Board, 18% is Asian, 6% is Black, 24% is

Latinx, 41% is White and 11% are bi-racial. TNDC will work to foster similar diversity amongst its consultant development teams and has partnered with local emerging BIPOC-led businesses on its development projects. SHE is a BIPOC led organization where the CEO, 95% of staff, 90% of the Board and 100% of the executive staff are people of color. At SHE, 89% of the Board is Asian and 2% is White.

1.3.4 Racial Equity Vision. This development will advance racial equity by providing affordable housing and supportive services for seniors facing displacement and/or homelessness, a population which is disproportionately people of color. Per the Sunset Forward community needs assessment, the D4 population is as follows: 53% Asian, 31% white, 8% Hispanic or Latino, 1% Black, and 7% other. District 4 experienced a loss of 462 rent-controlled units between 2008 to 2018, and only 240 new housing units have been built since the year 2000. The development process will focus on maximizing outreach using local and alternate-language media to receive input from the BIPOC community, including the monolingual Chinese-speaking community of the Sunset. While SHE is culturally conversant in providing services to Asian seniors, MOHCD will need a more refined racial equity vision to include a plan for engaging black, brown and indigenous communities.

TNDC and SHE are committed to providing culturally competent, multilingual social services to the residents at 1234 Great Highway. Services will include case management provided by social workers, healthy aging activities, employment services, urban agriculture/food distribution, social events and activities, assistance with public benefits applications, technology assistance, and services to address other community-identified needs. TNDC recognizes that the state and federal fair housing policies put in place to address structural racism are not achieving their intended outcome, at least not at the rate that will create the change that is needed. Additionally, TNDC performs affirmative marketing targeted to disadvantaged communities, and marketing materials are distributed in several languages. TNDC identifies dozens of contacts for outreach prior to lease-up to help identify eligible persons with experiences of homelessness and eligible residents from the neighborhood. These contacts represent a wide demographic of agencies and organizations ranging from government agencies to local non-profits to maximize local neighborhood applicants. Contacts include District 4 Youth & Family Network, Mah Wei, Sunset Youth Services, Sunset Chinese Cultural District, Westside Community Coalition, Other Sunset Residents, La Playa Village Council, People of Parkside Sunset.

MOHCD staff believe more engagement may be needed with Black, Brown and Indigenous communities of color and therefore will require a more detailed racial equity plan for this project by preliminary gap.

1.3.5 Relevant Experience. TNDC was founded in 1981 with the acquisition of a single property and a commitment to creating permanently affordable homes for low-income San Franciscans. Over its 37-year history, TNDC has developed, owned, and managed 3,674 units, with another 263 under construction and 1,129 in predevelopment, totaling 5,066 units in total.

TNDC's Housing Development pipeline has grown to include over \$1 billion of affordable housing activity, and it will add nearly 1,500 units of affordable housing to the portfolio over the next five years. Many of these units will be Type I or Type III/Type V over Type I new construction projects. As evidenced by project completions at Eddy & Taylor, 681 Florida and 1990 Folsom, TNDC is able to complete complex projects on-time and on budget. 1234 Great Highway will serve low-income seniors and seniors with experiences of homelessness; approximately 29 of TNDC's completed developments serve over 2,000 low-income senior residents, approximately 50% of TNDC tenant population are seniors, and 20% are formerly homeless.

Founded in San Francisco's Chinatown community in 1966, SHE serves over 40,000 older adults each year with housing, home health care, workforce development, and social services. SHE has experience providing services at their senior center, adult day health care center and their licensed residential care facilities, in addition to services provided via their on-going neighborhood programs. Of the 40,000 residents served by SHE, approximately 97% are people of color. Of the seniors served by Self-Help: approximately 80% are AAPI, 10% Caucasians, 5% Latinx, 3% African Americans and 2% others. SHE's team has a long history of working with Asian communities.

1.3.6 Project Management Capacity. The following staff members are assigned to

1234 Great Highway:

Jackson Rabinowitsh – 30% (Sr. Project Manager, TNDC)

TBD - 50% (Project Manager, TNDC)

Shreya Shah - 10% (Associate Director of Housing Development, TNDC)

Chris Cummings - 5% (Director of Housing Development, TNDC)

Manson Leung – 20% (Community Organizer, SHE)

Winnie Yu – 10% (Program Manager, SHE)

Anni Chung – 2% (President & CEO, SHE)

Currently TNDC does not have a project manager assigned to the Project. TNDC will assign a PM before predevelopment loan closing. Per TNDC, TNDC will have staff capacity open in 2024 with the close-out of 2 projects in 2023.

1.3.7 Past Performance.

1.3.7.1 City audits/performance plans. Self-Help had no findings in their citywide fiscal monitoring and their audit is adequate. SHE has been historically fiscally strong, and their administrative functions are staffed appropriately.

According to Helen Hale, MOHCD’s Director of Residential and Community Services, her team works closely with TNDC (as the PM provider for RAD) and has no concerns with TNDC. TNDC is responsive to community, hire competent staff, provide thorough training and supervision, complete reporting well, and lean in with partners to think collaboratively about solutions.

1.3.7.2 Marketing/Lease-Up/Operations. SHE hasn’t done any marketing or lease-ups; however, SHE provides information about available properties, their amenities, income requirements, rent, and occupancy. MOHCD marketing team is concerned that SHE currently serves a very specific Asian demographic and has not marketed its services to seniors from other racial and ethnic backgrounds. In addition, during the NOFA presentation about this Project, SHE only discussed its outreach efforts to Asian seniors and did not answer any questions when asked how SHE would serve Black and Brown seniors. SHE and TNDC’s marketing plan will need to be inclusive of not only Asian tenants, but also Black and Brown seniors.

Marketing and lease-up of TNDC projects have generally gone smoothly. However, the recent lease-up of 681 Florida had some project specific challenges such as reducing studio rents for lease up without market research and some miscommunication between management staff, development staff and leasing agents. Generally the property management team has a diverse staff, doesn’t check credit and criminal background of applicants, and meets the requirements of the Fair Chance Ordinance. The typical Resident Selection Criteria of TNDC for recent projects is low-barrier.

For units TNDC manages, the breakdown of households by race includes:

Overview of Head of Household by Race and Ethnicity (Only Properties in Operations)		
	# of units	% of Units
American Indian/Alaska Native	82	3%
Asian	1,096	39%

Black/African American	777	28%
Native Hawaiian/Other Pacific Islander	47	2%
White (Hispanic or Latino)	93	3%
White (not disclosed)	33	1%
White (Not Hispanic or Latino)	658	24%
Not Disclosed*	896	N/A
Vacant	191	N/A
Grand Total	3,873	100%

*Note: the demographic info at 270 Turk and Avery Lane is not available, and therefore included in “Not Disclosed”.

Across TNDC’s portfolio of homeless units and non-homeless units, the eviction rate is under 2%.

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

Site Description	
Zoning:	NC-2 Neighborhood Commercial Small Scale; 40-X Height and Bulk District (See Section 2.1). Efforts are underway in the Westside to change zoning laws in order to increase density.
Maximum units allowed by current zoning (N/A if rehab):	1 unit per 800 square foot lot area. Affordable housing developments are exempt from these limits and need to comply with form-based zoning.
Seismic (if applicable):	Liquefaction Zone per Planning maps. More review will be conducted during predevelopment.
Soil type:	Phase I report by Path Forward, completed on April 5, 2023. Per report, soil is sandy based on a total depth explored of 22 feet.
Local/Federal Environmental Review:	The Project will be eligible for streamlined approvals under AB 2162. CEQA is not required under AB 2162 approval. Federal funds are not considered and therefore NEPA clearance is not required at this time. Phase I and Phase II investigations were completed on April 5, 2023, and no substantial environmental concerns were found.
Adjacent uses (North):	Zoned P (Public) since Golden Gate Park lies directly north of the Site.
Adjacent uses (South):	Zoned as RM-1 (Residential Mixed Use Low Density) and RH-3 (Residential House – Three Family), largely including 2-3 story multifamily residential structures and some small mixed-use buildings.
Adjacent uses (East):	Zoned as RM-1 (Residential Mixed Use Low Density), RH-2 (Residential House – Two Family) and RH-3 (Residential House – Three Family). RM includes low density mixed-use and RH includes 2- and 3-story multifamily residential buildings. There are several 4-story multifamily residential buildings immediately to the east of

	the Site. There is a small neighborhood commercial cluster (NC-1) approximately 2-3 blocks to the east of the Site and a larger one to the southeast.
Adjacent uses (West):	Zoned P (Public) including the Great Highway and Ocean Beach.
Neighborhood Amenities within 0.5 miles:	<p>Grocery Stores:</p> <ul style="list-style-type: none"> • Safeway (north of Site, Fulton and La Playa) • Other Avenues Grocery Cooperative (east of site on Judah and 45th) <p>Schools:</p> <ul style="list-style-type: none"> • Francis Scott Key Elementary (Kirkham and 43rd) <p>Places of worship:</p> <ul style="list-style-type: none"> • SF Grace Christian Church (Irving & 46th) • St. Paul’s Presbyterian Church (Judah & 43rd)
Public Transportation within 0.5 miles:	<p>N Judah MUNI Light Rail</p> <p>N Bus (bus)</p> <p>N Owl (bus)</p> <p>18 – 46th Avenue (bus)</p> <p>5 – Fulton (bus)</p>
Article 34:	Staff has submitted Article 34
Article 38:	SF PIM states “Not Applicable”. Sponsor to confirm during predevelopment.
Accessibility:	To be determined. At a minimum, Project will have 15% of restricted units designated as mobility accessible and an additional 10% of units will include hearing and vision accessibility features.
Green Building:	TBD during predevelopment.
Recycled Water:	Exempt
Storm Water Management:	<p>Property is located in SFPUC stormwater flood zone. Sponsor has already confirmed with an architect and civil engineer (both utilized for due diligence only) that the building will need to be raised by 2-3 feet to mitigate risks, identical to the design TNDC utilized at Casa Adelante (1990 Folsom), all while being able to meet accessibility requirements and maintain the proposed unit count within 7 stories.</p> <p>Sponsor will work with SFPUC on a stormwater control plan during schematic design.</p>

2.1 Existing Site Description. The Site is a 0.70-acre lot with an existing 54-unit motel. The existing improvements have three distinct portions – 3, 2 and 3 stories tall – and the restaurant portion is one story tall in the first building. The motel is an old garden style tourist motel. Each building portion was built at a different time between 1923 and 1958.

The Site is located at the corner of Great Highway and Lincoln Avenue and is bounded by Golden Gate Park to the north and Ocean Beach to the west,

providing immediate access to both local public amenities within a very short walk. The Site is located two blocks from Judah Street, which contains a commercial corridor including shops, restaurants, a grocery store, and other services.

- 2.2 Zoning. The Site is currently zoned Neighborhood Commercial Small Scale (NC-2) and the 40-X Height and Bulk District. The State Density Bonus Law exempts 100% affordable projects from density limits and provides up to three additional stories of height, or 33 feet, above the zoned height limit. A 100% affordable project in a 40-X Zoning District may be up to 73 feet in height. The NC-2 district consists of linear shopping streets which provide convenience goods and services to the surrounding neighborhoods and limited comparison-shopping goods for a wider market. The range of comparison goods and services offered is varied and often includes specialty retail stores, restaurants, and neighborhood-serving offices. NC-2 Districts are commonly located along collector and arterial streets with transit routes.
- 2.3 Probable Maximum Loss. N/A – new construction.
- 2.4 Local/Federal Environmental Review. CEQA and NEPA not required. Project is located within the Coastal Zone; however, it is not governed by the California Coastal Commission (CCC) but rather by the San Francisco Planning Department based on its location within the coastal zone designation. Sponsor verified jurisdictional oversight with a land-use attorney and the SF Planning Department during the due diligence phase of the Project prior to the NOFA submittal.
- 2.5 Environmental Issues.

- Phase I/II Site Assessment Status and Results.

A Phase I and Phase II were conducted as part of the property due diligence process in April 2023. The Phase I report found no major environmental conditions associated with the Site. However, it did note at least one adjacent property (a gas station) that presents Recognized Environmental Condition (REC). No immediate impacts on 1234 Great Highway were found given the results of the Phase II. An underground storage tank (UST) was removed from the Site in July 2022 and remediated per local environmental standards; a copy of the UST report was provided and reviewed as part of the Phase I (Sponsor to provide MOHCD copy of UST report). The Phase II soil investigation report concluded the following: Soil sampling results are below residential screening levels or are below background/ambient levels, indicating that Site soils are appropriate for on-site or off-site reuse. Soil sampling results are below respective hazardous waste screening criteria, indicating that Site soils would likely be classified as non-hazardous if considered for off-site waste disposal at licensed receiving facilities (landfills). Soil gas sampling results are below residential screening levels based on a conservative attenuation factor of 0.03, indicating that vapor mitigation measures are not warranted for Site redevelopment.

- Potential/Known Hazards.

None.

- 2.6 Adjacent Uses and Neighborhood Amenities. See Section 2 above and site map with amenities included here as Attachment F.
- 2.7 Green Building. N/A.
- 2.8 Flood Designation. According to the flood zone information provided on page 35 of the appraisal prepared by Colliers International Valuation & Advisory Services dated March 31, 2023, the property is located in a Zone X (Unshaded) flood plain, a “moderate and minimal risk area”. Considering the coastal location of the Site, Sponsor will provide more detailed flood analysis during predevelopment and before returning to MOHDC for preliminary gap.

3. COMMUNITY SUPPORT

- 3.1 Prior Outreach. TNDC is developing the project at 2550 Irving which is located on 26th & Irving, about 20 blocks east of 1234 Great Highway. Based on TNDC’s experience with community outreach at 2550 Irving, neighbors may have concerns about the height, scale and density of the proposed development. Sponsors will need to plan for schedule and cost impacts of potential opposition. To date, 2550 Irving has amassed more than \$1.5 million in costs related to legal fees and additional environmental review.

To date, TNDC and SHE have conducted limited community outreach given the early stage of the Project. TNDC and SHE attended a convening of the La Playa Council and the Westside Community Coalition to provide a high-level overview of the proposed Project based on what was submitted as part of the NOFA response. TNDC and SHE have also held some preliminary communications with other stakeholders of the community.

The Sponsors also met with Supervisor Engardio, along with representatives from MOHCD. Supervisor Engardio identified other organizations that the Sponsors should reach out to as part of the outreach process, specifically, Outer Sunset Residents and People of Parkside Sunset (POPS).

- 3.2 Future Outreach. The Sponsors anticipate direct outreach to the following local organizations during the outreach process:

- Westside Community Coalition (WCC)
- District 4 Youth and Family Network
- Wah Mei School
- Sunset Youth Services
- Outer Sunset Residents
- Senior Power
- Outer Sunset Mercantile & Professionals Association
- People of Parkside Sunset (POPS)
- La Playa Village Council

- D4Ward

The Sponsor will endeavor to kick off community outreach and engagement in Fall 2023.

As a requirement of this loan, the Sponsor will be required to create a detailed community engagement plan before the end of 2023 and update it quarterly.

- 3.3 1998 Proposition I Citizens’ Right-To-Know. Project is subject to Prop I noticing and Sponsor must provide evidence of noticing prior to the Mayor signing the Loan Agreement.

4. DEVELOPMENT PLAN

4.1 Site Control. TNDC executed a Letter of Intent on February 9, 2023, and a Purchase & Sale Agreement with the Seller in late March 2023. To date, TNDC has paid a \$500,000 deposit to the Seller. TNDC will acquire the Site with a San Francisco Housing Accelerator Fund (SFHAF) loan in October 2023. After Board of Supervisors approval in December 2023, the \$21,700,000 in MOHCD funds will pay down the SFHAF loan and accrued interest. TNDC will maintain the Site through construction start when ownership of the land will be transferred to MOHCD and the acquisition loan will be considered paid in full.

4.1.1 Proposed Property Ownership Structure. TNDC will own and hold the Site during predevelopment via an affiliate LLC.

Upon construction start, the Site will transfer to MOHCD, and the acquisition loan will be shown as paid in full. MOHCD and the LP will enter into a standard MOHCD ground lease for 74 years, extendable up to 99 years. The LP will own the improvements.

4.2 Proposed Design. The proposed development will provide 216 apartments including 89 studios, 121 one-bedrooms and 6 two-bedroom apartments, in a seven-story rectangular Type III/I building. Two one bedrooms will be set aside for manager units. The building proposes a podium parking garage on the ground floor with 20 parking spaces to provide additional ease of mobility for seniors.

The Adult Day Health Care Center (ADHCC, approximately 5,900 sf) will provide services to residents that will live above, and to eligible seniors in the neighborhood. Seniors will enjoy a large community room on the ground floor for interactions, building events and gatherings. The second-floor outdoor deck will provide space with views for urban gardening and outdoor exercise classes. Programming will be supported by a secure lobby and on-site staff offices for property management and services.

Avg Unit SF by type:	Unit Type	TCAC Min	Est Proj Sq Ft	Project proposed unit type % greater than TCAC minimums
	Studio	200	400	100%
	1-BR	450	630	40%

	2-BR	700	868	24%	
Residential SF:	183,224 sf				
Retail:	5,900 sf				
Building Total SF:	189,124 sf				

4.3 Proposed Rehab Scope. N/A

4.4. Construction Supervisor/Construction Representative’s Evaluation. Per the MOHCD Construction Representative, the 1 and 2 bedroom unit sizes are somewhat larger than the typical MOHCD development (2BR – 800, 1BR – 550, Studio – 400). With a reduction of square footage for the 121 1BRs from 630 sf to 550sf (80 sf) and the 6 2BRs from 870 sf to 800 sf (70 sf), the project could theoretically gain 10,000 sf for additional units and wider corridors (to better accommodate a senior community with walkers and wheelchairs), or additional gathering or open spaces within the same footprint of the test fit. The unit sizes and configurations and additional spaces will be further explored with the next level of design.

The concept design prepared for the proposal is logical and efficiently maximizes the full-block site with 216 units in two long wings joined by a central entrance at the ground floor and a 2nd floor courtyard (with laundry rooms adjacent). The Adult Day Health Care Center (ADHCC) is located across from the park at the Lincoln Way corner. The units are arranged along double-loaded corridors with an elevator at each end. Back of house features and the garages are generally appropriately located at the Irving end of the site and along LaPlaya Street. For future design iterations, the Project Team should consider at least two improvements to the building amenities: More opportunities for additional open space for both residents and the ADHCC; and an additional centrally located elevator should one of the two planned elevators be inoperable.

4.4.1 Construction Type. The proposal explores several construction options. Early cost estimates suggest that five levels of Type III wood over two levels of Type I podium and all Type I concrete are equally viable in terms of costs and construction duration (23 months). All concrete may render a net savings given the rising insurance costs for wood-frame. An all-concrete building may also provide longer term durability in the ocean climate for lower maintenance costs over the years. Mass timber (6 stories over one podium level) is also proposed at roughly the same cost with the schedule reduced by two months. The sandy soils will require drilled piers or piles. The Project Team will explore the structural options early in the design process.

4.4.2 Demolition. The existing improvements will be demolished with roughly \$1M allocated to the construction budget. The existing hotel (a mix of one-, two-, and three-story sections) is roughly 40,000 gsf. Based on Holly Babe’s recommendation to use \$25/gsf, based on demo costs for other projects in the MOHCD portfolio, \$1M budgeted is sufficient to demolish the existing improvements.

4.4.3 Comparing costs. There are few comparable projects to 1234 Great Highway in the MOHCD/OCII portfolio. The closest comps are 1064 Mission, with 258 senior units, 7 stories factory built over a podium, and Transbay 2 West Senior, 151 units, 9 stories Type I. The two highrise senior buildings -- 1939 Market (in predevelopment with a reliable cost estimate at 50% Design Development, for 186 units) and 921 Howard (just finishing up construction, with 203 units) -- are comparable in terms of scale, but the highrise Type I construction is more complex and costlier. As a somewhat comparable Senior development, Laguna Honda Senior (Type III/I, 7 stories, in predevelopment), is also included in the comps. Construction costs for 1234 Great Highway compare favorably to the comps cited. At \$673/sf and \$589K/unit, it is right on par with the comps average. The cost estimate factors in 10% escalation for a construction start of January 2027. With current flattening of costs in some construction sectors and reduction of market rate real estate production, this escalation may be a reasonable assumption, but this will need to be reassessed through the predevelopment period. Please see Cost Compare chart attached to this Evaluation.

4.4.4 Logistics, street management, and staging. These are likely to be less costly than the comp sites, which are more urban with complex transit interfaces, traffic management, street improvement issues, and close adjacencies. On the other hand, since there has not much new construction near this Great Highway location, utility connections may involve more long-distance hubs and trenching with additional costs yet to be fully evaluated. Sponsor to provide application for power and logistics early in the process to mitigate delays.

4.5 Commercial Space. The 5,900 square foot (sf) proposed Adult Day Health Care Center (ADHCC), operated by SHE, will be located at the corner of Great Highway and Lincoln Way and will be spread across the ground floor and the second floor. The space will include an elevator and will have direct accessibility from the street. SHE has been operating an ADHCC in the Richmond District with success for over 20 years and will be responsible for financing the tenant improvements.

The ADHCC will be a state licensed facility servicing the health and social needs of frail seniors who otherwise may be prematurely institutionalized. The services provided at the center will include physical therapy, occupational therapy, speech therapy, psychiatric care, nutritional counseling, home health aides' services, among others. The center will also provide recreational activities such as exercise programs, games, and karaoke along with meals for patients. TNDC and SHE envision the ADHCC as a community resource that will enhance the lives of both the greater community and the residents of the proposed development. Residents with MediCal benefits can access ADHCC services without any out-of-pocket expenses. Residents without MediCal benefits can attend and receive desired services at the ADHCC by paying a fee based on a sliding scale. The operations of the ADHCC are funded through MediCal and fees collected from non-MediCal users.

- 4.6 Service Space. Office space for six social workers and a 2,800 sf community room are included in the preliminary design of the building. Service space planning will be vetted with the City's Department of Homelessness and Supportive Services (HSH) as part of programming and service plan review. All offices will be located on the ground floor.
- 4.7 Interim Use. Initially, the Seller was expected to oversee the operations of the motel post-closing. Due to health concerns, the Seller will be unable to do so. Subsequently, TNDC's broker found another motel operator who would lease the motel from TNDC. TNDC has an executed Letter of Intent (LOI) from this 3rd party motel operator who will take over operations of the motel upon the sale of the property.

The property will continue to be operated as a motel during the interim use period for a minimum of two years. The lease of the motel will deliver \$22,000/month which will cover holding costs for property taxes (approximately \$256,000/year or \$21,333/month) during this period. The motel operator will be responsible for carrying the commercial liability and property liability insurance. TNDC will only be required to carry the owner's general liability insurance.

The lease payment is different than what was proposed in the original NOFA response. In that response, the Sponsor showed \$750k in interim use income, which would cover two years of taxes at \$271k per year. The new amount shown above has been refined and is more accurate. The Sponsor expects to break even on the holding costs and is aware that holding costs should not be shown in the Project costs overall, as per the terms of the NOFA. Any additional cost above what is presented will be borne solely by the Sponsor, and any additional interim use income will be contributed to the development of the Project.

Overall, MOHCD supports the interim use of the Site by the new operator. Per TNDC, the operator is a motel operator by the name of Dipak Patel who owns multiple motels across San Francisco and the greater Bay Area. Though Patel was not originally associated with the property, TNDC's broker has a years-long working relationship with Patel. The new operator has submitted a signed Letter of Intent and lease negotiations are currently under way. Additionally, MOHCD will require Sponsor to provide a more detailed interim use budget, before the end of 2023 as well as updates on the interim use in the MOHCD monthly report. The Seller is willing to continue operating the motel in the immediate short-term until the new operator is ready to take over operations. If the new operator backs out, the Seller will be cooperative.

- 4.8 Infrastructure. N/A. No infrastructure is included in this loan.
- 4.9 Communications Wiring and Internet Access. The Sponsor will work with the MOHCD Construction Representative to determine the appropriate communications wiring scope that meets MOHCD's standards.
- 4.10 Public Art Component. The Sponsor is showing \$742,443 for Art in the current budget higher than the Project's public art requirement calculation, which is based off 1% of expected construction cost multiplied by the percent of Project

funded by MOHCD. The Sponsor will reduce the costs to be in line with MOHCD’s Underwriting Guidelines by preliminary gap. See Section 9.4 Recommended Loan Conditions.

MOHCD Estimated Gap Funds	\$52,544,304
TDC	\$187,165,227
Hard Cost Total	\$127,371,724
Public Art Calculation	
Construction Cost	\$102,806,519
1% of Construction Cost	\$1,028,065
Percent funded by MOHCD (MOHCD Committed / TDC)	28.07%
Public Art Requirement	\$287,858

4.11 Marketing, Occupancy, and Lease-Up. The Project will serve low income and extremely low-income seniors as well as seniors with experiences of homelessness. Of the 216 units, 50% will serve formerly homeless seniors, subsidized through a 15-year LOSP contract. Another 40% will serve extremely low-income seniors, subsidized through SOS, although the queue for SOS is fully expended at present. The remainder will serve seniors between 50% and 60% MOHCD AMI.

The 107 units for seniors who have experienced homelessness will be leased through the Coordinated Entry System. MOHCD’s marketing policies and procedures will be applied to the remaining units except the two on-site manager’s units.

Tenants of the 107 non-homeless units will be selected through a City-managed lottery system that has four preference groups required by Chapter 47 of the Administrative Code. The following preferences will apply:

MOHCD Preference	Applicant Category
1	Certificate of Preference (COP) Holders
2	Displaced Tenants Housing Preference (DTHP) Certificate Holders (20% of the lottery units; 21 units total)
3	Neighborhood Resident Housing Preference (NRHP) (25% of the lottery units; 27 units total)
4	Live/Work in San Francisco
5	All Others

Residents who live in District 4 or within half mile of the property may be eligible for the NRHP.

Since SHE’s experience is primarily in Asian communities MOHCD will require SHE to ensure that extensive efforts are made to engage Black, Brown, and

Indigenous communities for interest in the affordable housing. TNDC and SHE will provide a detailed outreach and marketing plan by no later than 12 months prior to issuance of TCO.

- 4.12 Relocation. The current motel operator and the new motel operator will not have any relocation rights upon the sale of the property as clearly stipulated in the executed Letter of Intent and the Leaseback Agreement with both parties

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	TBD	TBD	N
Landscape Architect	TBD	TBD	N
JV/other Architect	N/A	TBD	N/A
General Contractor	TBD	TBD	N
Owner’s Rep/Construction Manager	TBD	TBD	N
Financial Consultant	TBD	TBD	N
Joint Trench	TBD	TBD	N
Legal	Gubb & Barshay (transaction) Goldfarb & Lipman (acquisition) Farella Braun & Martell (land use)	N	N
Property Manager	TNDC	N	N
Services Provider	TNDC Self Help for the Elderly	N	N
MEP Consultant	TBD	TBD	N

- 5.1 Procurement Plan. The Sponsors attended a training with the Office of Contract Management Division (CMD) in September 2023. The Sponsor will meet with CMD in October 2023 to receive their SBE participation goal and then the Sponsor will issue a Request for Qualifications (RFQ) for Architect in Nov 2023, which will be followed by procurement of a construction manager/owner’s rep and General Contractor in Spring 2024.

- 5.2 Opportunities for BIPOC-Led Organizations. This Project intends to meet or exceed contracting goals for LBE/SBE, with a special focus on working with minority-owned businesses and local businesses from the Sunset. Sponsor will direct project resources to organizations that reflect the community while seeking to reduce barriers to participation from historically disadvantaged companies and firms. In addition to directly awarding work to qualified BIPOC-led organizations, The Sponsor will seek to work with firms that can demonstrate meaningful outcomes implementing racial equity into their work.

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). The Project underwriting for this request is based solely on the response from the Sponsor to the NOFA. The information below represents where the Sponsor meets or does not meet MOHCD underwriting guidelines. The Sponsor will work with

MOHCD staff to bring Project budget in line with guidelines before the closing of the MOHCD acquisition and predevelopment loans. This will include approval of a more comprehensive review of the Permanent Sources and Uses.

- 6.1 Prior MOHCD/OCII Funding. N/A. This is the first request for funding from the Sponsors. See Section 9 for loan conditions related to this loan request.
- 6.2 Disbursement Status. The Project has incurred costs dating back to February 2023; however, Loan Committee approves payment of costs no earlier than the date of the NOFA award June 22, 2023, so long as these costs are deemed acceptable and correspond to predevelopment budget attached herein.
- 6.3 Fulfillment of Loan Conditions. There are no outstanding loans at this time connected to the project. See Section 9.2 for loan conditions related to this evaluation.
- 6.4 Proposed Predevelopment Financing.

6.4.1 Predevelopment Sources Evaluation Narrative:

Interim Use – As noted above in Principal Development Issues, the Project will break even on all interim use holding costs. Any additional holding costs will be borne by the Sponsor.

SFHAF: The Sponsor is anticipating obtaining an acquisition/predevelopment loan in the amount of \$24M to cover acquisition and predevelopment costs, and including transaction costs, engineering fees, and environmental review which will be taken out by MOHCD in January 2024.

MOHCD acquisition loan: \$23,348,500 purchase price and closing costs and \$651,500 for acquisition-related expenses. The \$24,000,000 will be used to pay off the \$24M SFHAF loan, thereby save on interest costs.

MOHCD predevelopment loan: The Project’s \$651,500 predevelopment loan with MOHCD is insufficient to carry the Sponsor through to construction closing in 2026. The Sponsor plans to enter into a low-interest loan of approximately \$5M from CSH in early 2024 to cover predevelopment expenses not covered by SFHAF and MOHCD.

6.4.2 Predevelopment Uses Evaluation:

Predevelopment Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Acquisition Cost is based on appraisal	Y	Acquisition Cost is \$100,463 unit based on preliminary unit mix estimate. Appraised value is \$21,800,000
Architecture and Engineering Fees are within standards	N	The Sponsor has projected \$1.5M for architecture and other design consultants and engineering, which is 1% of the total construction costs. See Below
Construction Management Fees are within standards	N	Fee is \$60,000 covering a 2.5 year predevelopment, which is approximately

		\$2k per month, significantly lower than the \$4k monthly allowed in MOHCD Guidelines
Developer Fee is within standards	N	Total Dev Fee is \$200,000 This is below the MOHCD standard. Sponsor should adjust schedule to allow for maximum \$550k payout during predevelopment.
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 6.5%.

As previously mentioned, The Project underwriting for this request is based solely on the response from the Sponsor to the NOFA. The information above represents where the Sponsor meets or does not meet MOHCD underwriting guidelines.

6.5 Potential/Proposed Permanent Financing. Permanent financing being presented to demonstrate the project’s overall feasibility but is not intended to be presented for approval at this time. Sponsor will request full approval as part of MOHCD’s gap Financing commitment.

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

- MOHCD Acquisition Loan: \$23,348,500. This covers the purchase price of \$21.7M as well as funds for legal fees, transfer tax, and possibly SFHAF interest. Upon transfer of the Site to MOHCD at construction close, this will be considered paid in full.
- MOHCD Gap Loan: \$52.5M in MOHCD Gap funds, which equates to \$243k per unit. The Sponsor will return at preliminary gap with a more refined number. Current comparable projects in MOHCD pipeline are showing at about \$10k more per unit, so this gap amount is in line with MOHCD standards. At \$673/sf and \$589K/unit, it is right on par with the comps average. The cost estimate factors in 10% escalation for a construction start of January 2027. With current flattening of costs in some construction sectors and reduction of market rate real estate production, this escalation may be a reasonable assumption, but this will need to be reassessed through the predevelopment period.
- 4% Tax Credit Equity (\$58,688,342): Equity Investor TBD. Sponsor is assuming \$0.96 in federal credit pricing. Considering the market and recent pricing from projects in the MOHCD pipeline, this amount appears conservative. Should the market improve an increase in equity would assist in reducing the overall gap. See Section 9.4, Recommended Loan Conditions.

The Project could leverage approximately an additional \$15.8MM in state tax credit equity which would lower the MOHCD gap significantly. The Sponsor will evaluate this option when returning to MOHCD for preliminary gap commitment.

In addition, the Project is not showing the commercial build out as a community facility, which could also garner more tax credits, and thereby reduce MOHCD debt. Sponsor will evaluate this option prior to preliminary gap.

- MHP Loan (\$35,000,000): 55 years, 3% simple interest rate with a 0.42% mandatory payment, and residual receipts payments. The project does meet the MHP scoring priorities of high resource area. Additionally, the high unit count and high rent neighborhood deliver a large public benefit and relatively high subsidy efficiency score which will allow the project to be very competitive for MHP financing. The preliminary MHP tie-breaker for the project is 74.98% and the project would also score high points due to its High Resource location. Moreover, the project can apply under the BIPOC set-aside for MHP financing.
- IIG (\$7,500,000): Sponsor has assumed an IIG application award of \$7.5M, which is the maximum amount allowed under the Qualified Infill Project guidelines currently. The Sponsor anticipates applying for IIG funds with MHP funds through a HCD Super NOFA application. Due to the project's competitiveness with MHP, the project will inherently be competitive for IIG.
- AHP Grant (\$1,000,000): 15 years, 0% interest. The Sponsors plan to apply closer to gap financing approval, and if not awarded, will continue to apply as many times as possible prior to the temporary certificate of occupancy ("TCO") is issued for the development. As a condition, Sponsors will provide an analysis by the next AHP round.
- Private Mortgage (\$4,630,000): Mortgage is supported by the rents from non-LOSP units and SOS units. Mortgage is underwritten with 30-year term, 30-year amortization, at an all-in interest rate of 6.70%. In the current interest rate environment, it is recommended that the Sponsor explore adding an interest rate cushion. Current DSCR is over 1.3 in the 1st year and stays above 2.0 throughout the 20-year term. Per MOHCD assumptions on the proforma, it appears that the Sponsor could take on additional debt, upwards of \$6m to offset MOHCD subsidy. The Sponsor will return to MOHCD at preliminary gap with more refined numbers and reduce the DSCR to about 1.0 in year 17.

- Deferred Developer Fee (\$25,293): The Sponsor will receive deferred fee that is paid out by year 3.
- General Partner Equity (\$5,357,287): Sponsor is only required to provide \$100 in GP equity, but the additional GP Equity helps the Sponsor leverage an additional \$2,056,954 in tax credit equity. The Sponsor can take advantage of this additional ask for tax-exempt bonds because it meets the scoring priorities for a high resource project.
- Interim Use Income (\$720,000): This income is expected over a period of 32 months and will cover holding costs such as property taxes and insurance during that time.
- Construction Loan (\$86,700,000): 31 months, 6.40% interest rate. This loan would be funded through proceeds from a tax-exempt bond allocation. Referenced here although this is not a permanent source.

6.5.2 CDLAC Tax-Exempt Bond Application. The Project scoring will be eligible to compete in the ELI/VLI set-aside within the New Construction pool and the Bay Area’s geographic set-aside. The Sponsors will apply to CDLAC-TCAC in 2026 for a 2026 allocation with an approximate \$86.7 million tax-exempt bond request, scoring 120 total points, with a tiebreaker of 167.7% (based off the 2022 tiebreaker calculation). Based on the current scoring system for CDLAC, this score appears to be very competitive.

CDLAC Self-Score	
Opportunity Map Resource Level	TCAC/HCD Opportunity Map: High (In QCT/DDA)
TCAC Housing Type (new construction only)	TCAC regs: Senior
Bond Allocation Request Amount	\$86.7M
Total Self-Score (out of 120 points)	120
Tiebreaker Score	167.7%

6.5.3 HOME Funds Narrative. N/A. No HOME Funds contemplated.

6.5.4 Commercial Space Sources and Uses Narrative. The Sponsor included the AHDCC as part of the NOFA response, recognizing the need for senior support in the Outer Sunset. The Sponsor anticipates the commercial shell to cost \$4.7M,

including \$2.7M for cold shell construction and another \$2M for warm shell. No tenant improvements are shown in the budget. The contingencies associated with the commercial build out vary and do not seem to be in line with MOHCD underwriting. At the NOFA application, the Sponsor showed all costs being funded by Tax Credits.

The Project Sponsor will refine the budget and look for sources to offset the construction costs by Gap. Sponsor will provide a detailed commercial budget to MOHCD for approval prior to preliminary gap.

In addition, the Sponsor is reviewing the possibility of applying for funds under the Strategic Growth Council’s (SGCs) Community Resilience Centers (CRC). If the CRC is an option, in tandem with the ADHCC, then SGC will pay for the commercial portion and provide ongoing program support. The Sponsor will provide more information by preliminary gap.

6.5.5 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit are within standards	Y	\$589,684unit
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5.9% Design Contingency is 2% Plan Check Contingency is 6.1% Escalation of 10.1%
Architecture and Engineering Fees are within standards	N	See predevelopment uses. Sponsor should consider updating costs.
Construction Management Fees are within standards	Y	Total cost is \$175K, for 31 months construction period. Monthly cost is \$5,645, which is below MOHCD’s \$6,000 monthly threshold during construction.
Developer Fee is within standards, see also disbursement chart below	Y	Total Dev Fee is \$1,100,000 Total At-Risk Dev Fee is \$1,100,000 GP Equity \$5,357,287 Deferred Fee \$25,293
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 5.8% This amount is too low considering the extended development period. This should be increased to MOHCD minimum of 10%
Consultant and legal fees are reasonable	N	Sponsor is carrying \$50k for permit expediter but will need to reduce to \$15k per MOHCD underwriting guidelines.
Construction Loan Interest is appropriately sized	TBD	too early to know interest rates for 2026
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is \$735,614 which is equal to approximately 3 months

Other Capitalized Reserves are reasonable	N	Lease Up reserves of \$573,389 Rent up Costs are \$452,000 See Below
Entitlement Fees	N	\$2,410,836 are higher than typical which would be roughly 1% of the total construction costs or roughly \$1.4M. The PGE fee of \$1.9M is also higher than typical, but there is the potential that, because there has not been much new construction in this area, PGE may need to build out more infrastructure and the project may incur some of those costs.
Furnishings	N	Sponsor is not carrying any costs for furnishings. Per MOHCD Underwriting Guidelines, the Project will need to include upwards of \$800k for unit furnishings for the PSH units, and common area furnishings.
Lease Up Reserves	N/A	\$573,389, estimated at \$2000 per unit, plus \$20k for leasing office. MOHCD staff believe this cost is high, but Sponsor noted this is likely insufficient for a building this size. Sponsor will work with MOHCD to refine this number before preliminary gap.
Rent Up Costs	N/A	\$452,000 This is also higher than anticipated and will be refined prior to gap.

6.5.6 Developer Fee Evaluation. Below is the total developer fee with a breakdown by milestone of the payment of the developer fee to the Sponsor:

Total Developer Fee:	\$7,582,580	
Amount of Remaining Project Management Fee:	\$1,100,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,100,000	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	\$0	
Amount of Fee Deferred (the "Deferred Fee"):	\$25,293	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$5,357,287	
Milestones for Disbursement of Developer Fee payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Project Management Fee: Acquisition/Predevelopment Closing	\$165,000	15%
Predevelopment milestone #1: Entitlement Approval	\$165,000	15%
Predevelopment milestone #2: Submission of HCD Funding Application	\$110,000	10%
Predevelopment milestone #3: Submission of CDLAC and TCAC Application	\$110,000	10%
At Construction Closing	\$220,000	20%
Construction Completion	\$220,000	20%

Milestones for Disbursement of that portion of Developer Fee defined as At-Risk Fee		Percentage At Risk Fee
95% lease up and draft cost certification	\$220,000	20%
Permanent Conversion	\$550,000	50%
Project Close-out	\$330,000	30%
Milestones for Disbursement of that portion of Developer Fee defined as Commercial Fee	N/A	Percentage Commercial Fee

The Sponsor has not requested the maximum amount of predevelopment developer fee of \$550,000. MOHCD suggests the Sponsor reevaluate the budget.

Project Sponsor is not requesting a commercial fee at this time but is eligible to take it. The Sponsor will return with updated numbers at preliminary gap commitment.

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

7.1 Annual Operating Budget. The annual operating budget being presented to demonstrate the Project’s overall feasibility but not intended to be presented for Loan Committee approval at this time. Sponsor will return to Loan Committee at Preliminary Gap.

The Project is currently estimating first year operating expenses in 2028 of \$3,021,842, around \$13,990 PUPA, including debt service and minimum HCD debt payments. Currently, the Project does not go negative and shows a 2.116 in year 17 and 2.34 DSCR in year 20. Due to this higher DSCR, the Sponsor will need to take on more debt to lower MOHCD’s gap and bring the DSCR in line with MOHCD Underwriting Guidelines.

In addition, the Project team should apply for additional subsidy to solidify the Project budget for future years, including Continuum of Care (CoC) funding for a portion or all of the PSH units.

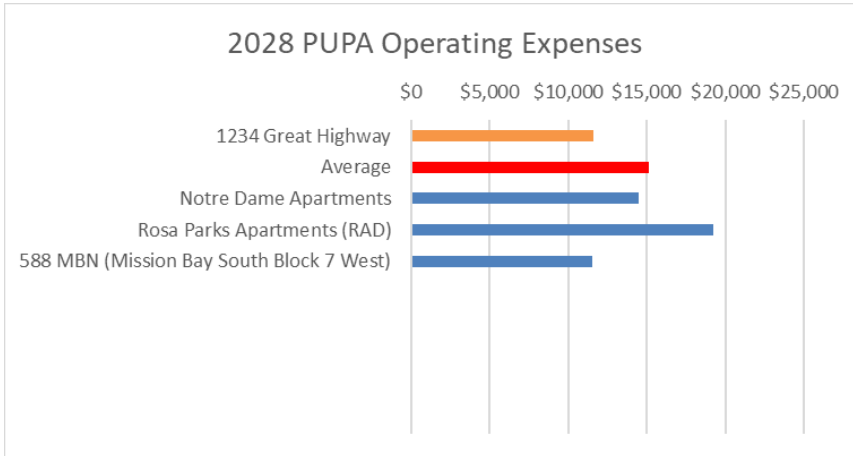
As noted above, the budget presented will need to be refined through the predevelopment period and building design.

LOSP rents paid by tenants trend at 1% increase per year. The Project is requesting LOSP operating subsidies to support 107 units. The LOSP subsidy is projected at \$439K for the first half year going up to over \$882k for the next full year. The 15-year LOSP contract is estimated at \$18,157,174.

At present, the Sponsor is showing 87 SOS units, but this should be reduced to 86 units, or 40% of the total units available to tenants. The tenant paid rent for the 87 SOS units trend at 2.5% increase a year, with SOS payment increasing by the SOS Manual amount of 4%, for a total 15-year contract of \$23,749,818. However as noted elsewhere, the SOS program is fully committed at present. Sponsor and MOHCD will need to identify other sources of funding to support these units.

The remaining 21 units will be for rents between 50 and 60% MOHCD AMI. Historically, MOHCD has seen difficulty leasing up 60% AMI units for seniors as many seniors applying to housing have lower AMIs. The Sponsor will seek additional sources of operating support for lower AMI tenants, such as VASH.

7.2 Annual Operating Expenses Evaluation.



In review of the Operating Budget and comparing against other Projects, the Per Unit Per Annum (PUPA) expenses are lower than most other projects in MOHCD portfolio. As noted previously, the Project underwriting for this request is based solely on the response from the Sponsor to the NOFA. The information below represents where the Sponsor meets or does not meet MOHCD underwriting guidelines. The Sponsor will work with MOHCD staff to bring Projects budget in line with guidelines before the closing of the MOHCD acquisition and predevelopment loans. The complete OPEX will be presented for final approval by preliminary gap.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is between minimum 1.10:1 and maximum 1.15:1 at year 15	N	DSC is 1.22:1. Sponsor will work to bring DSCR in line with MOHCD Underwriting Guidelines
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	N	DSCR stays above 2.34:1 in year 20. Sponsor will work to bring DSCR in line with MOHCD Underwriting Guidelines
Vacancy meets TCAC Standards	Y	Vacancy is 5%
Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 2.5% for non-LOSP, LOSP escalation is 1% for tenant rents, SOS income is at 4%
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	N	Total Operating Expenses are \$13,990 per unit; this is significantly less than other projects in MOHCD pipeline
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$152,928 or \$61 PUPM
Property Management staffing level is reasonable per comparables	Y	1 FTE General Manager, 2 FTE Assistant General Managers, 4.2 FTE Desk Clerks, 2 FTE Janitors and 3 FTE Maintenance staff
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$24,280/yr. Annual PM Fee is \$25,720/yr.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year
Limited Partnership Asset Management Fee meets standards	Y	\$5,000 per year. Cost does not escalate.

LOSP Allocation: The Sponsor currently allocates 50% of costs to the LOSP units in the Operating Budget. This is in line with MOHCD and HSH’s guidelines. Any changes to the allocation in the future will need to be reviewed and approved by both MOHCD and HSH.

Management Fee: \$61per unit per month, within HUD schedule but is low considering the population. Sponsor to confirm and adjust by Gap.

Property Management Staffing (\$203,808): 1 General Manager and 2 assistant managers, which is reasonable for a project of this size.

Office Salaries (\$30,735):This is for compliance specialist and seems reasonable considering the size of the Project.

24/7 Desk Coverage (\$200,928): This is showing under the security line item and is in line with other 24/7 desk projects in MOHCD pipeline.

Insurance (\$157,951): This seems low for a Project of this size and the Sponsor should obtain reliable quotes before preliminary gap. Sponsor will provide evidence of insurance quote by end of year 2023 in order to forecast OPEX in the future.

Utilities (\$376,844): Considering that half of the Project is permanent Supportive Housing, these costs look lower than expected. MOHCD to work with Sponsor to bring these costs in line with other projects in MOHCD pipeline.

Commercial Operations: The Sponsor showed \$150k in annual income for the ADHCC with a triple net lease, with SHE paying their share of the Common Area Maintenance (CAM) costs. The Sponsor also assumed a 50% vacancy, which is a MHP requirement in the NOFA application. All surplus cash will be rolled into the affordable housing operations.

The proposed rental income for a community servicing use is higher what is typical. The Sponsor will work with MOHCD to refine the income and expenses assumptions.

7.3 Capital Needs Assessment & Replacement Reserve Analysis. N/A. New Construction.

7.4 Income Restrictions for All Sources. The table below summarizes the equivalent affordability restrictions from all funders, including those that will be proposed to HCD in the MHP application, and will be used at the time of marketing to determine the most restrictive income and rent levels.

NON-LOTTERY	No. of Units	MOHCD	TCAC	HCD
Studio – LOSP	23	50% MOHCD AMI	25% TCAC AMI	25% TCAC AMI
1 BR – LOSP	31	50% MOHCD AMI	25% TCAC AMI	25% TCAC AMI
Studio – LOSP	24	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
1 BR – LOSP	32	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
Sub-Total	110			
LOTTERY				
Studio-SOS	18	60% MOHCD AMI	20% TCAC AMI	20% TCAC AMI
1 BR-SOS	25	60% MOHCD AMI	20% TCAC AMI	20% TCAC AMI
Studio-SOS	24	60% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
1 BR-SOS	32	60% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
Sub-Total	87			
Studio	5	55% MOHCD AMI	50% CTCAC AMI	50% CTCAC AMI
1 BR	6	55% MOHCD AMI	50% CTCAC AMI	50% CTCAC AMI
2 BR	3	55% MOHCD AMI	50% CTCAC AMI	50% CTCAC AMI
2 BR	3	60% MOHCD AMI	60% CTCAC AMI	60% CTCAC AMI
Sub-Total	17			
STAFF UNITS				
1 BR	2	N/A	N/A	N/A
TOTAL	216			
PROJECT AVERAGE		37.85%	30%	30%
AVERAGE FOR LOTTERY UNITS ONLY		59.33%	30%	30%

7.5 MOHCD Restrictions:

Unit Size	Maximum Income Level (MOHCD Income Level)					Manager Units	Total
	15%	20%	55%	60%			
0 BR	23	24	5	37		89	
1 BR	31	32	6	50	2	121	
2 BR			3	3		6	
						216	

8. SUPPORT SERVICES

8.1 Services Plan. Pending HSH approval of the services plan, TNDC and SHE will deliver a comprehensive wrap-around model of support services through a 1:20 ratio of Social Workers for the LOSP units, for a total of 7 FTE social workers, 0.6 FTE Healthy Aging Coordinator and 0.5 FTE Food Security Programming Coordinator. Supportive services include Intakes and Assessments, Case Management, Supportive Counselling, Individualized Service Planning, Benefits Counseling, Job Training and Employment Counseling, Immigration Assistance, Health Insurance Counseling, Crisis Intervention, Mediation, Housing Stabilization and Eviction Prevention. The Healthy Aging Coordinator will work in partnership with the site-based Social Workers to develop and deliver evidence-based community engagement activities that support the growth and development of the community through onsite workshops, classes, and groups. The Food Security Program Coordinator will work to create a more equitable food system that fosters connection within and among residents, supporting the City’s food security network by improving food access and food security.

7 FTE social workers will be on Site to serve all tenants Monday through Friday from 8.30am to 7pm, with flexibility for making appointments outside of the regular hours, and on-call at all other times to respond to emergencies.

The HSH ratio for FTE to unit is 1:25. The MOHCD standard is 1:75 for non-homeless units. Sponsor will work with MOHCD to bring FTEs in line with both HSH and MOHCD standards before preliminary gap.

8.2 Services Budget. The annual budget allocated for supportive services from HSH is \$1,296,000, and the property’s operations budget allocation is \$87,060, for a total of \$1,383,060 for supportive services.

8.3 DPH/HSA Assessment of Service Plan and Budget. This is a preliminary plan and budget. The Sponsor will work with MOHCD and HSH to approve the plan and budget during predevelopment and before gap.

9. STAFF RECOMMENDATIONS

9.1 Proposed Loan/Grant Terms.

Financial Description of Proposed Acquisition Loan	
Acquisition Loan Amount:	\$23,348,500
Loan Term:	3-5 years
Loan Maturity Date:	2027-2029
Loan Repayment Type:	Upon Land Transfer
Loan Interest Rate:	0%

Financial Description of Proposed Predevelopment Loan	
Loan Amount:	\$651,500
Loan Term:	3 years
Loan Maturity Date:	2027
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%

9.2 Recommended Loan Conditions.

9.2.2 Prior to end of 2023:

- Section 3.2: Create a detailed community engagement plan before the end of 2023 and update quarterly.
- Section 3.3: Sponsor must provide evidence of Prop I sign posting thirty (30) days prior to the Loan Agreement being signed by Mayor, projected end of November.
- Section 4.7: MOHCD will require Sponsor to provide a more detailed interim use budget before the end of 2023.
- Section 7.2: Sponsor will provide evidence of insurance quote by end of 2023 in order to forecast OPEX in the future.

9.2.3 Prior to Initial Predevelopment and Acquisition Disbursement:

- Section 1.3.4: Sponsors to provide a more refined racial equity vision to include a plan for engaging Black, Brown and Indigenous communities.
- Section 1.3.6: Assign Project Manager.
- Section 2.5: Sponsor to provide evidence of UST removal to MOHCD.
- Section 6.4.2: Sponsor must provide updated predevelopment and gap budgets that are in concurrence with MOHCD underwriting guidelines.
- Sponsor form Limited Partnership to borrow predevelopment portion of the \$24M MOHCD loan

- Provide MOHCD closing statement from Title Company showing SFHAF payoff amount with breakdown of costs.
- Provide a request for funding using the MOHCD draw funding request documents and including all invoices paid with SFHAF funds.
- Sponsor to update the MOHCD budget workbook to comply with Underwriting Guidelines around 1) full predevelopment period costs including increased developer fee during predevelopment, architecture and engineering, construction representative, remove property tax payment from MOHCD predev loan, 2) update permanent sources and uses to reduce public art amount, 3) update operating budget to add reserve deposits during operations and update the cashflow to reflect the MOHCD-allowed debt service coverage ratio.

9.2.4 Prior to Starting Closing Calls: Sponsor must provide MOHCD review of all raw financial data from developer or financial consultant prior to selection; provide for MOHCD review and approval of all selected investors and lenders; and provide for MOHCD review and approval of all Letters of Intent from financial partners.

9.2.5 Prior to Prelim Gap Financing Application:

- Section 6.5.1: The Project could leverage approximately an additional \$15.8MM in state tax credit equity which would lower the MOHCD gap significantly. The Sponsor will evaluate this option.
- Section 6.5.1: Refinement of annual operating budget to bring DSCR and other MOHCD underwriting requirements in line with guidelines.
- Section 6.5.1: The Project is not showing the commercial build out as a community facility, which could also garner more tax credits, and thereby reduce MOHCD debt. Sponsor will evaluate this option prior to preliminary gap.
- Section 6.5.1: AHP Grant (\$1,000,000); The Sponsors plan to apply closer to gap financing approval, and if not awarded, will continue to apply as many times as possible prior to the temporary certificate of occupancy is issued for the development.
- Section 6.5.4: The Sponsor will provide more information on feasibility of CRC funding by preliminary gap.
- Section 6.5.4: Sponsor will provide a detailed commercial budget to MOHCD for approval prior to preliminary gap and look for sources to offset the construction costs by Gap
- Section 7.2: Insurance; Sponsor to obtain reliable quotes before preliminary gap.
- Section 8.1: Sponsor will work with MOHCD to bring service provider FTEs and budgets in line with both HSH and MOHCD standards before preliminary gap.
- Section 8.3: Sponsor must provide MOHCD and HSH with a services plan and budget with proposed staffing levels that meet MOHCD

underwriting standards and HSH guidelines prior to gap loan approval. Any changes to the current proposed plan and budget will need to be represented to MOHCD and HSH at least 90 days prior to preliminary gap loan approval (estimated May 2025).

- Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines, including the budget for Public Art.
- Sponsor must work with MOHCD staff and Project's General Contractor to Value Engineer construction budget with the goal of continually reducing construction costs inclusive of contractor contingency, bid contingency and escalation to start of construction.

9.2.6 On-Going:

- Section 6.4.2: Predevelopment funding with third party to be approved by MOHCD prior to execution of loan documents.
- Sponsor must provide MOHCD with detailed monthly updates via the MOHCD Monthly Project Update, including on (1st report due January 10, 2024):
 - a. Community outreach and engagement plan,
 - b. Outcomes achieved related to racial equity goals
 - c. Interim use
- Sponsor must provide quarterly updated response to any letters requesting corrective action.
- Sponsor to provide self-scores for all third-party funding requests.
- Sponsor must apply for any other higher value rent and operating subsidies available including Continuum of Care contracts or Project Based Vouchers.

9.2.7 12 Months Prior to TCO:

- Section 4.11: Since SHE's experience is primarily in Asian communities MOHCD will require SHE to ensure that extensive efforts are made to engage Black, Brown, and Indigenous communities for interest in the affordable housing. TNDC and SHE will provide a detailed outreach and marketing plan by no later than 12 months prior to issuance of TCO.
- Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
- Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps 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 Black, Brown and Indigenous San Franciscans.
- Sponsor must provide along with the marketing plan, a marketing and lease-up staffing plan, outlining steps will be taken to hire, on-board, and train staff assigned to market the project and lease units.

- 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.

10. LOAN COMMITTEE MODIFICATIONS: NONE or LIST HERE.

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

- Attachments:
- A. Project Milestones/Schedule
 - B. Borrower Org Chart
 - C. Developer Resumes
 - D. Asset Management Analysis of Sponsor
 - E. Threshold Eligibility Requirements and Ranking Criteria
 - F. Site Map with amenities
 - G. Elevations and Floor Plans, if available
 - H. Comparison of City Investment in Other Housing Developments
 - I. Sources and Uses
 - J. Development Budget

REQUEST FOR ACQUISITION TAKE OUT AND PREDEVELOPMENT FINANCING FOR 1234 GREAT HIGHWAY

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

Fri 10/13/2023 11:45 AM

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

approve

Eric D. Shaw

Director/ Interim Director HopeSF

Mayor's Office of Housing and Community Development

City and County of San Francisco

1 South Van Ness Avenue, 5th Floor

1234 Great Highway

Kayhan, Dariush (HSA) <dariush.kayhan1@sfgov.org>

Fri 10/20/2023 2:03 PM

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

Cc: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>; Menjivar, Salvador (HOM) <salvador.menjivar1@sfgov.org>

I support Tenderloin Neighborhood Development Corporation and Self Help for the Elderly's request for \$23,348,500 for Acquisition and \$651,500 for Predevelopment (Total Funding \$24,000,000) for 1234 Great Highway.

Thank you,

Dariush

Dariush Kayhan
Acting CoC Housing Manager
Dariush.Kayhan1@sfgov.org
415-565-1559

Request for Acquisition Take Out and Predevelopment Financing for 1234 Great Highway

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

Thu 10/26/2023 12:05 PM

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

Cc: Ely, Lydia (MYR) <lydia.ely@sfgov.org>; Shaw, Eric (MYR) <eric.shaw@sfgov.org>; Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>; Slutzkin, Marc (CII) <marc.slutzkin@sfgov.org>

Hi Vanessa,

I approve the above request on behalf of OCII.

Thanks!

Best Regards,

Thor



Thor Kaslofsky

Executive Director

One South Van Ness Avenue, 5th Floor

San Francisco, CA 94103

415.749.2588

thor.kaslofsy@sfgov.org

www.sfocii.org

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

REQUEST FOR ACQUISITION TAKE OUT AND PREDEVELOPMENT FINANCING FOR 1234 GREAT HIGHWAY

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

Fri 10/13/2023 11:44 AM

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

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

Approve

Bridget Katz

Deputy Director, Office of Public Finance

Controller's Office | City & County of San Francisco

Office Phone: (415) 554-6240

Cell Phone: (858) 442-7059

E-mail: bridget.katz@sfgov.org

- K. 1st Year Operating Budget
- L. 20-year Operating Pro Forma

Attachment A: Project Milestones and Schedule

Performance Milestone	Estimated or Actual Date	Contractual Deadline
Prop I Noticing (if applicable)	<u>10/16/2023</u>	
Acquisition/Predev Financing Commitment from MOHCD	<u>10/13/2019</u>	
Site Acquisition and SFHAF closing	<u>10/7/2023</u>	_____
Development Team Selection		
Architect	<u>1/1/2024</u>	
General Contractor	<u>1/1/2024</u>	
Owner’s Representative	<u>1/1/2024</u>	
Property Manager	<u>4/7/2023</u>	
Service Provider	<u>4/7/2023</u>	
Design		
Submittal of Schematic Design & Cost Estimate	<u>Q2 2024</u>	_____
Submittal of Design Development & Cost Estimate	<u>Q4 2024</u>	
Submittal of 50% CD Set & Cost Estimate	<u>Q2 2025</u>	
Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>Q3 2025</u>	
Environ Review/Land-Use Entitlements		
CEQA Environ Review Submission	<u>N/A</u>	
NEPA Environ Review Submission	<u>N/A</u>	
CUP/PUD/Variances Submission	<u>N/A</u>	
Permits		
Building / Site Permit Application Submitted	<u>Q4 2024</u>	_____
Addendum #1 Submitted	<u>Q2 2025</u>	
Addendum #2 Submitted	<u>Q2 2025</u>	
Request for Bids Issued	<u>Q2 2025</u>	
Service Plan Submission		
Preliminary	<u>1/1/2024</u>	
Interim	<u>1/1/2025</u>	
Update	<u>June 2026</u>	
Additional City Financing		

Preliminary Gap Financing Application	<u>May 2025</u>	
Gap Financing Application	<u>May 2026</u>	
Other Financing		
MHP Application	<u>July 2025</u>	
Construction Financing RFP	_____	
AHP Application	<u>March 2025</u>	
CDLAC Application	<u>February 2026</u>	
TCAC Application	<u>February 2026</u>	
HUD 202 or 811 Application	_____	
Other Financing Application	_____	
Closing		
Construction Closing	<u>December 2026</u>	
Permanent Financing Closing	<u>December 2029</u>	
Construction		
Notice to Proceed	<u>December 2026</u>	_____
TCO/Cert of Substantial Completion	<u>Dec 2028</u>	_____
Marketing/Rent-up		
Marketing Plan Submission	<u>Jan 2028</u>	_____
Commence Marketing	<u>Sept 2028</u>	
95% Occupancy	<u>July 2029</u>	_____
Cost Certification/8609	<u>Sept 2030</u>	
Close Out MOH/OCII Loan(s)	<u>Dec 2030</u>	

Attachment B: Borrower Org Chart



Attachment C: Developer Resume

1234 Great Highway Experience Narrative

Developer Experience

Tenderloin Neighborhood Development Corporation (TNDC) and Self Help for the Elderly (SHE) are excited to develop the 1234 Great Highway senior project in the Outer Sunset District where the construction of new housing has been extremely imbalanced, favoring market rate development over much needed affordable units. This partnership combines our organizations' strengths and will help deliver a high-quality, community supported, affordable housing project for seniors.

As co-developer, SHE will bring over 57 years of experience of working with seniors to various aspects of the development process, including design and community engagement. SHE is recognized as a community leader among seniors in the AAPIL community. Their project team has a strong presence in District 4, and will bring their language skills and community organizing expertise to both the development and community outreach strategy.

TNDC has developed more than 4,600 homes across seven San Francisco neighborhoods, which includes 900 homes for seniors, in its 42-year history as an affordable housing provider. By 2024, TNDC expects to house some 10,000 people in over 5,200 homes, nearly double the number ten years prior. Over 20% of TNDC's portfolio houses people and households coming from direct experiences of homelessness. The development team has completed numerous 100% affordable developments of Type I construction utilizing LIHTC financing, on schedule and within budget including:

- TNDC's Eddy & Taylor: A Type I building on an infill lot in the Tenderloin with 113 units of family housing, including 30 units for homeless families and 5 for adults with developmental disabilities. The ground floor has 5,360 square feet of community-serving retail, including a grocery store providing fresh produce.
- TNDC's 681 Florida: A Type I 9-story building in SoMa with 130 units of family housing, including 39 units for homeless families and a 9,250 SF ground floor commercial space dedicated to PDR.
- SHE's Lady Shaw Senior Apartments: A Type I 6-story building in Oakland with 70 units of senior housing and a 4,700 SF senior center, with a parking garage.

TNDC's 18-person development team has expertise to manage risk and create opportunity on complex development sites efficiently and effectively. The team structure includes a housing director, three associate directors, three senior project managers, four project managers, five assistant project managers, a department administrator, and one intern. TNDC's ability to complete complex projects on-time, on-budget, and with the very best financial terms is evidenced by recent completions at 626 Mission Bay, Eddy & Taylor, 681 Florida and 1036 Mission, as well as its track record of successful HCD and TCAC/CDLAC applications. TNDC can also adapt nimbly to changing circumstances, like pivoting to HCD Accelerator funding to close construction on 4200 Geary. When faced with unpredictable challenges like COVID, rising interest rates, and utility providers challenges, TNDC's experienced team has responded quickly to keep projects moving forward while exhausting all non-City resources for cost-overruns first.

It is TNDC's practice to conduct community outreach on all our development projects with the goal of building long-term community. The Daldas grocery store at Eddy & Taylor is an example of how TNDC incorporated community feedback and needs into the development program and is ultimately serving both the 222 Taylor residents and the greater Tenderloin community with fresh, healthy food options. More recently, TNDC has been building strong community partnerships in neighborhoods in the Westside as part of their outreach process on

pipeline projects in D1, D4, and D5, and we will leverage these and SHE’s connections to inform our overall community outreach strategy.

TNDC’s Associate Director of Housing Development, Shreya Shah and Sr. Project Manager, Jackson Rabinowitsh will be staffing the 1234 Great Highway project. Both have the capacity to take on this new project and their combined experience on the 2550 Irving development in the Sunset has provided them with numerous community connections, and lessons learned for how to successfully navigate potential community opposition. Additionally, Shreya and Jackson recently secured a highly competitive HCD MHP/IIG award for Irving and will bring that expertise to the HCD funding application for this site.

Ownership Experience

From its humble beginnings renovating a dilapidated Single Room Occupancy (SRO) residential hotel in 1981, TNDC has grown into the largest community-based development corporation in San Francisco. TNDC owns over 4,600 affordable homes, 75% of which utilize LIHTC financing, and more than 20% house the formerly homeless. TNDC also promotes the economic vitality of the neighborhoods where it operates by providing 100,000 square feet of ground-floor retail space in its buildings.

Over the past 42 years, TNDC has developed a track record of success through housing, advocacy, and support services to create opportunities for the lowest-income members of our community. Our success is in part the result of an operating principle that maintaining a financially sustainable organization is critical to meeting our mission. Our continued financial strength allows us to invest in programs and people, to take risks and to avoid disruptions due to short term volatility. Our sustainability derives from diverse streams of revenue and a disciplined approach to operations.

Our asset management function crosses many departments across TNDC including accounting, compliance, facilities, sustainability, and housing development. TNDC’s Asset Management Department is closely entwined with our in-house property management team. Asset Management is staffed with 3 FTE’s including a Director of Asset Management and two Asset Managers. Each Asset Manager manages a portfolio of 22-24 projects, with an average number of units per project of 83. Based on the existing staff knowledge and experience, TNDC’s team currently has capacity for additional projects per FTE and can therefore take on additional portfolio properties including 1234 Great Highway and is prepared to hire a fourth FTE when necessary. The department is overseen by TNDC’s Chief Financial Officer, Roxanne Huey.

To affect financial goals, the Department monitors medium and long-term financial performance, conducts investor and lender reporting, reviews annual operating budgets, defines property-specific surplus cash goals, writes property asset management plans, manages partner exits, lender/investor reporting and portfolio re-investment planning.

Property Manager Experience

Since 1981, TNDC has been managing affordable housing to the highest standard of quality, care, and compliance. TNDC’s Property Management Department, comprised of more than 350 employees provides property management services to over 6,300 residents in approximately 4,600 units throughout our 47-building portfolio. 75% of TNDC’s portfolio utilizes LIHTC financing and 30% of TNDC’s tenants come from direct experiences of homelessness.

“Housing First” is one of the three pillars by which TNDC approaches our work (along with Harm Reduction and Cultural Humility). The tenant application process is continuously

reviewed and updated to accommodate low barrier entry as part of the Harm Reduction philosophy upheld by the organization. For example, applicants are not disqualified based on a lack of credit history or lack of income or due to a history of drug use. TNDC was the first non-profit to implement a precursor to the “Fair Chance Ordinance” in 2012 at Kelly Cullen Community. Using a low-barrier tenant selection process, TNDC reduced the denial ratio from 50% to 6%.

A key element of our management practice is that building management staff work closely with the building’s on-site support services staff to ensure residents retain their housing. TNDC has a multi-step process for resolving lease violations and building conflicts. Property management and on-site social workers meet weekly to discuss tenant and community issues, such as non-payment of rent, nuisance behavior, and other issues that may impact housing stabilization and retention. This integrated approach to housing retention is successful as evidenced by our 99% retention rate among households that have been housed for 12 months or longer. Across TNDC’s portfolio of homeless units, the eviction rate is under 2%.

TNDC endeavors to achieve cost efficiency by using resources to maximize staffing capacity and reduce fixed operational expenses. At TNDC, there are over 100 capital improvement projects across the portfolio each year, to ensure longevity of our properties. By conducting preventative maintenance inspections, and following up with corrective actions, our goal is to create a stress-free, safe and comfortable environment for our residents. TNDC is a member of Omnia Partners, a network which gives us access to product discounts on building maintenance materials and services from leading national providers. Our size allows us to leverage favorable pricing amongst local vendors by negotiating enterprise level contracts under a single agreement, allowing for cost savings in operations.

For operational efficiency, TNDC uses a 3rd party company for trash management which has proven to cut time spent by on-site maintenance in trash handling, while increasing collection of recycling and compost and reducing landfill waste. TNDC is recognized by HUD’s Better Building Challenge for reducing energy and water consumption by 20%, and the Department of Energy for our work in environmental care.

Services Provider Experience

Since 1996, TNDC’s Tenant and Community Services social workers have been providing culturally responsive support services to its tenants. Our unique approach to supportive housing combines safe, affordable homes with free, voluntary, on-site, culturally responsive, and confidential services. TNDC tenant services team has 27 years of experience serving diverse populations within TNDC’s housing portfolio, including over 900 units for seniors and 200 units that serve formerly homeless seniors. The TNDC Social Work team attracts top talent and has a high staffing retention rate.

TNDC centers equity and believes that equal access to resources and services is a cornerstone to social justice and remains wholly committed to delivering high quality services to all of its tenants. TNDC's Tenant and Community Services and Property Management staff work closely together to achieve high rates of housing retention. Social Workers assist tenants in the stabilization and maintenance of housing, provide tenants with ongoing individualized support services, and promote the growth of safe and supportive communities. Services staff and property management utilize a homegrown interdepartmental Services Integration Manual (SIM) that is trauma-informed, rooted in cultural humility, and in accordance with the harm reduction model.

The proposed development will provide SHE with an opportunity for capacity building and gain exposure to TNDC’s support services model. Founded in San Francisco’s Chinatown

community in 1966, SHE serves over 40,000 older adults each year with housing, home health care, workforce development, and social services. SHE has experience providing services at their senior center, adult day health care center and their licensed residential care facilities, in addition to services provided via their on-going neighborhood programs. Of the 40,000 residents served by SHE, approximately 97% are people of color. SHE's team are experts at reaching communities of color due to their language and cultural competencies.

In 2021, SHE supported 565 seniors with economic mobility and self-sufficiency through workforce services and 400 seniors with digital literacy training. Moreover, SHE's Social Services Department served over 13,250 clients with case management, translation assistance, housing services, caregiver support, and escort services in 2021. Annually, SHE provides health insurance counseling and advocacy to over 3,000 beneficiaries.

TNDC's Social Work Unit has 41 social workers with extensive experience developing and implementing service plans that meet the needs of a diverse range of populations, including seniors, families, individuals, and people who have experienced homelessness. In 2022 alone, TNDC's Social Workers achieved the following positive outcomes for tenants: facilitated 2,234 referrals, 87% of which resulted in successful collaboration and linkages to the city's safety net of services; supported 650 tenants to address their long-term medical and mental health needs to support their improved health and well-being; assisted 334 households to access additional income and benefits to improve their economic stability; assisted 651 households to submit rental assistance applications to support their economic recovery from the COVID-19 pandemic.

In 2015, TNDC created the Healthy Aging Program to support our senior residents around healthy aging in place. Programs vary from health education and fitness to community events and evidence-based workshops. One evidence-based program, "A Matter of Balance," provides assessments for seniors to prevent future falls and provide assistance that will help them to increase their strength and balance. Additionally, the social workers support the growth of supportive community through social activities, cultural celebrations and health focused workshops like nutrition, cooking, meditation, and health screenings.

The TNDC-SHE services teams are a strong partnership which will deliver wrap-around services centered around inclusivity and cultural sensitivity ensuring positive outcomes for residents.

Racial Equity Experience

TNDC is a mission-driven and values-led organization committed to building a future with economic and racial equity. Our mission is to develop community and provide affordable housing and services for low-income individuals through San Francisco, and to promote equitable access to opportunity and resources. We envision a world where everyone has a stable and safe place to call home – where housing is treated as a human right; where economic status, race, and other social identities do not determine where or how people can live; where everyone has a meaningful voice in the decisions affecting them; and where future generations are better off than the ones preceding them.

TNDC has historically supported underserved communities, especially people with low incomes and people of color from its founding mission of acquiring and removing buildings from the speculative marketplace to curb the displacement of communities of color to its current practices of ensuring that the Tenderloin has the amenities and services needed to sustain a thriving neighborhood. TNDC's tenant population reflects San Francisco's diversity: 33% Asian, 22% White, 21% African American, 18% Hispanic/Latino, 4% American Indian/Alaskan Native, and

3% Native Hawaiian or other Pacific Islander. We support these diverse tenants through a variety of culturally responsive, trauma informed, and harm-reduction services and programs that eliminate barriers. while providing mentoring in the arenas of political and civic life.

TNDC conducts annual tenant satisfaction surveys for onsite support services in multiple languages. Surveys include demographic data so that responses can be disaggregated by race/ethnicity to identify racial disparities in the way clients experience services. These results inform future programming as well as efforts to increase tenant participation in services.

TNDC's commitment to racial equity extends to its housing development goals and operations philosophy. TNDC is experienced with the implementation of COP and neighborhood preference policies. In 2016, TNDC helped the City of San Francisco introduce new federal legislation, the Anti-Displacement Preference, as part of leasing up TNDC's Willie B. Kennedy Apartments. TNDC also works with community partners such as Bethel AME Church, Bayview Senior Services, Bayview Hunters Point Multiservice Center, SOMCAN, and Veterans Equity Center to market directly to COP holders, previously displaced households, and people of color. TNDC ensures people of color are represented and valued at all levels of our organization, influencing policies that dismantle racist structures and build racially and economically inclusive communities.

Since 1966, SHE's core Mission and Vision have been to provide a comprehensive range of affordable housing, adequate livable income through employment and benefits, and a strong, multilingual, and multicultural workforce to support our seniors to age in place. SHE promotes independence, well-being, and dignity for older adults through culturally aligned services and programs in the San Francisco Bay Area.

SHE's clients and staffing illustrate its strong position to serve racially, socially, and economically underserved communities of color. SHE's social services team provides much-needed application assistance for all types of public benefits, housing subsidies, earned income tax credits, and the federally funded Affordable Connectivity Program (ACP) for seniors to get free broadband further removing accessibility barriers for historically excluded communities. SHE's team helped match state-funded Digital Connectors with low-income seniors to provide them with a free computer and basic digital training to enable access to their physicians via telehealth, apply for benefits, access in-language health information, and address many other needs faced by low-income and monolingual, immigrant older adults. SHE's employment and training programs offer appliance repairs, culinary, home health aides, housekeepers, and janitorial cleaning classes for the immigrant community seeking occupational training opportunities to access better-paying jobs. SHE's Hospice Care program, established in 1995, is the only nonprofit hospice agency specializing in serving the needs of the monolingual and limited English-speaking Chinese communities in the Bay Area, and served 35 patients in 2021.

TNDC and SHE are racially diverse organizations: At TNDC, the CEO, 85% of staff, 60% of the Board, and half of our executive staff are people of color. TNDC also works to foster similar diversity amongst our consultant development teams and has partnered with local emerging BIPOC-led businesses on its development projects. SHE is a BIPOC led organization where the CEO, 95% of staff, 90% of the Board and 100% of the executive staff are people of color.

We recognize that the Limited English Proficiency (LEP) and BIPOC communities are usually left behind when they cannot access important benefits, healthcare, and affordable housing opportunities. TNDC and SHE, together have the capabilities and proven record of accomplishment to help these communities gain access to programs and services that they need to age well and age in place at the 1234 Great Highway Project.

Attachment D: Asset Management Evaluation of Project Sponsor

TNDC has 47 projects in its portfolio, with an additional 16 projects in the pipeline including recapitalization. The average units per project ranges from 75-200.

There are three full-time employees. The department is headed by the Senior Asset Manager with two Asset Managers reporting to the Senior Asset Manager, who reports to the CFO. Each of the three employees in the Asset Management Department have a set number of projects in the portfolio. Each is responsible for developing asset management plans for each property, as well as managing the needs and requests of the partner and/or lender in each of the properties, examining opportunities related to the rental structure/operating subsidies, and developing, when necessary, partner exit strategies and/or resyndications and refinancing strategies for those projects that are approaching Year 15.

Members of the Asset Management Department work closely with other TNDC departments. Each project in development in the Housing Development Department has a multidisciplinary “interdepartmental team” to help inform rehab or new construction scopes in which one or more members of asset management participates. Additionally, TNDC has a Recapitalization Workgroup, in which all members of the Asset Management Department attend in order to update senior staff members and the Housing Development Department about asset management plans, partner exit strategies and other asset management related activities, challenges and opportunities.

Attachment E: Eligibility Requirements and Ranking Criteria

The below language was provided in the Site Acquisition and Predevelopment Financing NOFA of January 27, 2023, Section IV – Selection Process, Minimum Capacity and Experience Requirements, Selection Criteria and Scoring, and Submittal Requirements Overview

A. SELECTION PROCESS

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

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

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

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

The Director will then select Project(s) for this funding pool and advise the Mayor of these selections. MOHCD and the selected applicants will enter into acquisition and predevelopment loan agreements with milestone requirements established in accordance with the terms of this NOFA. If MOHCD staff cannot enter into a loan agreement with a selected applicant that is in the best interest of the City, the MOHCD Director may terminate negotiations in his sole discretion. If the MOHCD Director terminates negotiations with a selected applicant, the MOHCD Director reserves the right, in his sole discretion, to (1) negotiate with the next highest ranked Respondent, or (2) reject any and all other proposals, in whole or in part, prior to award, and (3) may re-advertise the NOFA for the full or partial funding amount under such terms the MOHCD Director deems to be in the City's best interest. MOHCD reserves the right to appoint additional parties to the selected applicant team should it be determined that the team lacks representation necessary to the achievement of the goals of the NOFA.

B. MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS

1. Minimum Development Team Characteristics

The proposed applicant team must include the following.

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

2. MINIMUM DEVELOPMENT TEAM EXPERIENCE

Minimum experience must be demonstrated by identifying specific **Qualifying Projects** in which team members have participated, as further described below. The proposed Development Team must submit **Form 5 - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.)

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

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

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

3. MINIMUM DEVELOPER AND OWNER CAPACITY REQUIREMENTS

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

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

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

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

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

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

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

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

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

- **Financial Capacity:** The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit **Attachment F – Financing Terms for Developer's Qualifying Project** documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.
- **Staffing Capacity:** The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. To document this, the proposed Developer must submit a written narrative **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. The proposed Developer must also submit **Attachment G – Projected Staffing Workload Form** to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.
- **Asset Management Capacity:** The proposed Owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions. To document this, the proposed Owner must submit a recent Real Estate Owned (REO) schedule, stating the number of projects and average number of units/project currently in Owner's asset management portfolio, proposed Owner's current asset management staffing (noting job titles), FTEs, and status of each position (filled/vacant), and proposed Owner's organizational chart.

C. MINIMUM PROPOSAL REQUIREMENTS

Eligible Proposals:

2. Must demonstrate **site control by applicant** as evidenced by appropriate documentation (Deed of Trust, Purchase Agreement, Option to Purchase Agreement.) The proposed purchase price must be reasonable in comparison to other sites in the neighborhood, and

- in comparison to other affordable housing sites in the City, and must be supported by an appraisal as part of the application package.
3. Must include a description of proposed interim uses for the Site during the extended predevelopment period through 2026. This should include a description of current structures and uses; what if any structures or amenities will be preserved; and the timeline, budget, and scope of planned interim uses. The budget should include a description of how security and other holding costs have been calculated.
 4. Must include a description of site context: parcel history; current zoning; parcel configuration, including the need for potential parcel mergers; potential historic resources on the site or adjacent to it; and prior uses at the site that may have left environmental impacts. Applicant must include a map of neighboring amenities.
 5. Must demonstrate ability for the project to make use of streamlined entitlements through SB 35 or another streamlining initiative.
 6. Must include the opportunity for the City to eventually own the land as ground lessor under a long-term ground lease structure or some other land dedication/ subdivision mechanism that will insure long-term affordable housing as the primary use of the land.
 7. Must demonstrate overall financial feasibility through inclusion of a Financing Plan. The financing plan must include a detailed Sources and Uses Budget that includes the following and uses the most current version of the MOHCD Underwriting Guidelines, available on the MOHCD website (<https://sfmohcd.org/housing-development-forms-documents>.) The project must be financially feasible, including realistic development and operating budget projections that conform to industry standards, including TCAC minimum standards. Each proposed financing source must be realistic, compatible with MOHCD and all other committed or proposed funding sources, and appropriate for the proposed housing. Applicant must demonstrate that there is a reasonable likelihood that all identified development sources will be secured in a timely manner.
- a. Primary capital funding sources can include 4% low income housing tax credit equity with tax exempt bonds, City subsidy, and Federal Home Loan Bank Affordable Housing Program funds, and that may include any other funding sources developers deem applicable, such as State of California Department of Housing and Community Development (HCD) (for example, MHP and IIG) or CalHFA funds. Do not assume use of No Place Like Home funds. Do not assume access to Section 8 (Housing Choice Vouchers, Project Based Section 8, or Continuum of Care, for example.)
 - b. Rents set at affordability levels appropriate for the target population.
 - a. For the LOSP units serving formerly homeless households, applicants should include a projected rent subsidy amount necessary to ensure affordability and to meet the building's operations and maintenance needs, including adequate reserve deposits, asset management and partnership management fees, mandatory hard debt payments to HCD, if any, and a minimum of 5 years of deferred developer fee, as applicable. For purposes of this projection, developers should assume that the actual tenant-paid portion of rental income is **\$250** per unit per month for formerly homeless households. *Future projections may differ given the proposed tenant population and subsidy program available.*

While a commitment of capital funding does not guarantee an award of local operating subsidies, the City will work with the selected developer to leverage the most appropriate subsidies to serve the target population.

An application submitted under this NOFA is also considered an application for local operating subsidies should those subsidies be made available and are necessary.

- b. For the non LOSP units serving low income households, sponsors may propose rents up to the maximum tax credit eligible rent under the HUD Unadjusted Metro Fair Market Rent Area that contains San Francisco, as published annually by MOHCD ("MOHCD AMI"). For the LOSP units, sponsors should assume an ongoing rental subsidy sufficient

- to cover difference between \$250/month tenant payment and 60% MOHCD AMI rent levels.
- c. For units serving seniors age 62+ intending to use the SOS Program subsidy, assume that 40% of the senior units will have an SOS contract. Rents to be set at 15% AMI and 25% AMI, with contract growing at 4% annually.
 8. Must demonstrate – through provision of specific examples of inputs used for estimating – that the project’s total development budget, as well as its specific line items, are comparable to recent and similar projects, to industry standards and are compliant with funding source regulations, MOHCD policy and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per bed or bedroom will be examined relative to total development cost, City subsidy, and construction cost.
 9. Must propose the maximum use of available, non-local funds to achieve the highest reasonable financial leveraging of capital resources for the predevelopment, construction and permanent phase. The amount of City funds requested per unit and the actual or proposed level of funds to be leveraged from other sources will be examined.
 10. Must demonstrate competitiveness for State bond and tax credit funds administered by the California Debt Limit Allocation Committee.
 11. Proposals that include any displacement/relocation of residential and/or commercial tenants must include a full relocation plan and budget. Displacement or relocation that is required as a condition of site control is highly discouraged, though in some cases may be justified.
 12. Must budget for a supportive services and housing stabilization component that is appropriate for the needs of the anticipated tenant population, including households who have experienced homelessness, and within either HSH’s or MOHCD’s funding guidelines for the services contract.
 13. Must include a community engagement plan that demonstrates the capacity to generate necessary neighborhood support for the proposed development. Include any evidence of support expressed to date for the project, as well as plans for community engagement going forward. This also needs to cover the entire development period, including interim use and construction work.
 14. Must include an operating budget that includes all expenses necessary to properly operate and maintain the building. This budget should include a service coordinator/connector staff position(s), at 1:100, to assist the non-homeless households. A separate budget should be attached for services that will support the households who were formerly homeless, for which the City will provide funding.
 15. Must provide a construction cost estimate that reflects current construction costs and show escalation assumptions as a separate line item.
 16. Must include a Services Plan and Budget that complies with MOHCD underwriting requirements. The awarded development team will apply for services funding separately at the appropriate time. However, HSH, MOHCD, and OCII, where applicable, collaborate closely on funding decisions in order to maximize the use of City resources. Capital funding decisions under this NOFA will include review and approval by representatives of these agencies. Successful applicants under this NOFA will receive priority for funding from HSH and MOHCD for services and operating subsidies.
- Operating budgets should include up no (and no more than) 1:100 staffing for the non-homeless residents.

- For the units occupied by formerly homeless residents: assume that services for homeless families will be funded separately by HSH through direct contracts with the Projects’ social services providers.
- For the purposes of this NOFA only, respondents should budget \$1,000 per unit per month in services funding for the formerly homeless units. This amount may change during underwriting and services negotiations. Assume 1:20 case management staffing ratios for these units.
- Services funding will be conditioned on continuous compliance with the terms of the Respondent’s Local Operating Subsidies Program (“LOSP”) agreements with MOHCD as well as the support services agreement held by HSH.

17. Must provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use, which can be printed on 8.5” x 11” paper, no more than two (2) pages. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses. Note: This information does not constitute a formal design submission. There is no reimbursement for costs related to this requirement.

D. SELECTION CRITERIA AND SCORING

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

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

	Category	Points
A.	EXPERIENCE:	40
i.	Developer (12 pts) <ol style="list-style-type: none"> 1. Experience with the following: <ul style="list-style-type: none"> o Completing projects on time and on budget o Obtaining competitive financing terms o Developing proposed type of construction o Developing housing for low-income households, including those experiencing homelessness, as applicable 2. Building community support through outreach 3. Current staff capacity and experience to take on this project type 	
ii.	Owner (4 pts) <ol style="list-style-type: none"> 1. Track record successfully owning housing financed with Low-Income Housing Tax Credits 2. Experience owning affordable housing for low-income households, including those experiencing homelessness, if applicable 3. Effectiveness of current asset management structure and staffing, given portfolio size 4. Capacity for assuming asset management of an expanded portfolio once the development is complete 	

iii.	<p>Property Manager (8 pts)</p> <ol style="list-style-type: none"> 1. Experience managing property for low-income households, including those experiencing homelessness, if applicable 2. Experience achieving high rates of housing retention 3. Implements low barrier tenant selection policies consistent with Housing First principles and the HSH Documentation Policy 4. Contributes to long-term sustainability of the development 5. Achieves cost efficiencies in operations 	
iv.	<p>Service Providers (8 pts)</p> <ol style="list-style-type: none"> 1. Experience providing access and delivering services to low-income households, including those experiencing homelessness, if applicable 2. Experience linking residents to the City’s safety net of services 3. Works with property management to achieve high rates of housing retention 4. Supports positive outcomes for residents around health and economic mobility 5. If applicable, provides explanation for service contracts terminated prematurely within the last 5 years 6. Capacity to attract and retain adequate staffing to take on this project 	
v.	<p>Racial Equity (8 pts)</p> <ol style="list-style-type: none"> 1. Experience providing housing to COP holders and neighborhood preference holders 2. Uses innovative approaches to engagement with COP and neighborhood preference holders 3. Demonstrates commitment to racially diverse project development teams 4. Demonstrates experience with serving historically excluded communities of color <ol style="list-style-type: none"> 1. Describes experience providing access and implementing effective service delivery strategies to historically excluded communities of color 	

B. VISION:		60
i.	<p>Site and Project Concept (15 pts)</p> <ol style="list-style-type: none"> 1. Proposes site whose location, size, configuration, and zoning support the development of affordable and permanent supportive housing, including ability to 	

	<p>maximize unit yield in a cost-effective construction type and make use of entitlement expediting such as SB 35.</p> <ol style="list-style-type: none"> 2. Describes vision for a development program at this site, while best achieving the project goals, and includes: <ul style="list-style-type: none"> 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. 3. Indicates populations served by the programs and spaces (families, families experiencing homelessness, young adults, children etc.). 4. Describes the interim use strategy, including contingencies for construction start delays of up to three (3) years 	
<p>ii.</p>	<p>Community Engagement Strategy (10 pts)</p> <ol style="list-style-type: none"> 1. Describes community engagement strategy and includes: <ul style="list-style-type: none"> o The team’s philosophy on community engagement o Process for establishing and/or building positive relationships with surrounding neighbors and the larger community o Efforts designed to engage all interested community members—particularly BIPOC members of the target populations—and including monolingual non-English speaking community members; o How the Development Team intends to comply with the City’s Language Access Ordinance 2. 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. 3. 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) <ol style="list-style-type: none">1. Describes the Development Team’s services delivery strategy and includes:<ul style="list-style-type: none">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.2. 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.3. Describes how services for residents will be coordinated with the existing network of services in the neighborhood and community.4. 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.	
iv.	Finance & Cost Containment Approach (15 pts) <ol style="list-style-type: none">1. Describes the Development Team’s financing approach to the project.2. Describes how project is strategically positioned to successfully compete for State funding resources, including funding from the CA Debt Limit Allocation Committee and Department of Housing and Community Development3. Includes the Team’s process for structuring the project and controlling development costs.4. Includes innovative strategies intended to minimize MOHCD’s projected capital gap financing.5. 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.6. Includes proforma financials.7. Includes project design concept to fact check the financials	

v.	<p>Racial Equity Strategy (10 pts)</p> <ol style="list-style-type: none"> 1. Explains how vision aligns with the primary goals of this NOFA set forth in the Introduction and Project Expectations. 2. Proposes a substantive partnership that increases opportunity/capacity for growth of Emerging Developers (smaller organizations). 	
TOTAL POSSIBLE POINTS		100

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

E. SUBMITTAL REQUIREMENTS OVERVIEW

Using **Attachment B – Submittal Checklist**, check boxes of all items that will be submitted. Complete and submit **Attachment C - NOFA Registration Form**. All addenda, responses and additional information will be distributed to all parties who have submitted a registration form in accordance with Section IIB above.

1. Minimum Development Team Characteristics

Submit **Attachment D - Respondent Description** to document the name of each organization, names of the organization’s Director (or equivalent position) and primary contact persons, and phone numbers and email addresses for each of the following:

- Lead Developer and Co-Developers (if applicable)
- Development Consultant (if applicable)
- Owner(s)
- Property Manager(s)
- Service Provider(s)

For each Lead Developer and/or Co-Developer, submit a current copy of the following documents:

- a. **Certificate of Good Standing** from the California Secretary of State
- b. **Certification of 501(c)(3) status** (for nonprofit corporations) from the Internal Revenue Service.

2. Minimum Development Team Experience

Submit **Attachment E - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.) The Development Team may submit more than one

(1) Qualifying Project for each of the experience categories:

- a. Minimum Development Experience
- b. Minimum Ownership Experience
- c. Minimum Property Management Experience
- d. Minimum Service Provision Experience

- e. Minimum experience in incorporating principles of racial equity into development, management and service experience

To demonstrate the minimum required development team experience, each team should submit one project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories, or may use different projects to demonstrate experience across categories. In all cases, no more than five (5) total Qualifying Projects should be submitted.

Qualifying Projects will not be scored, but are used to identify if the proposed Development Team meets the minimum development team experience required to develop the Site.

3. Minimum Developer and Owner Capacity Requirements

Financial Capacity

- Latest two (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any).
- **Attachment F – Financing Terms for Developer’s Qualifying Project** to document the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.

Staffing Capacity

- Description of Key Staff Experience – Provide written narrative of **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff.
- **Attachment G – Projected Staffing Workload Form**, documenting the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

Asset Management Capacity

- Proposed Owner’s recent **Real Estate Owned (REO) schedule**, documenting the number of projects and average number of units/project currently in Owner’s asset management portfolio.
- Proposed Owner’s current **asset management staffing**, noting job titles, FTEs, and status of each position (filled/vacant).
- Proposed Owner’s **organizational chart**.

Racial Equity Capacity

- Demonstrate how developer has met the City’s minimum compliance standards for Equal Employment Opportunities on the **Qualifying Project**.

4. Selection Criteria and Scoring

- ii. **Experience:** Provide written narrative of **no more than five pages** (in Times New Roman font, 12 font size, and 1-inch margins).
- iii. **Vision:** Provide written narrative of **no more than seven pages** (in Times New Roman font, 12 font size, and 1-inch margins).

Additional documents submitted in this section will not be allowed, except as identified on the **Attachment B: Submittal Checklist**.

F. Scoring for EXPERIENCE

In **no more than five pages** of written narrative (in Times New Roman font, 12 font size, 1-inch margins), describe how each member of the Proposed Development Team has the most relevant experience for the successful development of the project.

Describe how the Development Team has implemented lessons learned from past affordable housing experience. Please note that Respondents are not limited to discussing the Qualifying Project(s).

Developer: Describe the Developer's track record successfully developing high- quality affordable housing, including supportive housing. In particular, discuss the Developer's experience completing housing development projects on time and on budget, obtaining competitive financing terms, developing type V/I or III/I construction, developing for low-income families and those experiencing homelessness and building community support for mixed use projects (affordable residential with ground floor commercial) through outreach for similar projects. Describe the experience and capacity of current staff to take on a project of this type.

Owner: Describe the Owner's track record successfully owning housing financed with Low-Income Housing Tax Credits. In particular, discuss the Owner's experience owning affordable housing for low-income families and those experiencing homelessness and describe the Owner's current asset management structure, staffing and portfolio, and its capacity for assuming asset management of an expanded portfolio once the development is complete. For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed project and to provide asset management for the project is the proposed "Owner".

Property Manager: Describe the Property Manager's track record successfully managing high-quality affordable housing communities. In particular, discuss the Property Manager's experience providing management services for low-income families and those experiencing homelessness, including communities of color; experience achieving high rates of housing retention, implementing low barrier tenant selection policies, contributing to the long-term sustainability of the development, experience administering subsidies such as LOSP; and achieving cost efficiencies in operations.

Services Provider(s): Describe the Services Provider(s)' track record delivering highly impactful services to residents in affordable and/or supportive housing developments. In particular, discuss the Services Provider(s)' experience delivering services to low-income families and those experiencing homeless, including communities of color; linking residents to the City's safety net of services; working with property management to achieve high rates of housing retention; and supporting positive outcomes for residents around health, economic mobility, and housing stability. If the Service Provider(s) have had any services contracts prematurely terminated in the last five years, include an explanation for each termination. Discuss strategies for eliminating barriers that prevent communities of color from accessing quality health care services, employment and educational opportunities.

Racial Equity Strategy: MOHCD recognizes the oppressive history of racial injustice, especially in housing and community services, the structural inequities that remain today, and the trauma those inequities perpetuate. Please describe the Developer team's level of racial equity awareness using the guidelines below:

- Understands and communicates that reducing racial inequities is mission critical
- Routinely collects, disaggregates, and analyzes data by race/ethnicity in programmatic and operational work
- Views diversity as a value-added feature of organizations, and enquires about the cultural competence of staff and grantees to work with diverse groups
- Has mechanisms for management accountability for equity, diversity, and inclusion
- Has mechanisms for staff accountability for equity, diversity, and inclusion
- Describes Development Team's present and future practices to meet MOHCD's racial equity goals as articulated in the racial equity goals of this NOFA
- Describes the Developer's experience with serving historically excluded communities of color

- Has experience providing access and implementing service delivery strategies to historically excluded communities of color
- Describes the demonstrated commitment to racially diverse project development and service teams.

G. Scoring for VISION

In **no more than seven pages** of written narrative (in Times New Roman font, 12 font size, 1-inch margins), describe the Proposed Development Team's vision for the successful development of the project:

Program concept: Describe how the Development Team's proposed Project will maximize unit yield in a cost-effective construction type and make use of SB35's expedited permitting. Describe the Development Team's vision for a development program while best achieving MOHCD's project expectations and goals. Indicate how the proposed uses and amenities will enhance the lives of the future residents and the surrounding neighborhood. Indicate particular groups served by the programs and spaces (tots, children, teens, young adults, adults, formerly homeless, etc.). Describe how the program will contribute to lowering barriers to persons of color seeking and retaining housing. Applicants should provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use to print on 8.5" x 11" paper, no more than two pages. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses. This information does not constitute a formal design submission.

Community engagement strategy: Describe the Development Team's community engagement strategy, including the team's philosophy on community engagement and process for establishing and/or building positive relationships with surrounding neighbors and the larger community. Describe the Team's approach to achieving entitlements for the project expeditiously and the Team's approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. The strategy should include efforts designed to engage all interested community members, particularly BIPOC members of the target population, and including monolingual non-English speaking members of the community. The strategy should also make clear how the Development Team intends to comply with the City's Language Access Ordinance. Finally, address how the community engagement strategy will address the historical exclusion of communities of color from quality housing.

Services delivery strategy: Describe the Development Team's services delivery strategy, including the overall philosophy and model for providing services to targeted low-income and formerly homeless populations (including case management ratio and provision of amenities such as front desk clerks), the services goals of the proposed vision, a brief description of the desired outcomes of the services to be provided and innovative approaches to services provision, including the strategy for engaging residents and encouraging access to services, and how services for residents will be coordinated with the existing network of services in the neighborhood and community.

Financing and cost containment approach: Describe the Development Team's financing approach to the project, including the Team's process for structuring the project and controlling development costs. Describe any innovative strategies intended to minimize MOHCD's projected capital gap financing. Also, describe any innovative (i.e., non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. Do not submit a development budget or pro forma. Scored responses must be in narrative form only.

Racial Equity Strategy: Please submit an overall statement regarding how the Development Team will incorporate the principles of racial equity in the development of the program concept, the community engagement strategy, services delivery strategy and marketing approach. Explain how the strategy aligns with the goals of this NOFA set forth in the Introduction and Project Expectations. Describe any substantive partnership that is part of the NOFA response that increases opportunity/capacity for growth of Emerging Developers (smaller organizations) in development roles. Explain 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.

In this section, include the following attachments:

- Evidence of Site Control
- Appraisal
- Map of Neighborhood Amenities
- MOHCD Application Proforma
- **Attachment I – CDLAC Self Score Worksheet**

5. Evidence of Authority

Provide a certified corporate resolution of the applicant or, in the case of a partnership, the applicant's general partner, expressly authorizing the applicant to provide a response to this NOFA and, if selected by the City, to enter into negotiations with the City for the acquisition of the site.

6. Disclosure Form

Submit a completed and signed copy of **Attachment H – Disclosures**, which requires any respondent to this NOFA to disclose defaults, lawsuits, legal proceedings, bankruptcy filings or financial interests affiliated with MOHCD staff or Citywide Affordable Housing Loan Committee members. The individual who signs the form must be authorized to enter into legal agreements on behalf of the Respondent.

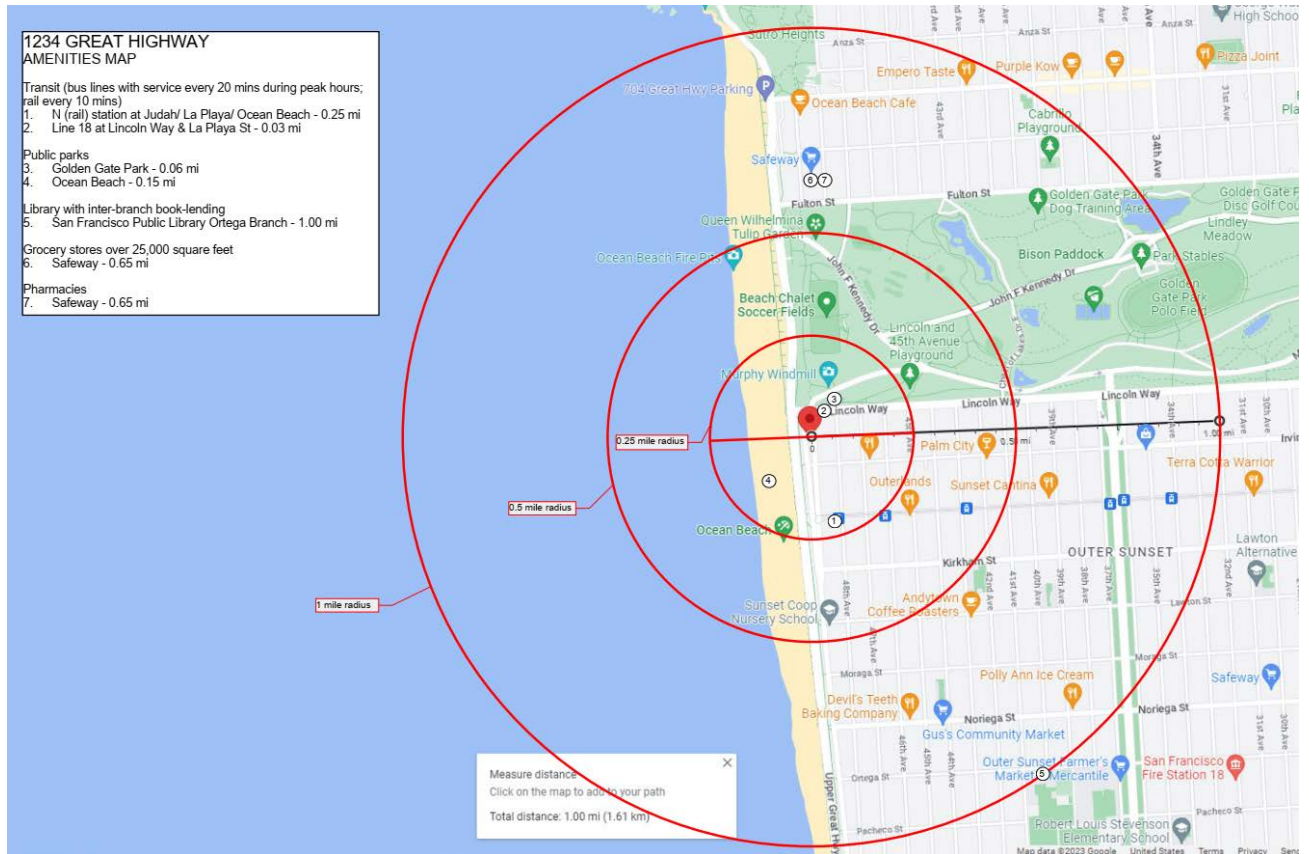
Note Regarding Submittals: Applicants may amend their response prior to the submission deadline. However, after the submission deadline, corrections are only allowed if immaterial and at the sole discretion of MOHCD.

Attachment F: Site Map with amenities

Map amenities:

1. Site Amenities

Map source: Google Maps



Inner circle is $\frac{1}{4}$ mile radius, middle circle is $\frac{1}{2}$ mile radius, and the outer circle is a 1 mile radius.

- Project is located within 1/2 mile of a major transit stop:**
 - #1: N (rail) station at Judah/La Playa/Ocean Beach
 - #2: Bus line 18 at Lincoln Way and La Playa St
- Project is located within 1/2 mile of a park or recreational facility:**
 - #3: Golden Gate Park – within $\frac{1}{4}$ mile
 - #4: Ocean Beach – within $\frac{1}{4}$ mile
- Project is within 1 mile of groceries and other essential shopping needs:**
 - #6: Safeway Grocery – within 1 mile
 - #7: Safeway Pharmacy – within 1 mile
- 1 mile of a public library:**
 - #5: SF Public Library Ortega Branch – within 1 mile

Attachment G: Elevations and Floor Plans

Please see attached.



STREET VIEW 1

UNIT MIX

	STUDIO	1BR	2BR	TOTAL
7TH FLR	15	21	1	37
6TH FLR	15	21	1	37
5TH FLR	15	21	1	37
4TH FLR	15	21	1	37
3RD FLR	15	21	1	37
2ND FLR	14	16	1	31
1ST FLR	0	0	0	0
TOTAL	89	121	6	216
%	41.2%	56.0%	2.8%	

TYPICAL UNIT SIZE (S.F.)

STUDIO	400
1 BR	630
2 BR	870

PARKING

STANDARD	12
COMPACT	4
ADA	1
EV+EV ADA	3
TOTAL	20
#/ UNIT	9.3%

BIKE PARKING

CLASS 1	24
---------	----

OPEN SPACE

2400 S.F.

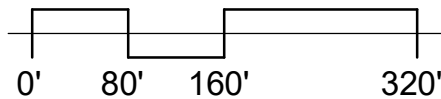
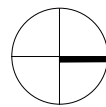
SHUTTLE VAN PARKING (14' X 28'): 1 SPACE

GROSS AREA (S.F.)

	UNITS	CIRC.	AMEN.	UTILITY	GARAGE	TOTAL
7TH FLR	20,249	5,305	0	1,054	0	26,608
6TH FLR	20,249	5,305	0	1,054	0	26,608
5TH FLR	20,249	5,305	0	1,054	0	26,608
4TH FLR	20,249	5,305	0	1,054	0	26,608
3RD FLR	20,249	5,305	0	1,054	0	26,608
2ND FLR	16,748	4,490	4,180	1,107	0	26,525
1ST FLR	0	0	15,178	6,284	8,097	29,559
TOTAL	117,993	31,015	19,358	12,661	8,097	189,124



SITE PLAN



Attachment H: Comparison of City Investment in Other Housing Developments

Affordable Multifamily Housing New Construction Cost Comparison - San Francisco

Updated 10/5/2023

	Acquisition costs by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Not including 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	TDC/unit	TDC/BR	TDC/ sq.ft ⁶	Subsidy / unit	Leveraging ⁷
Delta of Subject and Comparable Projects	\$ 8,158	\$ 7,938	\$ 58	\$ 37,841	\$ 71,666	\$ 60	\$ 125,878	\$ 132,007	\$ 148	\$ 163,710	\$ 203,665	\$ 208	\$ 99,735	39.1%
Delta Percentage	94923%	101518%	104611%	7%	14%	10%	83%	96%	88%	23%	32%	27%	41%	60%
1234 Great Highway	\$ 8,167	\$ 7,946	\$ 58	\$ 589,684	\$ 573,747	\$ 673.48	\$ 276,822	\$ 269,340	\$ 316	\$ 866,506	\$ 843,087	\$ 990	\$ 343,029	60.4%
Comparable Projects Average:	\$ 9	\$ 8	\$ 0.06	\$ 551,843	\$ 502,081	\$ 613	\$ 150,944	\$ 137,333	\$ 168	\$ 702,796	\$ 639,422	\$ 781	\$ 243,294	65.4%

Costs lower than comparable average (within 10%) Costs higher than comparable average (within 10%)

	Average:	Building Square Footage				Total Project Costs				Total Dev. Cost w/acq costs (not land)	Local Subsidy	Notes on Financing (e.g., TCAC)	Building Type (e.g., Type III over Type I)	Stories	Comments including date of LC or cost estimate, stage of		
		Lot sq.ft	Completion/ start date	# of Units	# of BR ¹	Res. ²	Non-Res. Sq. ft.	Total sq. ft.	Acq. Cost ³							Constr. Cost ⁴	Soft Cost
ALL PROJECTS	Average:	34,256		120	192	120,276	13,598	132,208	\$ 238,654	\$ 81,332,600	\$ 19,152,561	\$ 100,617,539	\$ 29,810,220				
Comparable Projects Completed (filtered)	Average:	49,141		200	200	125,840	2,696	128,535	\$ 1	\$99,814,000	\$26,578,065	\$126,392,066	\$34,857,202				
Comparable Projects Under Construction (filtered)	Average:	28,893		203	259	235,680	1,970	237,650	\$ 0	\$111,260,260	\$36,248,774	\$147,509,034	\$46,468,120				
Comparable Projects In Predevelopment (filtered)	Average:	12,476		179	181	151,416	5,862	157,277	\$5,000	\$110,006,498	\$24,997,479	\$135,008,977	\$60,231,122				
Total Comparable Projects	Average:	30,170		194	213	170,978	3,509	174,487	\$1,667	\$107,026,919	\$29,274,773	\$136,303,359	\$47,185,481				
1234 Great Highway		30,492	Jan-26	216	222	175,127	13,997	189,124	\$ 1,764,000	\$ 127,371,724	\$ 59,793,503	\$ 187,165,227	\$ 74,094,304	TCAC, MHP, IIG	Type III over Type I 2-level podium	7	Concept for pre-pre-dev 9/2023; 20 parking spaces; adult day health care center (5900 sq
Delta of Subject and Comp Project Averages		322		22	9	4,149	10,488	14,637	\$1,762,333	\$20,344,805	\$30,518,730	\$50,861,868	\$26,908,823				
Delta Percentage		1%		11%	4%	2%	299%	8%	105729%	19%	104%	37%	57%				

PROJECTS COMPLETED

Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Building Square Footage			Total Project Costs			Total Dev. Cost w/acquisition costs	Local Subsidy ⁵	Notes on Financing	Building Type	Stories	Comments
						Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost						
Mission Bay S. Block 9	410 China Basin Street	47,437	Oct-22	141	141	99,160	-	99,160	\$ -	\$ 77,742,693	\$ 15,598,625	\$ 93,341,318	\$ 23,076,000	HCD Loan	Type IIIA FBH Type I	4	Factory built
1064 Mission Street	1064 Mission Street	50,844	Dec-22	258	258	152,519	5,391	157,910	\$ 1	\$ 121,885,308	\$ 37,557,505	\$ 159,442,814	\$ 46,638,404	4% credits AHP & NPLH	Type IIIA FBH Type I	6	Factory built, senior and family

PROJECTS UNDER CONSTRUCTION

Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Building Square Footage			Total Project Costs			Total Dev. Cost w/acq costs	Local Subsidy ⁵	Notes on Financing	Building Type	Stories	Comments
						Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost						
921 Howard	921 Howard Street	28,893	Aug-23	203	259	235,680	1,970	237,650	\$ -	\$ 111,260,260	\$ 36,248,774	\$ 147,509,034	\$ 46,468,120	CalHfa MIP/ 4% LIHTC	Type IA	18	100% SD with MHP, buy out, 4000 sq ft of parking spaces in town (5000 sq ft)

PROJECTS IN PREDEVELOPMENT

Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR ¹	Building Square Footage			Total Project Costs			Total Dev. Cost w/acq costs	Local Subsidy	Notes on Financing	Building Type	Stories	Comments
						Res. ²	Non-Res.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost						
Laguna Honda Senior	375 Laguna Honda Blvd		Jan-25	200	204	212,000	13,000	225,000	\$ 15,000	\$ 97,750,000	\$ 20,222,441	\$ 117,987,441	\$ 47,272,441	4% Credits: IIG, HCD, AHP	Type III over Type I	7	100%SD with MHP, buy out, 4000 sq ft of parking spaces in town (5000 sq ft)
1939 Market Street	1939 Market Street	11,860	Nov-24	187	187	135,537	1,640	137,177	\$ -	\$ 132,080,501	\$ 22,783,451	\$ 154,863,952	\$ 68,463,859	4% credits, AHP, MHP, IIG; LOSR	Type I	15	100% SD, 4/2023, TDC and Local Subsidy include
Transbay 2 WEST - Senior OCII (CCDC)	200 Folsom	13,091	Feb-24	151	152	106,710	2,945	109,655	\$ 0	\$ 100,188,993	\$ 31,986,544	\$ 132,175,537	\$ 64,957,065	4% Credits, no HCD	Type I	9	

Attachment I: Sources and Uses

Application Date: 4/7/23 # Units: 216
 Project Name: 1234 Great Highway # Bedrooms: 222
 Project Address: 1234 Great Highway # Beds:
 Project Sponsor: Tenderloin Neighborhood Development Corporation
 LOSP Project
 Don't forget to fill in D135:D138!

SOURCES	24,000,000	2,240,000	720,000	-	-	-	-	-	Total Sources	Comments
Name of Sources: MOHCD/OCII									26,960,000	
		HAF Loan	Income from Operations							

USES

ACQUISITION

Acquisition cost or value	21,700,000								21,700,000	
Legal / Closing costs / Broker's Fee	30,000								30,000	
Holding Costs	254,576		177,500						432,076	
Transfer Tax	1,302,000								1,302,000	
TOTAL ACQUISITION	23,286,576	0	177,500	0	0	0	0	0	23,464,076	

CONSTRUCTION (HARD COSTS)

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

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees		784,000							784,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)		196,000							196,000	
Architect Construction Admin									0	
Reimbursables		29,400							29,400	
Additional Services		39,200							39,200	
Sub-total Architect Contract	0	1,048,600	0	0	0	0	0	0	1,048,600	
Other Third Party design consultants (not included under Architect contract)		150,000							150,000	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	0	1,198,600	0	0	0	0	0	0	1,198,600	

Engineering & Environmental Studies

Survey		50,000							50,000	
Geotechnical studies		85,000							85,000	
Phase I & II Reports		50,000							50,000	
CEQA / Environmental Review consultants		10,000							10,000	
NEPA / 106 Review									0	
CNA/PNA (rehab only)									0	
Other environmental consultants									0	Name consultants & contract amounts
Total Engineering & Environmental Studies	195,000	0	0	0	0	0	0	0	195,000	

Financing Costs

Construction Financing Costs										
Construction Loan Origination Fee										0
Construction Loan Interest										0
Title & Recording										0
CDLAC & CDIAAC fees										0
Bond Issuer Fees										0
Other Bond Cost of Issuance										0
Other Lender Costs (specify)										0
Sub-total Const. Financing Costs	0	0	0	0	0	0	0	0	0	0
Permanent Financing Costs										
Permanent Loan Origination Fee										0
Credit Enhance. & Appl. Fee										0
Title & Recording										0
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	0	0	0
Total Financing Costs	0	0	0	0	0	0	0	0	0	0

Legal Costs

Borrower Legal fees		50,000								50,000
Land Use / CEQA Attorney fees		150,000								150,000
Tax Credit Counsel										0
Bond Counsel										0
Construction Lender Counsel										0
Permanent Lender Counsel										0
Other Legal (specify)										0
Total Legal Costs	0	200,000	0	0	0	0	0	0	0	200,000

Other Development Costs

Appraisal		12,000								12,000
Market Study		15,000								15,000
Insurance		240,000								240,000
Property Taxes			542,500							542,500
Accounting / Audit										0
Organizational Costs										0
Entitlement / Permit Fees										0
Marketing / Rent-up										0
Furnishings										0
PGE / Utility Fees		209,629								209,629
TCAC App / Alloc / Monitor Fees		41,771								133,195
Financial Consultant fees		40,000								40,000
Construction Management fees / Owner's Rep		60,000								60,000
Security during Construction										0
Relocation										0
Community Engagement		200,000								200,000
Permit Expediter		50,000								50,000
Other (specify)										0
Total Other Development Costs	318,424	641,400	542,500	0	0	0	0	0	0	1,502,324

Total Soft Cost Contingency as % of Total Soft Costs 6.5%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)		200,000								200,000
TOTAL SOFT COSTS	513,424	2,240,000	542,500	0	0	0	0	0	0	3,295,924

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	0	0	0

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones		200,000								200,000
Developer Fee - Cash-out At Risk										0
Commercial Developer Fee										0
Developer Fee - GP Equity (also show as source)										0
Developer Fee - Deferred (also show as source)										0
Development Consultant Fees										0
Other (specify)										0
TOTAL DEVELOPER COSTS	200,000	0	0	0	0	0	0	0	0	200,000

Need MOHCD approval for this cost, N/A for most projects

TOTAL DEVELOPMENT COST

	24,000,000	2,240,000	720,000	0	0	0	0	0	0	26,960,000
Development Cost/Unit by Source	111,111	10,370	3,333	0	0	0	0	0	0	124,815
Development Cost/Unit as % of TDC by Source	89.0%	8.3%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%

Acquisition Cost/Unit by Source

	100,463	0	0	0	0	0	0	0	0	100,463
--	---------	---	---	---	---	---	---	---	---	---------

Construction Cost (inc Const Contingency)/Unit By Source

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

Construction Cost (inc Const Contingency)/SF

	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
--	------	------	------	------	------	------	------	------	------	------

*Possible non-eligible GO Bond/COP Amount:

City Subsidy/Unit		111,111								
-------------------	--	---------	--	--	--	--	--	--	--	--

Tax Credit Equity Pricing:

Construction Bond Amount:										Fill in with value or 'N/A' if not applicable.
---------------------------	--	--	--	--	--	--	--	--	--	--

Construction Loan Term (in months):

										Fill in with value or 'N/A' if not applicable.
--	--	--	--	--	--	--	--	--	--	--

Construction Loan Interest Rate (as %):

										Fill in with value or 'N/A' if not applicable.
--	--	--	--	--	--	--	--	--	--	--

Attachment J: Development Budget

Application Date: 4/7/23 # Units: 216
 Project Name: 1234 Great Highway # Bedrooms: 222
 Project Address: 1234 Great Highway # Beds:
 Project Sponsor: Tenderloin Neighborhood Development Corporation
 Don't forget to fill in D135:D138! LOSP Project

SOURCES	74,094,304	58,688,342	35,000,000	7,500,000	1,000,000	10,732,581	187,015,227	Comments
Name of Sources:	MOHCD/OCH	LIHTC Equity	HCD MHP	HCD IIG	FHLBSFAHP	All Other Sources		

USES

ACQUISITION

Acquisition cost or value	21,700,000						21,700,000	
Legal / Closing costs / Broker's Fee	30,000						30,000	
Holding Costs	432,076						432,076	
Transfer Tax	1,302,000						1,302,000	
TOTAL ACQUISITION	23,464,076	0	0	0	0	0	23,464,076	

CONSTRUCTION (HARD COSTS)

* Unit Construction/Rehab	802,854	41,936,372	35,000,000		1,000,000	4,857,540	83,596,766	Include FF&E
* Commercial Shell Construction		2,065,000					2,065,000	
* Demolition							0	
* Environmental Remediation	200,000						200,000	
* Onsite Improvements/Landscaping							0	
* Offsite Improvements							0	
* Infrastructure Improvements				7,500,000			7,500,000	HOPE SF/OCH costs for streets etc.
* Parking							0	
GC Bond Premium/GC Insurance/GC Taxes	2,760,528						2,760,528	
GC Overhead & Profit	3,004,225						3,004,225	
CG General Conditions	3,680,000						3,680,000	
<i>Sub-total Construction Costs</i>	<i>10,447,607</i>	<i>44,001,372</i>	<i>35,000,000</i>	<i>7,500,000</i>	<i>1,000,000</i>	<i>4,857,540</i>	<i>102,806,519</i>	
Design Contingency (remove at DD)	1,939,250						1,939,250	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)	10,374,292						10,374,292	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Rev)	6,224,574						6,224,574	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency	6,027,089						6,027,089	5% new construction / 15% rehab
<i>Sub-total Construction Contingencies</i>	<i>24,565,205</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>24,565,205</i>	
TOTAL CONSTRUCTION COSTS	35,012,812	44,001,372	35,000,000	7,500,000	1,000,000	4,857,540	127,371,724	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees	742,572					377,428	1,120,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)	280,000						280,000	
Architect Construction Admin							0	
Reimbursables	42,000						42,000	
Additional Services	56,000						56,000	
<i>Sub-total Architect Contract</i>	<i>1,120,572</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>377,428</i>	<i>1,498,000</i>	
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	1,120,572	0	0	0	0	377,428	1,498,000	

Engineering & Environmental Studies

Survey	50,000						50,000	
Geotechnical studies	85,000						85,000	
Phase I & II Reports	50,000						50,000	
CEQA / Environmental Review consultants	10,000						10,000	
NEPA / 106 Review							0	
CNA/PNA (rehab only)							0	
Other environmental consultants							0	Name consultants & contract amounts
Total Engineering & Environmental Studies	195,000	0	0	0	0	0	195,000	

Financing Costs

Construction Financing Costs

Construction Loan Origination Fee							0	
Construction Loan Interest	478,540	11,009,840				115,033	11,603,413	
Title & Recording		40,000					40,000	
CDLAC & CDJAC fees							0	
Bond Issuer Fees		1,414,130					1,414,130	
Other Bond Cost of Issuance							0	
Other Lender Costs (specify)		23,000					23,000	
<i>Sub-total Const. Financing Costs</i>	<i>478,540</i>	<i>12,486,970</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>115,033</i>	<i>13,080,543</i>	

Permanent Financing Costs

Permanent Loan Origination Fee	46,300						46,300	
Credit Enhance. & Appl. Fee							0	
Title & Recording	15,000						15,000	
<i>Sub-total Perm. Financing Costs</i>	<i>61,300</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>61,300</i>	
Total Financing Costs	539,840	12,486,970	0	0	0	115,033	13,141,843	

Legal Costs

Borrower Legal fees	100,000						100,000	
Land Use / CEQA Attorney fees	150,000						150,000	
Tax Credit Counsel	60,000						60,000	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel	20,000						20,000	
Other Legal (specify)							0	
Total Legal Costs	330,000	0	0	0	0	0	330,000	

Other Development Costs

Appraisal	12,000						12,000	
Market Study	15,000						15,000	
* Insurance	3,616,254						3,616,254	
* Property Taxes	542,500						542,500	
* Accounting / Audit	25,000						25,000	
* Organizational Costs	10,000						10,000	
Entitlement / Permit Fees	2,410,836						2,410,836	
* Marketing / Rent-up							0	
* Furnishings							0	
PGE / Utility Fees	1,925,000						1,925,000	\$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms
TCAC App / Alloc / Monitor Fees	133,195						133,195	
* Financial Consultant fees	85,000						85,000	
Construction Management fees / Owner's Rep	175,000						175,000	
Security during Construction							0	
* Relocation							0	
Permit Expediter	50,000						50,000	
Special Inspections	250,000						250,000	
Public Art SFAC	742,443						742,443	
Total Other Development Costs	9,992,228	0	0	0	0	0	9,992,228	

Total Soft Cost Contingency as % of Total Soft Costs

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,478,773		0	0	0	0	1,478,773	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	13,656,413	12,486,970	0	0	0	492,461	26,635,844	5.9%

RESERVES

* Operating Reserves	735,614						735,614	
* Replacement Reserves							0	
* Tenant Improvements Reserves							0	
* Other (specify)	573,389						573,389	
* Other (specify)	200,000						200,000	
* Other (specify)	452,000						452,000	
TOTAL RESERVES	1,961,003	0	0	0	0	0	1,961,003	

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)						5,357,287	5,357,287	
Developer Fee - Deferred (also show as source)						25,293	25,293	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0	
TOTAL DEVELOPER COSTS	0	2,200,000	0	0	0	5,382,580	7,582,580	

TOTAL DEVELOPMENT COST

74,094,304	58,688,342	35,000,000	7,500,000	1,000,000	10,732,581	187,015,227	
Development Cost/Unit by Source	343,029	271,705	162,037	34,722	4,630	49,688	865,811
Development Cost/Unit as % of TDC by Source	39.6%	31.4%	16.7%	4.0%	0.5%	5.7%	100.0%

Acquisition Cost/Unit by Source

100,463	0	0	0	0	0	100,463	
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Construction Cost (inc Const Contingency)/Unit by Source

162,096	203,710	162,037	34,722	4,630	22,489	589,684	
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Construction Cost (inc Const Contingency)/SF

185.13	232.66	185.06	39.66	5.29	25.68	673.48	
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*Possible non-eligible GO Bond/COP Amount: 7,017,611
 City Subsidy/Unit: 343,029

Tax Credit Equity Pricing: Fill in with value or 'N/A' if not applicable.
 Construction Bond Amount: Fill in with value or 'N/A' if not applicable.
 Construction Loan Term (in months): Fill in with value or 'N/A' if not applicable.
 Construction Loan Interest Rate (as %): Fill in with value or 'N/A' if not applicable.

Attachment K: 1st Year Operating Budget

Application Date: 4/7/2023
 Total # Units: 216
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2028

Project Name: 1234 Great Highway
 Project Address: 1234 Great Highway
 Tenderloin Neighborhood Development Corporation
 Project Sponsor: Corporation

Correct errors noted in Col N!

INCOME	LOSP/non-LOSP Allocation		Total	Comments
	50%	50%		
Residential - Tenant Rents	330,000	827,412	1,157,412	Links from 'New Proj. - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	593,046	593,046	1,186,092	Links from 'New Proj. - Rent & Unit Mix' Worksheet
Residential - LOSP Tenant Assistance Payments	337,790		337,790	
Commercial Space			150,000	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	0	0	Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	14,040	14,040	28,080	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0	Withdrawal from Capitalized Reserve (deposit to operating account)
Gross Potential Income	1,274,876	1,434,498	2,859,374	
Vacancy Loss - Residential - Tenant Rents	(16,500)	(41,452)	(57,952)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(29,652)	(59,305)	(89,305)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial			(75,000)	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	1,228,724	1,333,741	2,667,117	PUPA: 12,348

OPERATING EXPENSES				
Management				
Management Fee	76,464	76,464	152,928	1st Year to be set according to HUD schedule.
Asset Management Fee	12,140	12,140	24,280	Asset Management Fee
Sub-total Management Expenses	88,604	88,604	177,208	PUPA: 820

Salaries/Benefits				
Office Salaries	15,368	15,368	30,735	Office Salaries
Manager's Salary	101,904	101,904	203,808	Manager's Salary
Health Insurance and Other Benefits	63,990	63,990	127,979	Health Insurance and Other Benefits
Other Salaries/Benefits	15,057	15,057	30,113	Other Salaries/Benefits
Administrative Rent-Free Unit	0	0	0	Administrative Rent-Free Unit
Sub-total Salaries/Benefits	196,318	196,318	392,635	PUPA: 1,818

Administration				
Advertising and Marketing	0	0	0	
Office Expenses	28,282	28,282	56,564	
Office Rent	0	0	0	Projected LOSP Split
Legal Expense - Property	9,000	9,000	18,000	Legal Expense - Property
Audit Expense	5,570	5,570	11,139	
Bookkeeping/Accounting Services	16,848	16,848	33,696	Projected LOSP Split
Bad Debts	15,000	15,000	30,000	Bad Debts
Miscellaneous	19,151	19,151	38,301	Payroll service charges, tech support and maintenance, professional fees, training
Sub-total Administration Expenses	93,850	93,850	187,700	PUPA: 869

Utilities				
Electricity	61,204	61,204	122,407	Electricity
Water	127,219	127,219	254,437	
Gas	0	0	0	
Sewer	0	0	0	
Sub-total Utilities	188,422	188,422	376,844	PUPA: 1,745

Taxes and Licenses				
Real Estate Taxes	1,895	1,895	3,790	Real Estate Taxes
Payroll Taxes	30,113	30,113	60,225	Payroll Taxes
Miscellaneous Taxes, Licenses and Permits	4,145	4,145	8,289	
Sub-total Taxes and Licenses	36,152	36,152	72,304	PUPA: 335

Insurance				
Property and Liability Insurance	78,976	78,976	157,951	
Fidelity Bond Insurance	0	0	0	Alternative LOSP Split
Worker's Compensation	18,821	18,821	37,641	Worker's Compensation
Director's & Officers' Liability Insurance	0	0	0	
Sub-total Insurance	97,796	97,796	195,592	PUPA: 906

Maintenance & Repair				
Payroll	163,078	163,078	326,155	Payroll
Supplies	11,121	11,121	22,241	Supplies
Contracts	91,843	91,843	183,686	Contracts
Garbage and Trash Removal	61,531	61,531	123,061	Alternative LOSP Split
Security Payroll/Contract	100,464	100,464	200,928	Security Payroll/Contract
HVAC Repairs and Maintenance	8,175	8,175	16,350	
Vehicle and Maintenance Equipment Operation and Repairs	307	307	613	
Miscellaneous Operating and Maintenance Expenses	0	0	0	
Sub-total Maintenance & Repair Expenses	436,517	436,517	873,034	PUPA: 4,042

Supportive Services	43,530	43,530	87,060	0.6 FTE Healthy Aging Coordinator
Commercial Expenses			11,150	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES 1,181,189 1,181,189 2,373,527 PUPA: 10,989

Reserves/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent	7,500	7,500	15,000	Ground lease with MOHCD Provide additional comments here, if needed.
Bond Monitoring Fee	2,600	2,600	5,200	
Replacement Reserve Deposit	54,000	54,000	108,000	Alternative LOSP Split
Operating Reserve Deposit	0	0	0	Replacement Reserve Deposit
Other Required Reserve 1 Deposit	0	0	0	Operating Reserve Deposit
Other Required Reserve 2 Deposit	0	0	0	Other Required Reserve 1 Deposit
Required Reserve Deposits, Commercial	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	64,100	64,100	128,200	PUPA: 594

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) 1,245,289 1,245,289 2,501,727 PUPA: 11,582

NET OPERATING INCOME (INCOME minus OP EXPENSES) (16,565) 88,453 165,390 PUPA: 766

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				
Hard Debt - First Lender	0	0	0	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)	0	0	0	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	0	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL HARD DEBT SERVICE	0	0	0	PUPA: 0

CASH FLOW (NOI minus DEBT SERVICE)	(16,565)	88,453	165,390	
Commercial Only Cash Flow			63,850	
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	31,925	31,925		Allocation of Commercial Surplus to LOSP/non-LOSP
AVAILABLE CASH FLOW	15,360	120,378	165,390	

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)	12,860	12,860	25,720	
Partnership Management Fee (see policy for limits)	0	0	0	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	2,500	2,500	5,000	Alternative LOSP Split
Other Payments	0	0	0	Other Payments
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt => Max Fee from cell I130)	0	0	0	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	15,360	15,360	30,720	PUPA: 142

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	0	105,018	134,670	
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Residual Receipts Calculation
 Does Project have a MOHCD Residual Receipt Obligation? Yes
 Will Project Defeat Developer Fee? Yes
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 50%
 % of Residual Receipts available for distribution to soft debt lenders in 50%

Project has MOHCD ground lease? Yes
 Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): 25,293
 Sum of DD F from LOSP and non-LOSP: 25,293
 Ratio of Sum of DDF and calculated 50%: 25,293

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OOII - Soft Debt Loans	All MOHCD/OOII Loans payable from res. recs		0.00%
MOHCD/OOII - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$150,000	100.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
MOHCD Residual Receipts Amount Due	134,670	134,670	134,670	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	134,670	134,670	134,670	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 0

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

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

Application Date: 4/7/2023
 Total # Units: 216
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2028

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

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

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

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

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

CASH FLOW (NOI minus DEBT SERVICE)			
Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	non-LOSP (residual income)		
AVAILABLE CASH FLOW			
USES OF CASH FLOW BELOW (This row also shows DSCR.)			
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	LOSP	non-LOSP	Approved By (reqd)
Other Payments			
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	lender in comments field		
Non-amortizing Loan Pmt - 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 #DIV/0!

Soft Debt Lenders with Residual Receipts Obligations	
MOHCD/OOII - Soft Debt Loans	
MOHCD/OOII - 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

1234 Great Highway

Total # Units:	LOSP Units		Non-LOSP Units		Year 1 2021			Year 2 2022			Year 3 2023			
	216	108	108	50.00%	50.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	% annual inc	LOSP	% annual increase	Comments (related to annual inc assumptions)										
INCOME														
Residential - Tenant Rents		1.0%	2.5%			330,000	827,412	1,157,412	333,300	848,097	1,181,397	336,633	869,300	1,205,933
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a			593,046	593,046	1,186,092	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a			337,790	-	337,790	922,749	-	922,749	961,055	-	961,055
Commercial Space		n/a	2.5%			-	-	150,000	-	-	154,500	-	-	159,135
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%			14,040	14,040	28,080	14,391	14,391	28,782	14,751	14,751	29,502
Tenant Charges		2.5%	2.5%			-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income		2.5%	2.5%			-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	2.5%			-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a			-	-	-	-	-	-	-	-	-
Gross Potential Income						1,274,876	1,434,498	2,859,374	1,270,440	862,488	2,287,429	1,312,439	884,051	2,355,624
Vacancy Loss - Residential - Tenant Rents		n/a	n/a			(16,500)	(41,452)	(57,952)	(16,665)	(42,405)	(59,070)	(16,832)	(43,465)	(60,297)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a			(29,652)	(59,305)	(59,305)	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a			-	-	(75,000)	-	-	(77,250)	-	-	(79,568)
EFFECTIVE GROSS INCOME						1,228,724	1,333,741	2,667,117	1,253,775	820,083	2,151,109	1,295,607	840,586	2,215,760
OPERATING EXPENSES														
Management														
Management Fee		3.5%	3.5%			76,464	76,464	152,928	79,140	79,140	158,280	81,910	81,910	163,820
Asset Management Fee		3.5%	3.5%			12,140	12,140	24,280	12,565	12,565	25,130	13,005	13,005	26,009
Sub-total Management Expenses						88,604	88,604	177,208	91,705	91,705	183,410	94,915	94,915	189,830
Salaries/Benefits														
Office Salaries		3.5%	3.5%			15,368	15,368	30,735	15,905	15,905	31,811	16,462	16,462	32,924
Manager's Salary		3.5%	3.5%			101,904	101,904	203,808	105,471	105,471	210,941	109,162	109,162	218,324
Health Insurance and Other Benefits		3.5%	3.5%			63,990	63,990	127,979	66,229	66,229	132,458	68,547	68,547	137,094
Other Salaries/Benefits		3.5%	3.5%			15,057	15,057	30,113	15,583	15,583	31,167	16,129	16,129	32,258
Administrative Rent-Free Unit		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits						196,318	196,318	392,635	203,189	203,189	406,377	210,300	210,300	420,600
Administration														
Advertising and Marketing		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Office Expenses		3.5%	3.5%			28,282	28,282	56,564	29,272	29,272	58,544	30,296	30,296	60,593
Office Rent		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%			9,000	9,000	18,000	9,315	9,315	18,630	9,641	9,641	19,282
Audit Expense		3.5%	3.5%			5,570	5,570	11,139	5,764	5,764	11,529	5,966	5,966	11,932
Bookkeeping/Accounting Services		3.5%	3.5%			16,848	16,848	33,696	17,438	17,438	34,875	18,048	18,048	36,096
Bad Debts		3.5%	3.5%			15,000	15,000	30,000	15,525	15,525	31,050	16,068	16,068	32,137
Miscellaneous		3.5%	3.5%			19,151	19,151	38,301	19,821	19,821	39,642	20,514	20,514	41,029
Sub-total Administration Expenses						93,850	93,850	187,700	97,135	97,135	194,270	100,534	100,534	201,069
Utilities														
Electricity		3.5%	3.5%			61,204	61,204	122,407	63,346	63,346	126,691	65,563	65,563	131,125
Water		3.5%	3.5%			127,219	127,219	254,437	131,671	131,671	263,342	136,280	136,280	272,560
Gas		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Utilities						188,422	188,422	376,844	195,017	195,017	390,034	201,842	201,842	403,685
Taxes and Licenses														
Real Estate Taxes		3.5%	3.5%			1,895	1,895	3,790	1,961	1,961	3,923	2,030	2,030	4,060
Payroll Taxes		3.5%	3.5%			30,113	30,113	60,225	31,166	31,166	62,332	32,257	32,257	64,515
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%			4,145	4,145	8,289	4,290	4,290	8,579	4,440	4,440	8,879
Sub-total Taxes and Licenses						36,152	36,152	72,304	37,417	37,417	74,835	38,727	38,727	77,454
Insurance														
Property and Liability Insurance		3.5%	3.5%			78,976	78,976	157,951	81,740	81,740	163,479	84,601	84,601	169,201
Fidelity Bond Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%			18,821	18,821	37,641	19,479	19,479	38,958	20,161	20,161	40,322
Director's & Officers' Liability Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Insurance						97,796	97,796	195,592	101,219	101,219	202,438	104,762	104,762	209,523
Maintenance & Repair														
Payroll		3.5%	3.5%			163,078	163,078	326,155	168,785	168,785	337,570	174,693	174,693	349,365
Supplies		3.5%	3.5%			11,121	11,121	22,241	11,510	11,510	23,019	11,913	11,913	23,825
Contracts		3.5%	3.5%			91,843	91,843	183,686	95,058	95,058	190,115	96,385	96,385	196,769
Garbage and Trash Removal		3.5%	3.5%			61,531	61,531	123,061	63,684	63,684	127,368	65,913	65,913	131,826
Security Payroll/Contract		3.5%	3.5%			100,464	100,464	200,928	103,980	103,980	207,960	107,620	107,620	215,239
HVAC Repairs and Maintenance		3.5%	3.5%			8,175	8,175	16,350	8,461	8,461	16,922	8,757	8,757	17,515
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%			307	307	613	317	317	634	328	328	657
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses						436,517	436,517	873,034	451,795	451,795	903,590	467,608	467,608	935,216
Supportive Services														
Commercial Expenses		3.5%	3.5%			43,530	43,530	87,060	45,054	45,054	90,107	46,630	46,630	93,261
TOTAL OPERATING EXPENSES						1,181,189	1,181,189	2,373,527	1,222,530	1,222,530	2,456,600	1,265,319	1,265,319	2,542,581
RESERVES/GROUND LEASE BASE RENT/BOND FEES														
PUPA (w/o Reserves/GL 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						2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit						84,000	84,000	168,000	84,000	84,000	168,000	84,000	84,000	168,000
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						64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)						1,245,289	1,245,289	2,501,727	1,286,630	1,286,630	2,584,800	1,329,419	1,329,419	2,670,781
PUPA (w/ Reserves/GL Base Rent/Bond Fees)														
NET OPERATING INCOME (INCOME minus OP EXPENSES)						(16,565)	88,453	165,390	(32,855)	(466,547)	(433,692)	(33,812)	(488,833)	(455,021)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)														
Hard Debt - First Lender						-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd Lender)						-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender						-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE						-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)						(16,565)	88,453	165,390	(32,855)	(466,547)	(433,692)	(33,812)	(488,833)	(455,021)
USES OF CASH FLOW BELOW (This row also shows DSCR.)														
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL														
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%			12,860	12,860	25,720	-	-	-	-	-	-
Partnership Management Fee (see policy for														

	Total # Units:	LOSP Units		Non-LOSP Units		Year 1 2028			Year 2 2029			Year 3 2030				
		216	108	108	50.00%	50.00%	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc	LOSP	% annual increase												
INCOME																
Other Reserve 2 Withdrawals																
Other Reserve 2 Interest																
Other Required Reserve 2 Running Balance																

1234 Great Highway

INCOME	Total # Units: 216	LOSP Units		Non-LOSP Units		Year 4 2031			Year 5 2032			Year 6 2033		
		50.00%	50.00%	50.00%	50.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
Residential - Tenant Rents		1.0%	2.5%			339,999	891,032	1,231,032	349,399	913,308	1,262,707	346,633	936,141	1,282,974
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a			-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a			1,000,790	-	1,000,790	1,042,005	-	1,042,005	1,084,753	-	1,084,753
Commercial Space		n/a	2.5%			-	-	163,909	-	-	168,826	-	-	173,891
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%			15,120	15,120	30,239	15,498	15,498	30,995	15,885	15,885	31,770
Tenant Charges		2.5%	2.5%			-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income		2.5%	2.5%			-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	2.5%			-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a			-	-	-	-	-	-	-	-	-
Gross Potential Income						1,355,909	906,152	2,425,969	1,400,902	928,806	2,498,534	1,447,472	952,026	2,573,388
Vacancy Loss - Residential - Tenant Rents		n/a	n/a			(17,000)	(44,552)	(61,552)	(17,170)	(45,665)	(62,835)	(17,342)	(46,807)	(64,149)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a			-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a			-	-	(81,955)	-	-	(84,413)	-	-	(86,946)
EFFECTIVE GROSS INCOME						1,338,909	861,600	2,282,463	1,383,732	883,140	2,351,285	1,430,130	905,219	2,422,294
OPERATING EXPENSES														
Management														
Management Fee		3.5%	3.5%			84,777	84,777	169,554	87,744	87,744	175,488	90,815	90,815	181,630
Asset Management Fee		3.5%	3.5%			13,460	13,460	26,920	13,931	13,931	27,862	14,419	14,419	28,837
Sub-total Management Expenses						98,237	98,237	196,474	101,675	101,675	203,350	105,234	105,234	210,467
Salaries/Benefits														
Office Salaries		3.5%	3.5%			17,038	17,038	34,076	17,635	17,635	35,269	18,252	18,252	36,504
Manager's Salary		3.5%	3.5%			112,983	112,983	225,966	116,937	116,937	233,874	121,030	121,030	242,060
Health Insurance and Other Benefits		3.5%	3.5%			70,946	70,946	141,893	73,429	73,429	146,859	75,999	75,999	151,999
Other Salaries/Benefits		3.5%	3.5%			16,693	16,693	33,387	17,278	17,278	34,555	17,882	17,882	35,765
Administrative Rent-Free Unit		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits						217,661	217,661	435,321	225,279	225,279	460,558	233,164	233,164	466,327
Administration														
Advertising and Marketing		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Office Expenses		3.5%	3.5%			31,357	31,357	62,714	32,454	32,454	64,908	33,590	33,590	67,180
Office Rent		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%			9,978	9,978	19,957	10,328	10,328	20,655	10,689	10,689	21,378
Audit Expense		3.5%	3.5%			6,175	6,175	12,350	6,391	6,391	12,782	6,615	6,615	13,230
Bookkeeping/Accounting Services		3.5%	3.5%			18,680	18,680	37,359	19,333	19,333	38,667	20,010	20,010	40,020
Bad Debts		3.5%	3.5%			16,631	16,631	33,262	17,213	17,213	34,426	17,815	17,815	35,631
Miscellaneous		3.5%	3.5%			21,233	21,233	42,466	21,976	21,976	43,951	22,745	22,745	45,490
Sub-total Administration Expenses						104,053	104,053	208,106	107,695	107,695	215,390	111,464	111,464	222,929
Utilities														
Electricity		3.5%	3.5%			67,857	67,857	135,715	70,232	70,232	140,465	72,691	72,691	145,381
Water		3.5%	3.5%			141,049	141,049	282,099	145,986	145,986	291,972	151,096	151,096	302,191
Gas		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Utilities						208,907	208,907	417,814	216,219	216,219	432,437	223,786	223,786	447,572
Taxes and Licenses														
Real Estate Taxes		3.5%	3.5%			2,101	2,101	4,202	2,175	2,175	4,349	2,251	2,251	4,501
Payroll Taxes		3.5%	3.5%			33,386	33,386	66,773	34,555	34,555	69,110	35,764	35,764	71,528
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%			4,595	4,595	9,190	4,756	4,756	9,512	4,922	4,922	9,845
Sub-total Taxes and Licenses						40,082	40,082	80,165	41,485	41,485	82,971	42,937	42,937	85,874
Insurance														
Property and Liability Insurance		3.5%	3.5%			87,562	87,562	175,123	90,626	90,626	181,252	93,798	93,798	187,596
Fidelity Bond Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%			20,867	20,867	41,733	21,597	21,597	43,194	22,353	22,353	44,706
Director's & Officers' Liability Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Insurance						108,428	108,428	216,856	112,223	112,223	224,446	116,151	116,151	232,302
Maintenance & Repair														
Payroll		3.5%	3.5%			180,807	180,807	361,614	187,135	187,135	374,270	193,685	193,685	387,370
Supplies		3.5%	3.5%			12,329	12,329	24,659	12,761	12,761	25,522	13,208	13,208	26,415
Contracts		3.5%	3.5%			101,828	101,828	203,656	105,392	105,392	210,784	109,081	109,081	218,161
Garbage and Trash Removal		3.5%	3.5%			68,220	68,220	136,440	70,608	70,608	141,215	73,079	73,079	146,158
Security Payroll/Contract		3.5%	3.5%			111,388	111,388	222,777	115,285	115,285	230,570	119,320	119,320	238,639
HVAC Repairs and Maintenance		3.5%	3.5%			9,064	9,064	18,128	9,381	9,381	18,762	9,709	9,709	19,419
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%			340	340	680	352	352	703	364	364	728
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses						483,974	483,974	967,948	500,913	500,913	1,001,827	518,445	518,445	1,036,891
Supportive Services														
Commercial Expenses		3.5%	3.5%			48,262	48,262	96,525	49,952	49,952	99,903	51,700	51,700	103,400
TOTAL OPERATING EXPENSES						1,309,605	1,309,605	2,631,572	1,355,441	1,355,441	2,723,677	1,402,881	1,402,881	2,819,006
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						2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit						54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
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						64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)						1,373,705	1,373,705	2,759,772	1,419,541	1,419,541	2,851,877	1,466,981	1,466,981	2,947,206
NET OPERATING INCOME (INCOME minus OP EXPENSES)														
						(34,796)	(512,105)	(477,308)	(35,809)	(536,401)	(500,592)	(36,851)	(561,763)	(524,911)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)														
Hard Debt - First Lender						-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)						-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, 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						-	-	69,592	-	-	71,618	-	-	73,703
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)						34,796	34,796	-	35,809	35,809	-	36,851	36,851	-
AVAILABLE CASH FLOW						-	(477,308)	(477,308)	(0)	(500,592)	(500,592)			

	Total # Units:	LOSP Units		Non-LOSP Units		Year 4 2031			Year 5 2032			Year 6 2033				
		216	108	108	50.00%	50.00%	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc	LOSP	% annual increase												
INCOME																
Other Reserve 2 Withdrawals																
Other Reserve 2 Interest																
Other Required Reserve 2 Running Balance																

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INCOME	Total # Units:	LOSP Units		Non-LOSP Units		Year 7 2034			Year 8 2035			Year 9 2036			
		216	108	108	50.00%	50.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc	% annual inc	% annual inc	% annual inc	% annual inc	Comments (related to annual inc assumptions)								
Residential - Tenant Rents		1.0%	2.5%			350,302	959,544	1,309,846	353,805	963,533	1,337,338	357,343	1,006,121	1,363,464	
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a			-	-	-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments		n/a	n/a			1,129,090	-	1,129,090	1,175,071	-	1,175,071	1,222,755	-	1,222,755	
Commercial Space		n/a	2.5%			-	-	179,108	-	-	184,481	-	-	190,016	
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%			16,282	16,282	32,564	16,689	16,689	33,378	17,106	17,106	34,213	
Tenant Charges		2.5%	2.5%			-	-	-	-	-	-	-	-	-	
Miscellaneous Residential Income		2.5%	2.5%			-	-	-	-	-	-	-	-	-	
Other Commercial Income		n/a	2.5%			-	-	-	-	-	-	-	-	-	
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a			-	-	-	-	-	-	-	-	-	
Gross Potential Income						1,495,673	975,826	2,650,608	1,545,565	1,000,222	2,730,268	1,597,204	1,025,228	2,812,447	
Vacancy Loss - Residential - Tenant Rents		n/a	n/a			(17,515)	(47,977)	(65,492)	(17,690)	(49,177)	(66,867)	(17,867)	(50,406)	(68,273)	
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a			-	-	-	-	-	-	-	-	-	
Vacancy Loss - Commercial		n/a	n/a			-	-	(89,554)	-	-	(92,241)	-	-	(95,008)	
EFFECTIVE GROSS INCOME						1,478,158	927,849	2,495,561	1,527,874	951,045	2,571,160	1,579,337	974,821	2,649,166	
OPERATING EXPENSES															
Management															
Management Fee		3.5%	3.5%			93,994	93,994	187,988	97,284	97,284	194,567	100,688	100,688	201,377	
Asset Management Fee		3.5%	3.5%			14,923	14,923	29,846	15,445	15,445	30,891	15,986	15,986	31,972	
Sub-total Management Expenses						108,917	108,917	217,834	112,729	112,729	225,458	116,675	116,675	233,349	
Salaries/Benefits															
Office Salaries		3.5%	3.5%			18,891	18,891	37,781	19,552	19,552	39,104	20,236	20,236	40,472	
Manager's Salary		3.5%	3.5%			125,266	125,266	250,532	129,650	129,650	259,301	134,188	134,188	268,376	
Health Insurance and Other Benefits		3.5%	3.5%			78,659	78,659	157,319	81,413	81,413	162,825	84,262	84,262	168,524	
Other Salaries/Benefits		3.5%	3.5%			18,508	18,508	37,017	19,156	19,156	38,312	19,827	19,827	39,653	
Administrative Rent-Free Unit		3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Sub-total Salaries/Benefits						241,244	241,244	482,649	249,771	249,771	499,541	258,513	258,513	517,025	
Administration															
Advertising and Marketing		3.5%	3.5%			34,766	34,766	69,532	35,983	35,983	71,965	37,242	37,242	74,484	
Office Expenses		3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Office Rent		3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Legal Expense - Property		3.5%	3.5%			11,063	11,063	22,127	11,451	11,451	22,901	11,851	11,851	23,703	
Audit Expense		3.5%	3.5%			6,846	6,846	13,693	7,086	7,086	14,172	7,334	7,334	14,668	
Bookkeeping/Accounting Services		3.5%	3.5%			20,710	20,710	41,421	21,435	21,435	42,871	22,186	22,186	44,371	
Bad Debts		3.5%	3.5%			18,439	18,439	36,878	19,084	19,084	38,168	19,752	19,752	39,504	
Miscellaneous		3.5%	3.5%			23,541	23,541	47,082	24,365	24,365	48,730	25,218	25,218	50,435	
Sub-total Administration Expenses						115,366	115,366	230,731	119,403	119,403	238,807	123,583	123,583	247,165	
Utilities															
Electricity		3.5%	3.5%			75,235	75,235	150,469	77,868	77,868	155,736	80,593	80,593	161,187	
Water		3.5%	3.5%			156,384	156,384	312,768	161,857	161,857	323,715	167,522	167,522	335,045	
Gas		3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Sewer		3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Sub-total Utilities						231,619	231,619	463,237	239,725	239,725	479,451	248,116	248,116	496,232	
Taxes and Licenses															
Real Estate Taxes		3.5%	3.5%			2,329	2,329	4,659	2,411	2,411	4,822	2,495	2,495	4,991	
Payroll Taxes		3.5%	3.5%			37,016	37,016	74,032	38,312	38,312	76,624	39,652	39,652	79,305	
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%			5,095	5,095	10,190	5,273	5,273	10,546	5,458	5,458	10,915	
Sub-total Taxes and Licenses						44,440	44,440	88,880	45,995	45,995	91,991	47,605	47,605	95,211	
Insurance															
Property and Liability Insurance		3.5%	3.5%			97,081	97,081	194,162	100,479	100,479	200,958	103,996	103,996	207,991	
Fidelity Bond Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Worker's Compensation		3.5%	3.5%			23,135	23,135	46,270	23,945	23,945	47,890	24,783	24,783	49,566	
Director's & Officers' Liability Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Sub-total Insurance						120,216	120,216	240,433	124,424	124,424	248,848	128,779	128,779	257,557	
Maintenance & Repair															
Payroll		3.5%	3.5%			200,464	200,464	400,928	207,480	207,480	414,960	214,742	214,742	429,484	
Supplies		3.5%	3.5%			13,670	13,670	27,340	14,148	14,148	28,297	14,644	14,644	29,287	
Contracts		3.5%	3.5%			112,898	112,898	225,797	116,850	116,850	233,700	120,940	120,940	241,879	
Garbage and Trash Removal		3.5%	3.5%			75,637	75,637	151,273	78,284	78,284	156,568	81,024	81,024	162,048	
Security Payroll/Contract		3.5%	3.5%			123,496	123,496	246,992	127,818	127,818	255,637	132,292	132,292	264,584	
HVAC Repairs and Maintenance		3.5%	3.5%			10,049	10,049	20,098	10,401	10,401	20,802	10,765	10,765	21,530	
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%			377	377	754	390	390	780	404	404	807	
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%			-	-	-	-	-	-	-	-	-	
Sub-total Maintenance & Repair Expenses						536,591	536,591	1,073,182	555,372	555,372	1,110,743	574,810	574,810	1,149,619	
Supportive Services															
Commercial Expenses		3.5%	3.5%			53,509	53,509	107,019	55,382	55,382	110,765	57,321	57,321	114,641	
TOTAL OPERATING EXPENSES						1,451,982	1,451,982	2,917,671	1,502,802	1,502,802	3,019,789	1,555,400	1,555,400	3,125,482	
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						2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200	
Replacement Reserve Deposit						54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000	
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						64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)						1,516,082	1,516,082	3,045,871	1,566,902	1,566,902	3,147,989	1,619,500	1,619,500	3,253,682	
NET OPERATING INCOME (INCOME minus OP EXPENSES)															
						(37,924)	(588,233)	(550,309)	(39,027)	(615,856)	(576,829)	(40,163)	(644,678)	(604,516)	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)															
Hard Debt - First Lender						-	-	-	-	-	-	-	-	-	
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd Lender)						-	-	-	-	-	-	-	-	-	
Hard Debt - Third Lender (Other HCD Program, 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						-	-	75,848	-	-	78,055	-	-	80,325	
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)						37,924	37,924	-	39,027	39,027	-	40,163	40,163	-	
AVAILABLE CASH FLOW						-	(550,309)	(550,309)	(0)	(576,829)	(576,829)	0</			

	Total # Units:	LOSP Units		Non-LOSP Units		Year 7 2034			Year 8 2035			Year 9 2036		
		216	108	108	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
			% annual inc LOSP	% annual increase										
INCOME														
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

	Total # Units:	LOSP Units		Non-LOSP Units		Year 10 2037			Year 11 2038			Year 12 2039			
		216	108	108	% annual inc	% annual increase	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
			50.00%	50.00%											
INCOME															
Other Reserve 2 Withdrawals															
Other Reserve 2 Interest															
Other Required Reserve 2 Running Balance															

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Total # Units:	LOSP Units		Non-LOSP Units		Year 13 2040			Year 14 2041			Year 15 2042				
	216	108	108												
	50.00%	50.00%	50.00%	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME															
Residential - Tenant Rents				1.0%	2.5%		371,852	1,112,777	1,484,629	375,571	1,140,597	1,516,167	379,326	1,169,111	1,548,438
Residential - Tenant Assistance Payments (Non-LOSP)				n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments				n/a	n/a		1,431,773	-	1,431,773	1,488,929	-	1,488,929	1,548,187	-	1,548,187
Commercial Space				n/a	2.5%	from 'Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%	-	-	213,864	-	-	220,280	-	-	226,888
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%		18,882	18,882	37,764	19,354	19,354	38,709	19,838	19,838	39,676
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							1,822,508	1,131,659	3,168,031	1,883,854	1,159,951	3,264,085	1,947,352	1,188,950	3,363,190
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(18,593)	(55,639)	(74,231)	(18,779)	(57,030)	(75,808)	(18,966)	(58,456)	(77,422)
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial				n/a	n/a		-	-	(106,932)	-	-	(110,140)	-	-	(113,444)
EFFECTIVE GROSS INCOME							1,803,915	1,076,021	2,986,868	1,865,076	1,102,921	3,076,137	1,928,385	1,130,494	3,172,324
OPERATING EXPENSES															
Management															
Management Fee				3.5%	3.5%	1st Year to be set according to HUD schedule.	115,542	115,542	231,085	119,586	119,586	239,173	123,772	123,772	247,544
Asset Management Fee				3.5%	3.5%	per MOHCD policy	18,344	18,344	36,688	18,986	18,986	37,973	19,651	19,651	39,302
Sub-total Management Expenses							133,887	133,887	267,773	138,573	138,573	277,146	143,423	143,423	286,846
Salaries/Benefits															
Office Salaries				3.5%	3.5%		23,221	23,221	46,443	24,034	24,034	48,068	24,875	24,875	49,751
Manager's Salary				3.5%	3.5%		153,984	153,984	307,968	159,373	159,373	318,747	164,951	164,951	329,903
Health Insurance and Other Benefits				3.5%	3.5%		96,693	96,693	193,385	100,077	100,077	200,154	103,579	103,579	207,159
Other Salaries/Benefits				3.5%	3.5%		22,751	22,751	45,503	23,548	23,548	47,095	24,372	24,372	48,744
Administrative Rent-Free Unit				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits							296,649	296,649	593,298	307,032	307,032	614,064	317,778	317,778	635,556
Administration															
Advertising and Marketing				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses				3.5%	3.5%		42,736	42,736	85,472	44,232	44,232	88,464	45,780	45,780	91,560
Office Rent				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property				3.5%	3.5%		13,600	13,600	27,199	14,076	14,076	28,151	14,568	14,568	29,137
Audit Expense				3.5%	3.5%		8,416	8,416	16,832	8,710	8,710	17,421	9,015	9,015	18,031
Bookkeeping/Accounting Services				3.5%	3.5%		25,458	25,458	50,917	26,350	26,350	52,699	27,272	27,272	54,544
Bad Debts				3.5%	3.5%		22,666	22,666	45,332	23,459	23,459	46,919	24,280	24,280	48,561
Miscellaneous				3.5%	3.5%		28,938	28,938	57,876	29,951	29,951	59,901	30,999	30,999	61,996
Sub-total Administration Expenses							141,814	141,814	283,628	146,777	146,777	293,555	151,914	151,914	303,829
Utilities															
Electricity				3.5%	3.5%		92,483	92,483	184,965	95,720	95,720	191,439	99,070	99,070	198,140
Water				3.5%	3.5%		192,236	192,236	384,472	198,964	198,964	397,928	205,928	205,928	411,856
Gas				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities							284,719	284,719	569,437	294,684	294,684	589,367	304,998	304,998	609,995
Taxes and Licenses															
Real Estate Taxes				3.5%	3.5%		2,863	2,863	5,727	2,964	2,964	5,927	3,067	3,067	6,135
Payroll Taxes				3.5%	3.5%		45,502	45,502	91,004	47,095	47,095	94,189	48,743	48,743	97,486
Miscellaneous Taxes, Licenses and Permits				3.5%	3.5%		6,263	6,263	12,525	6,482	6,482	12,964	6,709	6,709	13,417
Sub-total Taxes and Licenses							54,628	54,628	109,256	56,540	56,540	113,000	58,519	58,519	117,038
Insurance															
Property and Liability Insurance				3.5%	3.5%		119,337	119,337	238,675	123,514	123,514	247,028	127,837	127,837	255,674
Fidelity Bond Insurance				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation				3.5%	3.5%		28,439	28,439	56,878	29,434	29,434	58,869	30,465	30,465	60,929
Director's & Officers' Liability Insurance				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance							147,776	147,776	295,553	152,949	152,949	305,897	158,302	158,302	316,604
Maintenance & Repair															
Payroll				3.5%	3.5%		246,421	246,421	492,843	255,046	255,046	510,092	263,973	263,973	527,945
Supplies				3.5%	3.5%		16,804	16,804	33,608	17,392	17,392	34,784	18,001	18,001	36,001
Contracts				3.5%	3.5%		138,781	138,781	277,562	143,638	143,638	287,277	148,666	148,666	297,332
Garbage and Trash Removal				3.5%	3.5%		92,977	92,977	185,954	96,231	96,231	192,462	99,599	99,599	199,198
Security Payroll/Contract				3.5%	3.5%		151,808	151,808	303,616	157,121	157,121	314,243	162,621	162,621	325,241
HVAC Repairs and Maintenance				3.5%	3.5%		12,353	12,353	24,706	12,785	12,785	25,571	13,233	13,233	26,466
Vehicle and Maintenance Equipment Operation and Repairs				3.5%	3.5%		463	463	926	479	479	959	496	496	992
Miscellaneous Operating and Maintenance Expenses				3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses							659,607	659,607	1,319,214	682,693	682,693	1,365,387	706,588	706,588	1,413,175
Supportive Services				3.5%	3.5%		65,777	65,777	131,554	68,079	68,079	136,158	70,462	70,462	140,924
Commercial Expenses							-	16,848	-	-	17,438	-	-	18,048	
TOTAL OPERATING EXPENSES							1,784,857	1,784,857	3,586,562	1,847,327	1,847,327	3,712,092	1,911,983	1,911,983	3,842,015
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							2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit							54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
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							64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)							1,848,957	1,848,957	3,714,762	1,911,427	1,911,427	3,840,292	1,976,083	1,976,083	3,970,215
NET OPERATING INCOME (INCOME minus OP EXPENSES)															
							(45,042)	(772,936)	(727,895)	(46,351)	(808,506)	(762,155)	(47,698)	(845,589)	(797,891)
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.	-	-	-	-	-	-	-	-	-
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															

	Total # Units:	LOSP Units		Non-LOSP Units		Year 13 2040			Year 14 2041			Year 15 2042		
		216	108	108										
			50.00%	50.00%										
		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
INCOME														
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

1234 Great Highway

INCOME	Total # Units: 216	LOSP Units		Non-LOSP Units		Year 16 2043			Year 17 2044			Year 18 2045		
		108	108	108	108	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		50.00%	50.00%	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)								
Residential - Tenant Rents						383,120	1,198,339	1,581,459	386,951	1,228,298	1,615,249	390,820	1,259,005	1,649,826
Residential - Tenant Assistance Payments (Non-LOSP)														
Residential - LOSP Tenant Assistance Payments						1,609,621		1,609,621	1,673,309		1,673,309	1,739,331		1,739,331
Commercial Space								233,695			240,706			247,927
Residential Parking														
Miscellaneous Rent Income														
Supportive Services Income														
Interest Income - Project Operations														
Laundry and Vending						20,334	20,334	40,668	20,842	20,842	41,685	21,364	21,364	42,727
Tenant Charges														
Miscellaneous Residential Income														
Other Commercial Income														
Withdrawal from Capitalized Reserve (deposit to operating account)														
Gross Potential Income						2,013,075	1,218,673	3,465,444	2,081,102	1,249,140	3,570,949	2,151,515	1,280,369	3,679,811
Vacancy Loss - Residential - Tenant Rents						(19,156)	(59,917)	(79,073)	(19,348)	(61,415)	(80,762)	(19,541)	(62,950)	(82,491)
Vacancy Loss - Residential - Tenant Assistance Payments														
Vacancy Loss - Commercial								(116,848)			(120,353)			(123,964)
EFFECTIVE GROSS INCOME						1,993,919	1,158,756	3,269,523	2,061,755	1,187,725	3,369,833	2,131,974	1,217,418	3,473,356
OPERATING EXPENSES														
Management														
Management Fee						128,104	128,104	256,208	132,588	132,588	265,175	137,228	137,228	274,456
Asset Management Fee						20,339	20,339	40,677	21,051	21,051	42,101	21,787	21,787	43,575
Sub-total Management Expenses						148,443	148,443	296,885	153,638	153,638	307,276	159,015	159,015	318,031
Salaries/Benefits														
Office Salaries						25,746	25,746	51,492	26,647	26,647	53,294	27,580	27,580	55,159
Manager's Salary						170,725	170,725	341,449	176,700	176,700	353,400	182,885	182,885	365,769
Health Insurance and Other Benefits						107,205	107,205	214,409	110,957	110,957	221,914	114,840	114,840	229,681
Other Salaries/Benefits						25,225	25,225	50,450	26,108	26,108	52,216	27,022	27,022	54,043
Administrative Rent-Free Unit														
Sub-total Salaries/Benefits						328,900	328,900	657,801	340,412	340,412	680,824	352,326	352,326	704,652
Administration														
Advertising and Marketing														
Office Expenses						47,382	47,382	94,764	49,041	49,041	98,081	50,757	50,757	101,514
Office Rent														
Legal Expense - Property						15,078	15,078	30,156	15,606	15,606	31,212	16,152	16,152	32,304
Audit Expense						9,331	9,331	18,662	9,657	9,657	19,315	9,995	9,995	19,991
Bookkeeping/Accounting Services						28,226	28,226	56,453	29,214	29,214	58,428	30,237	30,237	60,473
Bad Debts						25,130	25,130	50,260	26,010	26,010	52,020	26,920	26,920	53,840
Miscellaneous						32,084	32,084	64,168	33,207	33,207	66,413	34,369	34,369	68,738
Sub-total Administration Expenses						157,231	157,231	314,463	162,735	162,735	325,469	168,430	168,430	336,861
Utilities														
Electricity						102,537	102,537	205,074	106,126	106,126	212,252	109,840	109,840	219,681
Water						213,135	213,135	426,270	220,595	220,595	441,190	228,316	228,316	456,632
Gas														
Sewer														
Sub-total Utilities						315,673	315,673	631,345	326,721	326,721	653,442	338,156	338,156	676,313
Taxes and Licenses														
Real Estate Taxes						3,175	3,175	6,350	3,286	3,286	6,572	3,401	3,401	6,802
Payroll Taxes						50,449	50,449	100,898	52,215	52,215	104,429	54,042	54,042	108,084
Miscellaneous Taxes, Licenses and Permits						6,943	6,943	13,887	7,187	7,187	14,373	7,438	7,438	14,876
Sub-total Taxes and Licenses						60,567	60,567	121,134	62,687	62,687	125,374	64,881	64,881	129,762
Insurance														
Property and Liability Insurance						132,312	132,312	264,623	136,942	136,942	273,885	141,735	141,735	283,471
Fidelity Bond Insurance														
Worker's Compensation						31,531	31,531	63,062	32,634	32,634	65,268	33,777	33,777	67,553
Director's & Officers' Liability Insurance														
Sub-total Insurance						163,842	163,842	327,685	169,577	169,577	339,154	175,512	175,512	351,024
Maintenance & Repair														
Payroll						273,212	273,212	546,423	282,774	282,774	565,548	292,671	292,671	585,342
Supplies						18,631	18,631	37,261	19,283	19,283	38,566	19,958	19,958	39,915
Contracts						153,869	153,869	307,738	159,254	159,254	318,508	164,828	164,828	329,657
Garbage and Trash Removal						103,085	103,085	206,170	106,693	106,693	213,386	110,427	110,427	220,855
Security Payroll/Contract						168,312	168,312	336,624	174,203	174,203	348,406	180,300	180,300	360,601
HVAC Repairs and Maintenance						13,696	13,696	27,392	14,175	14,175	28,351	14,671	14,671	29,343
Vehicle and Maintenance Equipment Operation and Repairs						513	513	1,027	531	531	1,063	550	550	1,100
Miscellaneous Operating and Maintenance Expenses														
Sub-total Maintenance & Repair Expenses						731,318	731,318	1,462,636	756,914	756,914	1,513,829	783,406	783,406	1,566,813
Supportive Services														
Commercial Expenses						72,928	72,928	145,856	75,480	75,480	150,961	78,122	78,122	156,244
TOTAL OPERATING EXPENSES						1,978,903	1,978,903	3,976,486	2,048,164	2,048,164	4,115,663	2,119,850	2,119,850	4,259,711
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						2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit						54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
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						64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)						2,043,003	2,043,003	4,104,686	2,112,264	2,112,264	4,243,863	2,183,950	2,183,950	4,387,911
NET OPERATING INCOME (INCOME minus OP EXPENSES)														
						(49,084)	(884,246)	(835,163)	(50,510)	(924,539)	(874,030)	(51,976)	(966,532)	(914,555)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)														
Hard Debt - First Lender														
Hard Debt - Second Lender (HCD Program 0.42% pmt, or other 2nd Lender)														
Hard Debt - Third Lender (Other HCD Program, 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								98,167			101,019			103,953
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)						-49,084	-49,084		50,510	50,510		51,976	51,976	
AVAILABLE CASH FLOW						0	(835,163)	(835,163)	0	(874,030)	(874,030)	0	(914,555)	
USES OF CASH FLOW BELOW (This row also shows DSCR.)														
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL														
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)														
Partnership Management Fee (see policy for limits)														
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)														
Other Payments														
Non-amortizing Loan Pmnt - Lender 1														
Non-amortizing Loan Pmnt - Lender 2														

	Total # Units:	LOSP Units		Non-LOSP Units		Year 16 2043			Year 17 2044			Year 18 2045		
		216	108	108										
			50.00%	50.00%										
		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
INCOME														
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

	Total # Units:	LOSP		Non-LOSP Units	Year 19 2046			Year 20 2047			
		Units	Units		Comments (related to annual inc assumptions)	LOSP	non- LOSP	Total	LOSP	non- LOSP	Total
		108	108								
	216	50.00%	50.00%								
INCOME		% annual inc LOSP	% annual increase								
Other Reserve 2 Withdrawals											
Other Reserve 2 Interest											
Other Required Reserve 2 Running Balance											