

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

249 Pennsylvania

\$11,964,119 for Acquisition

\$1,035,881 for Predevelopment

Total Funding \$13,000,000

Evaluation of Request for:	Acquisition and Predevelopment
Loan Committee Date:	October 13, 2023
Prepared By:	Anne Romero, Project Manager
Asset Manager:	Carmen Otero
Construction Representative:	Sarah Tenpas
Source of Funds Recommended:	\$10,400,000 CDBG \$2,600,000 Certificate 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 Young Community Developers

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	249 Pennsylvania	Sponsor(s):	Tenderloin Neighborhood Development Corporation Young Community Developers
Project Address (w/ cross St):	249 Pennsylvania (btwn 18 th & Mariposa)	Ultimate Borrower Entity:	Limited Partnership still to be formed Loan Request borrower entity is <u>Pennsylvania 249 Housing Associates LLC</u> , which will acquire the parcel and own it during the interim use period.

Project Summary:

In January of 2023, MOHCD issued a Multisite Acquisition and Predevelopment Notice of Funding Availability (NOFA) for the financing of new, affordable rental housing. Tenderloin Neighborhood Development Corporation (TNDC) and Young Community Developers (YCD) (together Sponsor) applied under the NOFA for acquisition of 249 Pennsylvania Ave, currently a vacant lot in San Francisco's Potrero Hill neighborhood.

The parcel occupies most of the City block bounded by Pennsylvania Ave, Mariposa Street, 18th Street, and the I-280 Freeway. The Sponsor envisions parking (or other low infrastructure-needing uses) as the interim use before development into a 120-unit Type III/I residential building with 7 stories. The Sponsor aims to promote the development of permanent affordable housing for low income and formerly homeless families in a high resource neighborhood. The Site was in a designated high resource area in 2022, the only such area across the southeastern portions of the City. Though that designation was lost in 2023, the project team has preserved that designation for an additional seven years by gaining site control before the end of 2022. The proposed project is consistent with the City's Consolidated Plan and Master Plan Housing Element.

249 Pennsylvania will bring approximately 120 affordable units (60 studios, 30 2-bedrooms and 30 3-bedrooms), with 50% of units serving formerly homeless households supported by the City's Local Operating Subsidy Program (LOSP). The remaining units will serve low-income families between 40% and 80% MOHCD AMI. No retail or commercial spaces are contemplated.

This request for financing is to take out Corporation for Supportive Housing's (CSH) acquisition loan in the amount of \$11.9 million, as well as provide \$1,035,881 for predevelopment expenses. The Site acquisition is scheduled to close by October 11, 2023 with CSH's loan of up to \$14,000,000 for acquisition and predevelopment. Upon acquisition loan repayment in early 2024, CSH will provide additional predevelopment funds as needed, and will support the interim use costs. As per the requirements of the NOFA and the interim use plan, the Project is not scheduled to start construction until 2026, after successful applications for state financing in 2025. The land will be transferred to MOHCD upon construction start. Lease up is estimated to begin in 2028.

Project Description:

Construction Type:	Type III/I	Project Type:	New Construction
Number of Stories:	7	Lot Size (acres and sf):	0.50 acres
Number of Units:	120	Architect:	TBD

Total Residential Area:	~ 83,000 SF	General Contractor:	TBD
Total Commercial Area:	N/A	Property Manager:	TNDC
Total Building Area:	~ 83,000 SF	Supervisor and District:	Sup. Walton, D10
Land Owner (future):	MOHCD	MOHCD Acquisition Cost:	\$11,964,119
Total Development Cost (TDC) w/o land:	\$111,698,872	MOHCD Acquisition Cost /unit:	\$99,700
TDC/unit without land:	\$930,824	MOHCD projected Gap request without land:	\$20,982,236
Loan Amount Requested:	\$13,000,000	Request Amount / unit:	\$108,333
Total MOHCD Subsidy / unit with land	\$274,553	Total MOHCD Subsidy / unit without land:	\$174,852
HOME Funds	N	Parking?	TBD
CBDG Funds	Y		

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. Based on the NOFA submission, the Sponsor is at approximately \$275k per door, below the subsidy ceiling. Considering the nascent stage of development, the MOHCD gap is likely to change. See Section 6 Financing Plan.
- A plan for interim use was a requirement under the NOFA; however, opportunities are limited by the Site’s lack of infrastructure. Low-intensive uses, like fleet or public parking, are not principally permitted uses under the Site’s zoning. The Sponsor is searching for prospective tenants to confirm if an approval pathway exists under a PDR designation but may otherwise require Board of Supervisors action to approve a wider range of interim uses, which could take around six months. See Section 4.7.
- Design remains highly conceptual. Upon procurement of the design team, the Sponsor can evaluate changes to the baseline design, such as substituting 1 BR units for studios, exploring the feasibility of parking (a primary neighborhood concern), and maximizing density within the Density Bonus programs. See Section 4.2.
- Site location adjacent to freeway. The subject property is located in a transitioning former industrial area in the Potrero neighborhood immediately adjacent to the I-280 freeway and an exit ramp. To mitigate noise and air pollution, the sponsor will work with the design and engineering team to design upgraded windows, improve air filtration and thoughtful courtyard design. See Sections 2.5 and 4.2.

- **Federal Environmental Review** – a NEPA review will be required to invest CDBG funds in the acquisition prior to loan closing, and MOHCD and the Sponsor are currently investigating the timeline that this environmental review will take. If it is not possible to complete in time, MOHCD will utilize other funds. See Section 2.4.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Per Unit	Terms	Status
MOHCD Acquisition*	\$11,964,119	\$99,701	0% at 3 years	THIS REQUEST
MOHCD Predevelopment	\$1,035,881	\$8,632	3% at 3 years	THIS REQUEST
CSH Acq. Loan / Interim Use Income Takeout Source	\$180,000	\$1,500	2% at earlier of construction loan closing or 4 years	Committed
Total	\$13,180,000	\$109,833		

Permanent Sources	Amount	Per Unit	Terms	Status
MOHCD	\$20,982,236	\$174,852	55 years at 3% / Res Rec	Not Committed
MOHCD for acquisition*	\$11,964,119	\$99,701	0%	Not Committed
LIHTC Equity	\$51,018,244	\$425,152	\$0.96 per Fed LIHTC	Not Committed
HCD-MHP	\$34,580,356	\$288,170	55 years min int pymt/Res Rec	Not Committed
FHLB-AHP	\$1,030,000	\$8,583	15 year grant 0%	Not Committed
Income from Interim Use	\$150,000	\$1,250	TBD	Not Committed
Deferred Fee	\$769,017	\$6,408	0% deferred	Not Committed
GP Equity	\$3,169,018	\$26,408	TC Equity: Price per credit	Not Committed
Total	\$123,662,990	\$1,030,525		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$11,964,119	\$99,701	\$110.14
Hard Costs	\$79,473,927	\$662,283	\$731.64
Soft Costs	\$24,943,706	\$207,864	\$229.63
Reserves	\$943,203	\$7,860	\$8.68
Developer Fee	\$6,338,035	\$52,817	\$58.35
Total	\$123,662,990	\$1,030,525	\$1,138.45

*Acquisition will be considered paid in full once the Site is transferred to MOHCD at construction close. The final MOHCD gap amount is projected at \$20.9 million, inclusive of predevelopment funds, but not acquisition cost.

1. BACKGROUND

1.1. Project History Leading to This Request. On January 27th, 2023, MOHCD issued a NOFA for development of new affordable rental housing for low-income families including a set aside for referrals of homeless households from the Department of Homelessness and Supportive Housing's (HSH) 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 YCD were selected as one of the five teams.

A requirement of 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 long term, requiring an interim use. TNDC identified the vacant lot at 249 Pennsylvania, with the help of a broker from Kidder Matthews. The Site was in a high resource area in 2022. Though that designation was lost in 2023, the project team has preserved that designation for seven years by gaining site control before the end of 2022 which will be documented when they apply to TCAC per TCAC regulations.

The Site was envisioned as market rate housing under a few different configurations before the owners decided to sell the property, as they were unable to get entitlement concessions that would make their project pencil. As a 100% affordable project, the development would qualify for streamlining and incentives, concessions, and waivers to make development feasible. With the density bonus allowing up to seven stories of housing, and family amenities in the neighborhood, the Site is envisioned as a suitable location for affordable family housing.

TNDC has successfully developed nearby projects in adjacent neighborhoods, including Mission Bay and the Mission District. YCD has projects in process at Pier 70 and Potrero Yard, both of which are within one mile of the project site. TNDC and YCD have also previously partnered on Candlestick 10a, and this project builds on this successful relationship. TNDC and YCD responded to this NOFA as a Joint Venture.

TNDC began due diligence and conducted financial feasibility prior to NOFA submission, and will close on the property using an acquisition loan from CSH in October 2023. That loan carries a 2% interest rate, and additional information on the purchase and acquisition loan terms are included below in Section 3.2 – Site Control.

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 stated goals included the following:

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

TNDC and YCD 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 selected, scoring 79 out of 100 possible 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. The borrower entity for land acquisition and initial predevelopment funding is 249 Pennsylvania Housing Associates LLC. TNDC is the manager of this entity, with YCD as the second member. The ultimate limited partnership entity will be established closer to construction loan closing when the Site is transferred to the City, and existing loans will be assigned to the new limited partnership entity.

1.3.2. Joint Venture Partnership. This partnership between TNDC and YCD leverages each organization's experience and expertise to successfully guide 249 Pennsylvania through its acquisition and interim use period, development process, and transition to operations. TNDC and YCD executed a Memorandum of Understanding on April 6, 2023, outlining the roles and responsibilities in the development process. YCD's share of developer fee will be 25% and TNDC's share will be 75% of the net fee received. TNDC will lead the project through design, entitlement, financing, bidding, construction, and stabilized operations while YCD will lead the community outreach and leverage its resources and job training programs to maximize contracting opportunities for neighborhood residents. YCD will also participate in all aspects of the development process to increase their capacity in housing development, and help coordinate connections with service providers that have a presence in District 10 at Project completion. The combined strengths and experiences of each partner will ensure the project team is appropriately supported while growing the capacity of both organizations.

1.3.3. Demographics of Board of Directors, Staff and People Served.
TNDC and YCD are racially diverse organizations:

TNDC: the CEO, 85% of staff, 60% of the Board, and half of the executive staff are people of color. TNDC is working to foster similar diversity amongst its consultant development teams and has partnered with local emerging BIPOC-led businesses on its development projects.

YCD: Established in 1973, YCD is a black-led California community-based nonprofit that provides a variety of training and support opportunities for the Bayview Hunters Point neighborhood of San Francisco, which is located in District 10. YCD is a BIPOC led organization where the CEO, 91% of the board, 90% of senior management, and 80% of staff are people of color.

Board: YCD's Board of Director/Trustees consists of 12 members; of those 12 members 11 identify as BIPOC and there is a 50/50 split between those who identify as male and female.

Organization Staffing: YCD's Senior Management consists of over 50% identifying as Black/African American and the remaining 40%+ identifying as BIPOC with a 3:1 ratio of female to male. Departments share similar representation as our leadership with over 80% of our workforce identifying as BIPOC and a 3:1 ratio male to female.

Development Team Staffing: YCD's Development team currently consists of 5 team members 3 of which identify as female and BIPOC.

As a Black-led California community-based nonprofit that has over 50% of its staff identified as Black or African American, YCD's racial equity vision is established through its Executive Director, Board, and staff. YCD has been working to build cultural competency with District 10's Asian population, as Asians are the largest racial and ethnic group in District 10 representing approximately 37% of the population.

1.3.4. Racial Equity Vision. TNDC and YCD are mission-driven and values-led organizations committed to building a future with economic and racial equity. Their respective missions are 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. Their dedication to this vision is demonstrated through their respective efforts and programs.

YCD's Workforce, Education and Housing programs were created to address the opportunity gap for San Francisco's most marginalized and under-resourced residents for whom meeting primary needs is an inherent and ongoing challenge. Established in 2014, YCD's housing department came about because of the dramatic drop in the Black population throughout San Francisco as housing market forces fueled gentrification and displacement. As a part of their vision, YCD has been focusing on developing new housing, acquiring, and preserving existing housing, advocating for policies that prioritize the neighborhood and Black households, and direct services to prevent displacement.

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 displacement—to currently ensuring that the Tenderloin has the amenities and services needed to sustain a thriving neighborhood. A majority of TNDC tenants are from BIPOC communities, and their programs support these diverse tenants through a variety of culturally responsive, trauma informed, and harm-reduction services and programs that eliminate barriers. TNDC conducts annual tenant surveys regarding satisfaction with onsite support services. These surveys are available in multiple languages, and include demographic data, so 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 is experienced in the implementation and expansion of Certificates of Preference (COP) and neighborhood preference policies. In 2016, TNDC helped the City of San Francisco introduce new federal policy—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.

Both TNDC and YCD ensure people of color are represented and valued at all levels of their organizations, influencing policies that dismantle racist structures and build racially and economically inclusive communities. In 2019, TNDC launched its Racial Equity Initiative which has implemented several policies, including raising their minimum wage after internal research demonstrated that lowest paid staff were disproportionately African-American and Latinx.

1.3.5. Relevant Experience. The partnership between TNDC and YCD leverages each organization's experience and expertise to successfully guide 249 Pennsylvania through its acquisition and interim use period, development process, and transition to operations.

TNDC has 42 years of experience developing 100% affordable housing, including on tight, urban-infill sites like 249 Pennsylvania. Over 30% of TNDC's portfolio houses people and households coming from direct experiences of homelessness. With a development pipeline of over one billion dollars, TNDC is adding over 1,500 units to its portfolio over the next five years – all in either the Type I or Type III/V over I structural systems proposed for this site. As evidenced by project completions at 626 Mission Bay, Eddy & Taylor, and 1036 Mission, TNDC completes complex projects on time and on budget and has a successful track record of receiving HCD and TCAC/CDLAC awarded funding applications. TNDC's 18-person development team includes a housing director, three associate directors, three senior project managers (SPM), four project managers (PM), five assistant project managers (APM), a department administrator, and one intern.

YCD has deep experience in San Francisco's southeastern neighborhoods and has been building its capacity and familiarity in Potrero Hill. In addition to its growing development experience, including active projects nearby at the Potrero Yard, Mission Bay Block 9A, and Pier 70, YCD's strong connections with local residents and service providers will help ensure that 249 Pennsylvania is responsive to the needs of the City's and neighborhood's low-income and BIPOC households. YCD's team includes a housing director, two PM's, one APM, and one policy analyst and advocate. This project and partnership will encourage YCD's continued growth as an organization that can consistently deliver much needed housing to underserved communities.

1.3.6. Project Management Capacity.

The following staff members are assigned to 249 Pennsylvania with percentage of work time indicated:

Esther Kim (Project Manager, TNDC) 35% FTE
Robert Abbott (Sr. Project Manager, YCD) 40% FTE
Alberto Benejam (Assoc. Dir. of Housing Development, TNDC) 35% FTE
Chris Cummings (Director of Housing Development, TNDC) 2% FTE
Divali Ramkalawan (Director of Housing Development, YCD) 5% FTE

Hatti Wyatt (Director of Potrero Hill Site) 15% FTE

1.3.7. Past Performance.

1.3.7.1. City audits/performance plans. TNDC participated in the citywide fiscal and compliance monitoring program in the last few years and were monitored by DCYF 2021. There are no known findings or issues with the audit. Per 9/27/2023 email from Helen Hale, Director of Residential and Community Services, Helen’s team works closely with TNDC and YCD (as providers of RAD units) and has no concerns. Both agencies are 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. 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. As a result, the typical Resident Selection Criteria of TNDC for recent projects is low-barrier and encourages tenant placement.

YCD has not been involved in affordable housing lease ups to date, and will rely on TNDC for this role.

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, the eviction rate is under 2%.

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

Site Description	
Zoning:	UMU - Urban Mixed Use; 40-X Height and Bulk District (See Section 2.1)
Maximum units allowed by current zoning (N/A if rehab):	No density limit. Density is regulated by the permitted height and bulk
Seismic (if applicable):	Not in a liquefaction zone
Soil type:	Phase I report by PathForward, completed on 2/8/2023. The report describes the lithology as consisting of several feet of gravel and soil fill of varying thickness, underlain by silty clay. Serpentine bedrock was encountered at approximately 28 feet below ground surface (bgs).
Local/Federal Environmental Review:	The Project will be eligible for streamlined approvals under AB 2162. CEQA is not required under AB2162 approval. Phase I investigation was completed on February 8, 2023, and no substantial environmental concerns were found.
Adjacent uses (North):	Mariposa Street, followed by vacant industrial land beneath an elevated Interstate 280 off ramp, zoned MB-RA (Mission Bay Redevelopment Area).
Adjacent uses (South):	Zoned as P (Public) for the Pennsylvania Street Community Garden
Adjacent uses (East):	Zoned as P (Public) Interstate 280 elevated off ramp
Adjacent uses (West):	3-story condominiums across Pennsylvania Ave Zoned UMU (Urban Mixed Use); RH-2 across remainder of the block, with smaller scale single- and multi-family residential
Neighborhood Amenities within 0.5 miles:	Grocery Stores: <ul style="list-style-type: none"> New Potrero Market (west of Site on 18th Ave and Texas St) Schools: <ul style="list-style-type: none"> Daniel Webster Elementary (20th and Texas) San Francisco Int'l High School (18th and De Haro) Downtown High School (19th and Vermont) Healthcare: <ul style="list-style-type: none"> UCSF Benioff Children's Hospital (800 feet) Kaiser Permanente Mission Bay (1,800 feet) Places of worship: <ul style="list-style-type: none"> St. Teresa of Avila (19th and Connecticut)

	<ul style="list-style-type: none"> • Shekinah Christian Fellowship (19th and Tennessee) • St. Gregory's Episcopal Church (Mariposa & De Haro)
Public Transportation within 0.5 miles:	T Third MUNI Light Rail 15 Bayview Hunters Point Express (bus) 19 Polk (bus) 22 Filmore (bus) 48 Quintara/24th Street (bus) 55 Dogpatch (bus) Caltrain – 22 nd St Station
Article 34:	Not Exempt and staff will submit the Art 34 request prior to Loan Committee
Article 38:	Article 38 applies as the PIM states it is in an air pollutant exposure zone. Mitigation will be addressed with specific input from the design and engineering team 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:	Property is not in SFPUC stormwater flood zone. Sponsor will work with SFPUC on a stormwater control plan during schematic design.

2.1. Site Description. The proposed site is 249 Pennsylvania, at the corner of Pennsylvania Ave and Mariposa Street and backing up onto I-280. The total lot area is 21,625 sf (Site). Though the adjacent street is significantly sloped, this is an already excavated site, once housing Center Hardware. The Site is currently vacant, with the store demolished in 2019, leaving a large, rectangular site well-positioned for housing development, on two levels.

2.2. Zoning. The UMU zoning and 40-x height limit lends itself to residential multifamily development, and using the State Density Bonus, allows for a mid-rise building to maximize unit count.

	Allowed/Required	Requested
Height	40-X	Increase by 3 stories to 73 feet due to height density allowed for 100% Affordable Housing under AB 2162

Open Space	100 square feet per unit if private, or 133 square feet per unit if common	Total proposed 10,800 sf, or 90 sf per dwelling unit
Rear Yard	Required at the Second Story and at each succeeding level or Story of the building, and at the First Story if it contains a Dwelling Unit: 25% of lot depth, but in no case less than 15 feet	Minimum required – 5,406 sf Total proposed – 5,500 sf
Ground Floor Height	5 Foot Height Bonus for Active Ground Floor Uses	

2.3. Probable Maximum Loss. N/A – new construction

2.4. Local/Federal Environmental Review. CEQA is not required under SB35. A NEPA review will be required to invest CDBG funds in the acquisition prior to loan closing and by March 2024, and MOHCD and the Sponsor are currently investigating the timeline that this environmental review would take. If it is not possible to complete the review in time, MOHCD will utilize other funds.

2.5. Environmental Issues.

- Phase I/II Site Assessment Status and Results. The Phase I ESA completed in February 2023 has revealed no evidence of recognized environmental conditions (RECs), historical recognized environmental conditions (HRECs), controlled recognized environmental conditions (CRECs), or *de minimis* conditions, in connection with the subject property, except for the following:
 - The Maher Ordinance requires that the San Francisco Department of Public Health (SFDPH) provide, “oversight for characterization and mitigation of hazardous substances in soil and groundwater in designated areas zoned for industrial uses, sites with industrial uses or underground storage tanks, sites with historic bay fill, sites in close proximity to freeways or underground storage tanks.” In 2016, the SFDPF approved a Site Mitigation Plan and noted that a deed restriction may be required; however, subsequent review notes by the SFDPH in 2021 indicate that additional soil data may be needed. Some soils on the subject property may require handling as hazardous waste. This finding is a Recognized Environmental Condition (REC).
 - The subject property is located within an ultramafic geologic unit and will be subject to the California Air Resources Board Asbestos Airborne Toxic Control Measure (ATCM) for construction and grading. Additional controls may be required during Site work due to the nature of naturally occurring minerals in the Site subsurface. This finding is not related to a release of hazardous substances or

petroleum products and is de minimis; however, the condition may present a business environmental risk.

- Potential/Known Hazards. None requiring mitigation beyond the encapsulation already needed to build the development and addressing environmental factors related to adjacency to freeway and exit ramp. The nearby freeway will create noise and air pollution, that will be mitigated to the extent possible through design and engineering during predevelopment. Options include upgraded windows, especially on any facing the freeway (triple-pane with gas insulation); improved filtration (Merv 16); and careful courtyard design.

2.6. Adjacent uses and neighborhood amenities. The Site is located in a transitioning former industrial area in the Potrero neighborhood immediately adjacent to the 280 Freeway and an exit ramp, across the street from newer condo developments. The Site offers good access to transit and is proximate to the wider neighborhood amenities of parks, library, grocery store and schools. Two hospitals and various medical centers are nearby.

2.7. Green Building. The green building approach will be determined in predevelopment.

3. COMMUNITY SUPPORT

3.1. Prior Outreach. To date, TNDC and YCD have conducted limited community outreach given the early stage of the Project. TNDC and YCD reached out to the Potrero Boosters Neighborhood Association and the Dogpatch Neighborhood Association, to inform them of the selection of this Site for funding through the NOFA. The Potrero Boosters responded with support for the project (they had supported the earlier market-rate developments proposed on this site) and were appreciative of efforts to convert this site to affordable housing. The Dogpatch N.A. has yet to respond.

The Sponsor also met with Supervisor Walton's office, along with representatives from MOHCD. Supervisor Walton's team referred the Sponsor to the above neighborhood associations, and the Sponsor will continue to work with the Supervisor's office to identify additional stakeholders and area organizations.

Additionally, YCD maintains a presence in Potrero Hill, staffed full-time by Hattie Wyatt, Program Service Director. She has identified upcoming neighborhood events and outreach opportunities based on her close networks in the neighborhood.

3.2. Future Outreach. The Sponsor will endeavor to kick off community outreach and engagement in Fall 2023 in advance of the Board of Supervisors' approval of the MOHCD loan. The project team will work with interested neighborhood groups, like the Potrero Boosters, to solicit

feedback from their members, in addition to planning events on-site in the upper portion of the lot next to the Pennsylvania St Community Garden. Anticipated areas of neighborhood interest are the interim use period and resident parking.

- 3.3. Proposition I. Proposition I – Neighborhood Notification is required for the Project and will be posted on October 16, 2023 after Loan committee approval and will be complete prior to the Mayor’s execution of the predevelopment loan agreement.

4. DEVELOPMENT PLAN

- 4.1. Site Control. TNDC entered into a Purchase and Sale Agreement for \$11,350,000 on December 31, 2022, with an initial deposit of \$100,000. An additional \$200,000 deposit was due upon the release of Due Diligence contingency. Additional extensions of the various phases of the PSA required an additional \$30,000 in deposits, with the final closing date no later than October 11th, 2023. Deposits total \$330K, with all deposits applied to the purchase price, which became non-refundable upon release of due diligence. Due diligence included a Phase I, subsurface investigation report, ALTA Survey, geotechnical review of seller’s geotech report, and review of seller’s disclosure information and site visit to confirm interim use capabilities and steps to prepare for site activation.

TNDC negotiated to reduce the seller’s transfer tax in return for the Site being restricted by the Community Opportunity to Purchase Act (COPA) to be preserved as affordable housing, with transfer tax savings of around \$600k. COPA will restrict the units for the life of the Project, and have an average affordable rent set to not exceed 80% of Area Median Income. Tenants at initial occupancy shall have a household income not exceeding 120% of Area Median Income. CSH, as the acquisition lender, was concerned that the restriction would lower the value of the Site in the event of foreclosure and that it would be difficult to sell it at the price necessary to repay their loan if the deal doesn’t move forward. MOHCD, the Assessor and CSH have reached an approach whereby MOHCD would be listed as a third party beneficiary of the CSH restrictions, which are less stringent than the COPA restrictions, and if there is a foreclosure, either TNDC or CSH would need to pay the full value of the transfer tax as well as taxes and penalties to make the City whole. Assuming the deal moves forward, the MOHCD restrictions will include the COPA restrictions to be recorded when the MOHCD loan closes and TNDC repays off the acquisition portion of their CSH loan.

The Sponsor plans to acquire the Site with a CSH loan in October 2023. After Board of Supervisors approval in December 2023, the acquisition portion of the \$13,000,000 MOHCD loan will be used to pay down the CSH loan and accrued interest to cover the acquisition cost. The

Sponsor will have access to additional CSH predevelopment funds. The Sponsor 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. The Sponsor will own and hold the Site during predevelopment via an affiliate LLC. Prior to construction, the Site will be transferred to the City. Improvements built upon the site will be owned by the to be formed limited partnership entity.

4.2. Proposed Design. The Sponsor responded to the Notice of Funding Availability with a preliminary design featuring 120 units of family housing in a seven-story Type III/I building that terraces up along the slope of Pennsylvania Ave. The initial design featured 60 studios, 30 two-bedroom units, and 30 three-bedroom units, to qualify the project under TCAC’s Large Family set aside. The initial design did not propose parking or commercial/retail uses. A courtyard is envisioned to buffer future residents from the noise and air quality concerns given the adjacency to the freeway, while the sloping designs allows for additional outdoor space or greenery on the two lower roofs. A small rear yard setback will also protect the adjacency to the community garden. A 2,000 sq ft community room alongside Mariposa St will provide gathering space for residents while also enlivening the streetscape along that building’s frontage, alongside office spaces for Property Management and Services staff.

The Sponsor will start the procurement process for an architect in Fall 2023, to begin the design of the building in earnest. Additional consideration is needed to evaluate the maximization of density on the Site, contemplate the substitution of one-bedroom units for studios, and evaluate if parking can be added to the design. The evolving design will be informed by community input on key elements.

Unit Square Footage Summary Chart:

Avg Unit SF by type:	TCAC Minimum Unit Sizes	Proposed Average Unit Sizes	Increase from TCAC Minimum Unit Size
Studios	200 SF	400 SF	100%
1-BR	450 SF	N/A	N/A
2-BR	700 SF	800 SF	15%
3-BR	900 SF	1,030 SF	15%
Residential SF:	82,900 SF		
Circulation SF:	29,800 SF		
Parking Garage SF:	0 SF		
Common Area SF:	5,800 SF		

Utility SF:	5,500 SF
Building Total SF:	124,000 SF
Retail:	0 SF

4.3. Proposed Rehab Scope. N/A

4.4. Construction Supervisor / Construction Representative's Evaluation. The 249 Pennsylvania Site is located on a significant slope adjacent to Interstate 280 & the I-280 south off ramp. Based on an early constructability review by a local contractor, the Project is tentatively planned to be a seven story, wood framed structure over concrete.

Based on initial environmental testing, there is the potential for hazardous waste, though at this point none has been discovered. Due to the naturally occurring serpentine rock which contains trace asbestos, additional environmental monitoring and dust control may be required. Fortunately, most of the excavation has been completed. This site consists of two-level slabs, one of which is significantly lower than the street elevation and necessary shoring. The future foundation and remaining excavation work should be more manageable and cheaper compared to a site with soil at street level.

From a constructability perspective, the future contractor will need to work closely with SFMTA to ensure traffic from I-280 off ramp will not be impacted by construction and staging can happen safely. The project is expected to spend more money on acoustic dampening finishes at the east exterior due to its proximity to I-280. Buildings on a slope typically cost more because of the complexity of the step foundations needed.

The Project is considering a Design-Build approach to the construction of this building, which could prove very beneficial due to the slope of the site, acoustic concerns, and constructability of the project. Parking is not currently planned for the project but may be considered during early design.

In the cost comparison to other mixed unit sized Type III over Type I (wood over concrete or fire-protected steel) projects, this project was 36% more per square foot for total development costs. This overage was driven by the above average acquisition cost of \$11.35M and the soft costs were 94% higher per square foot than comparable projects, \$32M compared with \$20M average soft costs.

4.5. Commercial Space. None currently proposed.

- 4.6. Service Space. Office space for three social workers and a 2,000 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. The property is currently two vacant slabs on grade, as the hardware store that previously occupied the site was demolished in 2019. The Sponsor is working closely with MOHCD and the Planning Department to find the best pathway to permit a low-intensity interim use on the site, such as parking. Neither fleet nor public parking are principally permitted uses under the Site's UMU zoning designation, and Board of Supervisors action may be needed depending on the ultimate tenant selected for the space. The conditional use approval could take ~6 months, and the Sponsor is actively looking for potential tenants now. If an interested entity qualifies under a PDR use, the Sponsor won't need to obtain a Conditional Use, but would need to submit the interim use permit alongside the site permit, which could also take around 6 months for approval.

Additionally, the upper vacant slab is adjacent to the Pennsylvania St Community Garden. This portion of the site could be used as a community pop-up space to promote local vendors and neighborhood groups, as well as an opportunity for interactive community outreach. Neighbors and stakeholders would be able to visit the site, learn about the proposed development and provide input and ideas to maximize the project's benefit to the neighborhood and future residents.

- 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. Public Art Component. The Sponsor is showing \$229,433 for Art in the current budget, almost double 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 cost of Public Art to be in line with MOHCD Underwriting Guidelines by preliminary gap. See Section 9.2 Recommended Loan Conditions.

MOHCD Estimated Gap Funds	\$20,982,236
TDC	\$111,698,872
Hard Cost Total	\$79,473,927
Public Art Calculation	

Construction Cost	\$65,124,476
1% of Construction Cost	\$651,244.76
Percent funded by MOHCD (MOHCD Committed / TDC)	18.78%
Public Art Requirement	\$122,303

4.11. Marketing, Occupancy, and Lease-Up. The 60 units for households who have experienced homelessness will be leased through the HSH Coordinated Entry system. MOHCD’s marketing policies and procedures will be applied to the remaining units except the on-site manager’s units.

Residents for the other units will be selected through a City-managed lottery that has four preference groups designated by the Board of Supervisors. 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 10 or within half mile of the property may be eligible for the NRHP.

4.12. Relocation. N/A

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 Young Community Developers	N	N
MEP Consultant	TBD	TBD	N

5.1. Procurement Plan. The Project Sponsor attended a training with the Office of Contract Management Division (CMD) on September 25, 2023, and will submit a Procurement Plan and request an assignment of SBE goal. Upon approval, Sponsor will issue a Request for Qualifications (RFQ) for Architect in Nov 2023, which will be followed by procurement of a construction manager 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 San Francisco’s Southeastern neighborhoods and District 10 firms. The development team 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 also prioritize working with firms who share the mission of advancing racial equity.

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

6.1. Prior MOHCD/OCII Funding. N/A. This is the first request for Funding from the Sponsor.

6.2. Disbursement Status. The project has incurred costs dating back to February 1, 2023, yet are eligible to receive reimbursement only starting the date of the NOFA Award. Upon approval of this request, Loan Committee approves payment of costs no earlier than the date of NOFA award, June 22, 2023, so long as these costs are deemed acceptable and correspond to the acquisition and predevelopment budget attached herein.

6.3. Fulfillment of Loan Conditions. N/A. This is the Sponsor’s first request for funding.

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative. Predevelopment sources include the proposed MOHCD loan and a loan from Corporation for Supportive Housing (CSH), which will fund acquisition until MOCHD take-out, predevelopment and interim uses.

6.4.1.1. MOHCD Acquisition / Predevelopment Loan will be used to pay off the acquisition portion of the CSH loan in the amount of \$11,964,119, and will not cover CSH-funded interim use costs, which will be repaid by interim use income or by TNDC. The remainder \$1,035,881 of the MOHCD loan will fund predevelopment expenses. The acquisition portion loan term is earlier of 3 years or upon land transfer at 0% interest. The predevelopment loan term is 3 years at 3% interest.

6.4.1.2. CSH Acquisition Predevelopment Loan is up to \$14,000,000 to allow TNDC to acquire the site and meet the acquisition timeline of the Purchase and Sale Agreement, as well as fund early predevelopment costs. The acquisition portion of the loan will be repaid by MOHCD financing, excluding the interim use expenses. The loan terms are 2% to be paid back at the earlier of construction loan closing or 4 years from the recordation of the Deed of Trust.

6.4.2. Predevelopment Uses Evaluation: The Predevelopment budget covers acquisition, holding costs and only a small amount of predevelopment expenses. The Sponsor anticipates having continued access to the CSH predevelopment loan to supplement MOHCD's predevelopment financing once the CSH acquisition loan is taken out by MOHCD. Before the MOHCD loan closes, the Sponsor will update the predevelopment loan to reflect full costs anticipated during the predevelopment period, including the additional CSH predevelopment source.

Predevelopment Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Acquisition Cost is based on appraisal	Y	The acquisition cost per the Purchase and Sale Agreement is \$11,350,000. The Site appraised at \$12,110,000 as market value for entitled site in February 2023. Acquisition Cost is \$ 101K /unit based on preliminary unit mix estimate
Architecture and Engineering Fees are within standards	N	Architecture is assumed at \$395,000, which is not sufficient for the entire predevelopment period; the Sponsor will include the full A&E cost in the updated predevelopment budget including additional CSH predevelopment financing
Construction Management Fees are within standards	N	Fee is \$15k, far lower than the \$4k monthly allowed in MOHCD Guidelines; this fee will be adjusted in the

		predevelopment budget update forthcoming
Developer Fee is within standards	N	Dev Fee for predevelopment period was not requested in the NOFA response. Sponsor will adjust the schedule to allow for a maximum \$550k payout during predevelopment period in the predevelopment loan update prior to closing, as listed in Loan Conditions under 9.2.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%

Based on the items above, the predevelopment loan of \$1,035,881 would not be sufficient to carry the Project through a 30-month predevelopment period, starting in January 2024, when the loan will close. When additional funds are needed, the Project Sponsor will need to secure financing during predevelopment under terms approved by MOHCD, which is currently planned via the CSH predevelopment loan. The Sponsor will update the Predevelopment Budget to include the full predevelopment period prior to closing per the proposed loan conditions.

6.5. Potential/Proposed Permanent Financing. Permanent financing is being presented to demonstrate the project’s overall feasibility but not intended to be presented for approval at this time. Sponsor will return with a MOHCD Gap Request for approval of the permanent financing plan.

6.5.1. Permanent Sources Evaluation Narrative: The Sponsor proposes to use the following sources to permanently finance the project, which excludes the acquisition cost:

- MOHCD Gap Loan (\$20,982,236): The MOHCD Gap excluding acquisition is projected at \$175k in MOHCD subsidy per door. This number is not being presented for approval currently and the Sponsor will return at preliminary gap with a more refined number.
- 4% Tax Credit Equity (\$51,018,244): Equity Investor TBD. Sponsor is assuming \$0.96 federal credit pricing. Considering the market and recent pricing from projects in the MOHCD pipeline, this equity 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.
- MHP Loan (\$43,580,356): 55 years, 3% simple interest rate with a 0.42% mandatory payment, residual receipts. The Project meets the MHP scoring priorities of high resource area and hopes to maximize competitiveness by providing deeply affordable units and aligning other project details with evolving tie-breaker scoring criteria. The Project is expected to be very competitive.

- AHP Grant (\$1,000,000): 15 years, 0% interest. The Sponsor plans 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, Sponsor will provide an analysis by the next AHP round. See Section 9.4 Loan Conditions.
- Deferred Developer Fee (\$769,017): The Sponsor will receive deferred fee that is paid out in by year 5.
- General Partner Equity (\$3,169,018): Sponsor is only required to provide \$100 in GP equity, but the additional GP equity contribution boosts eligible basis to maximize the project’s tax credit equity.
- Interim Use Income (\$150,000): the project hopes to generate some minimal interim use income through leasing to an organization or company looking for fleet parking, or another low-infrastructure intensive use. This assumes two and half years of operations generating \$6k in income a month, minus holding costs for insurance, taxes and security.
- Construction Loan (\$84,936,135): 31 months, 6.40% interest rate. This loan would be funded through proceeds from a tax-exempt bond allocation. This loan is referenced here although this is not a permanent source. The term of the construction loan may be reduced to 28 or 30 months, pending further review.

6.5.2. CDLAC Tax-Exempt Bond Application: The Project will be very competitive, scoring in the ELI/VLI set-aside within the New Construction pool, the Bay Area’s geographic set-aside, and will also compete in the homeless set-aside with priority for projects over 45% homeless. The Sponsor will apply to CDLAC-TCAC in 2026 for a 2026 allocation with an approximate \$62.6 million tax-exempt bond request, scoring 120 out of 120 total points, with a tiebreaker of 123.5% (based off the 2022 tiebreaker calculation).

CDLAC Self-Score	
Opportunity Map Resource Level	TCAC/HCD Opportunity Map: High (In QCT/DDA) Though no longer High Resource, the Sponsor locked in the 2022 High Resource Designation for 7 years per CDLAC regs by obtaining Site Control by the end of 2022
TCAC Housing Type (new construction only)	TCAC regs: Large Family; Special needs
Bond Allocation Request Amount	\$85M
Total Self-Score (out of 120 points)	120
Tiebreaker Score	123.5%

6.5.3. Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit are within standards	Y	\$ 662K / unit is under the comparable average for this building type by construction cost per unit (-8%), per bedroom (-4%) and slightly over per square foot (7%)
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	N	Hard Cost Contingency is 5.8% Design Contingency is 2% Bid Contingency is 2% Plan Check Contingency is 2% Escalation of 10.2% Hard cost contingency should be reduced to 5%, which will be included in the budget update prior to closing. The other contingencies are reasonable for this stage of development and will be monitored during predevelopment
Architecture and Engineering Fees are within standards	Y	\$3,540,000 or \$29.5k/unit This architecture fee is comparable to other recent projects of similar scale and scope; if design build is included, it could increase or decrease the fee, depending on how the RFPs are structured
Construction Management Fees are within standards	Y	Total projected CM cost is \$175K for estimated 31-month predevelopment and construction period, which is \$5,645 / month, below MOHCD's \$6,000 monthly thread hold during construction.
Developer Fee is within standards, see also disbursement chart below	N	Total Dev Fee is \$6,338,035 Total At-Risk Dev Fee is \$1,300,000 The Sponsor can go up to 15% of basis and contribute \$3.1 million back as a GP equity source given that it has a very competitive tie breaker score
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is \$499K underwritten at 3 months of budling operations
Other Capitalized Reserves are reasonable	N	Rent Up Reserve of \$444K to cover the property's net operating loss during lease up to cover the transition into operations

		The project budget also includes a Rent Up reserve in amount of \$260K which may be excessive and will be reexamined during predevelopment.
Entitlement and Building Permit Fees	Y	\$1,200,000 based on recent TNDC projects
Furnishings	Y	Sponsor is carrying \$567,000 for furnishings, inclusive of furnishings for PSH units and common area furnishings based on total unit count which meets MOHCD Underwriting Guidelines
MOHCD Loan Origination Fee	N	This fee is missing and will be included in the MOHCD budget update prior to the predevelopment loan close

6.5.4. Commercial Build Out- N/A

6.5.5. Developer Fee Evaluation. Below is the total development fee with a breakdown by milestone of the payment of the developer fee to the Sponsor specified. The predevelopment portion of fee will be included in the updated budget prior to close:

Total Developer Fee:	\$6,338,035	
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"):	Not Requested	
Amount of Fee Deferred (the "Deferred Fee"):	\$769,017	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$3,169,018	
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 the 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	\$620,000	20%
Permanent Conversion	\$650,000	50%
Project Close-out	\$390,000	30%

Milestones for Disbursement of that portion of Developer Fee defined as Commercial Fee	N/A	Percentage Commercial Fee
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7. PROJECT OPERATIONS (See Attachment I and J for Operating Budget and Proforma)

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

The Project is currently estimating first year operating expenses of \$1,866,246, around \$15,500 PUPA, including non-LOSP supportive services, debt service and minimum HCD debt payments, which appears low compared to other similar sized projects with a significant PSH component. Currently, the Project does not go negative in subsequent years and shows a 2.883 DSCR in Year 1 and 2.143 in Year 20, suggesting the Project may be able to take on permanent debt. The Partnership Management and Investor Service Fees are not trended out past year one, which will be corrected in the budget update prior to close.

The Project team should apply for additional subsidy if available to solidify the Project budget for future years, including by adding Continuum of Care (CoC) funding to a portion or all of the PSH units, or some other federal project-based vouchers for the non-PSH unit.

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

The Project is requesting LOSP operating subsidies to support 60 units. Annual LOSP tenant rents in Year 1 are shown at \$15,000 from 60 LOSP households, and should be reflected at \$180,000, a rent assumption of \$250 / unit / month. This will be updated in the budget update prior to close. Rents paid by LOSP tenants trend at 1% increase per year. The LOSP subsidy is projected at \$996,054 for the first year, or \$16,600 per unit per annum. The 15-year LOSP contract is estimated at \$18.7 million, and will decrease slightly once the LOSP tenant rent assumption is updated.

The remaining 59 units will be at rents between 50% - 80% MOHCD AMI. Recently, MOHCD has seen difficulty leasing up higher AMI units but this neighborhood has seen a rise in rents given the concentration of new market rate construction. The Sponsor will refine the budget to lower the highest AMIs to marketable rents, while still maintaining positive cashflow.

7.3. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio (DSCR) is between minimum 1.10:1 and maximum 1.15:1 at year 15	N	Prior to closing, TNDC will update the operating budget and cashflow to meet the DSCR guidelines; certain fees are not trended past Year 1 and there may be other errors causing the DSCR to appear too high; other ways to mitigate the cashflow are to reduce the highest AMI levels and / or leverage debt.
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	Y	DSCR exceeds 2 in Year 20, yet there are errors which need to be corrected (see above)
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
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are \$15,522 per unit before debt and reserves based on CY 2023, which is lower than average but within the range of other MOHCD funded family developments with PSH units. Family comp projects with PSH units show an average of \$16,100 PUPA, with a range of \$10,200 to \$21,600 PUPA.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$84,960 or \$59 PUPM
Property Management staffing level is reasonable per comparables	Y	1 FTE General Mgr; 1 FTE Ass't GM 2 FTE Maintenance; 1 FTE Janitor
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$24,280/yr. Annual PM Fee is \$22,260/yr. However, the Partnership Management Fee is not trended out past Year 1 in the cashflow and will be updated in the budget update prior to close.

Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 per unit per year per HCD requirements
Limited Partnership Asset Management Fee meets standards	Y	\$5,000 per year. Cost does not escalate and ends in Year 15. Needs to be trended out past Year 1 in the cashflow which will be incorporated in the budget update.

- LOSP Allocation: The Sponsor currently shows all LOSP allocations at 50% in the Operating Budget, except for desk clerks (75% LOSP; 25% Non-LOSP) and Social Services (1:20 case mgmt. ratio for LOSP units (not in the operating budget; 1:100 non-LOSP). Any changes to the allocation in the future will need to be reviewed and approved by both MOHCD and HSH.
- Management Fee: Shows as \$59 per unit per month, which is withing HUD schedule but is low considering the population.
- Property Management Staffing (\$493,391): Sponsor is showing 1 General Manager, 1 assistant manager, and 1 FTE for night manager, as well as 4.2 FTE Desk Clerks. The position of the night manager plus 24 hour desk clerks appears atypical and will be further analyzed during predevelopment.
- Insurance (\$185,297) appears potentially low given recent property insurance increases, and will be priced out during predevelopment.
- Utilities (\$315,565): based on TNDC comps from other similar buildings. MOHCD to work with Sponsor to bring these costs in line with other projects in MOHCD pipeline.

7.4. Commercial Operations – N/A

7.5. 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. The LOSP MOHCD restrictions should be increased to 50% AMI to make sure they aren't more restrictive than TCAC, and will be updated at the next Loan Committee request.

	No. of Units	MOHCD	TCAC	HCD
NON-LOTTERY				
Studio – LOSP	36	30% MOHCD AMI	25% TCAC AMI	25% TCAC AMI
2 BR – LOSP	12	30% MOHCD AMI	25% TCAC AMI	25% TCAC AMI

3 BR – LOSP	12	30% MOHCD AMI	25% TCAC AMI	25% TCAC AMI
Sub-Total	60			
LOTTERY				
Studio	9	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
2 BR	4	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
3 BR	5	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
Sub-Total	18			
Studio	15	60% MOHCD AMI	50% TCAC AMI	50% TCAC AMI
2 BR	6	60% MOHCD AMI	50% TCAC AMI	50% TCAC AMI
3 BR	6	60% MOHCD AMI	45% TCAC AMI	45% TCAC AMI
Sub-Total	27			
2 BR	7	80% MOHCD AMI	65% TCAC AMI	65% TCAC AMI
3 BR	7	80% MOHCD AMI	60% TCAC AMI	60% TCAC AMI
Sub-Total	14			
STAFF UNITS				
2 BR	1	N/A	N/A	N/A
TOTAL	120			
PROJECT AVERAGE		46%	35%	35%
AVERAGE FOR LOTTERY UNITS ONLY		62%	49%	49%

7.6. MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level
0 BR	36	50% MOHCD AMI
2 BR	12	50% MOHCD AMI
3 BR	12	50% MOHCD AMI
0 BR	9	50% MOHCD AMI
2 BR	4	50% MOHCD AMI
3 BR	5	50% MOHCD AMI
2 BR	15	60% MOHCD AMI
3 BR	6	60% MOHCD AMI
0 BR	6	60% MOHCD AMI
2 BR	7	80% MOHCD AMI
3 BR	7	80% MOHCD AMI
2 BR	1	Manager's Unit
Total	120	

In the event that the LOSP is removed or unavailable, the AMI shall remain at 50% MOHCD AMI for those units. 60% - 80% AMI studio rents still may be difficult because studio market rents, even 1-BR units, could be lower than those rents. This unit structure and restrictions will be further explored during predevelopment.

8. SUPPORT SERVICES

8.1. Services Plan. TNDC will deliver a comprehensive wrap-around model of support services at 249 Pennsylvania through the staffing and budget plan included at the end of this section. To ensure successful engagement with residents, support services will be available in appropriate languages Monday through Friday from 8:30 am to 7 pm, with flexibility for making appointments outside of the regular hours, and on-call at all other times to respond to emergencies. Supportive Services goals at 249 Pennsylvania is proposed to include the following:

- 100% of tenants will engage in voluntary individualized services to meet their needs.
- 100% of tenants who demonstrate instability will receive intensive and assertive engagement to support stability and long-term housing retention.
- 100% of tenants who will benefit from the myriad network of services available throughout the city and community will be linked to those services.
- 100% of tenants will engage in a variety of innovative community engagement activities.

TNDC's services are guided by the principles of Cultural Humility, a philosophy of Harm Reduction, and built on a platform of Trauma Informed Care. Social workers honor tenants as the experts of their own experiences, recognize power imbalances and systemic oppression, and apply evidence-based approaches for families and individuals coming from experiences of homelessness. Services "meet tenants where they are," demonstrating respect for choice, self-determination, and identity, and designed to achieve the following outcomes: stability and long-term housing retention; improvement in household's overall health and well-being; connection to myriad services available in community and neighborhood; and sustainable growth and development of a supportive community.

As participation in support services is voluntary, it is incumbent upon TNDC to use creative strategies in a culturally and linguistically appropriate manner to engage with residents. The services relationship begins at move-in with orientation which covers staff introductions, reviews house rules and procedures, and provides information on service access and availability. This initial outreach is tailored to the needs of each individual resident, as social workers recognize moving into housing

after being unhoused for a long time can be overwhelming, especially for folks with disabilities, substance use, and/or mental health challenges.

Support services will affirmatively outreach to everyone on a weekly basis to engage with tenants, in addition to designing, organizing, and facilitating community events and activities that support the entire resident community. The Family Engagement Specialist will work in partnership with the site-based Social Worker to develop and deliver evidence-based community engagement activities that support the growth and development of the community through 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. TNDC's service delivery strategy acknowledges and incorporates the importance of partnerships, both internal and external to the organization. Internally, Social Workers will be in regular communication with Property Management about residents who may be struggling with rent payments, health and safety in their home, and behavior in the community. In these situations, TNDC takes a supportive and collaborative approach to meeting with the household to help resolve the challenges and create a plan for the household to be successful. Externally, TNDC recognizes many residents will arrive with established relationships with other service providers, and understand that disrupting those relationships can be traumatic, can create harm, and be destabilizing.

TNDC will also partner with YCD to leverage their programs, services, and deep experience in the neighborhood, and supporting these programs through a subcontract. YCD's team and programming can uniquely lift resident's economic stability and economic mobility, through workforce development, as well as employment and training opportunities. YCD offers valuable resources such as career placement, educational advancement, family support, violence prevention, and mental health and wellness programming. YCD's programming has been developed over 50 years of working in District 10 to support at-risk and under-represented community residents including the formerly incarcerated, public housing residents, people experiencing homelessness, people with disabilities, LGBTQ, seniors, low-income/unemployed, single parent households, racial and ethnic minorities, and undocumented immigrants.

Service Budget. The preliminary proposed budget for supportive services is \$756,660, with 2.4 FTE funded from the HSH Supportive Services contract at a 1:20 ratio for households coming from experiences of homelessness, and 0.6 FTE serving the general affordable units at a 1:100 ratio funded from the project budget totaling \$80,657.

	PSH Unit Social Worker Site Supervisor	PSH Social Worker	Non-PSH Unit Social Worker	Family Engagement Specialist	Food Security Program Coordinator	YCD Sub- contract
FTE	1	2	0.59	0.5	1	N/A
Ratio	1:20	1:20	1:100	N/A	N/A	N/A
Cost	\$ 150,447	\$ 231,916	\$ 80,657	\$ 72,833	\$ 120,808	\$ 100,000
Total Cost	\$ 756,660		Total Cost Paid by Project Operating Budget	\$ 80,657	Total Cost Paid by HSH	\$ 676,004

1.1. HSH Assessment of Service Plan and Budget. This is a preliminary plan and budget. The supportive services plan, staffing and budget will be further developed during the predevelopment phase, in consultation with HSH.

2. STAFF RECOMMENDATIONS

2.1. Proposed Loan/Grant Terms

Financial Description of Proposed Acquisition Loan	
Acquisition Loan Amount:	\$11,964,119
Loan Term:	3 years
Loan Maturity Date:	2027
Loan Repayment Type:	Upon Land Transfer
Loan Interest Rate:	0%

Financial Description of Proposed Predevelopment Loan	
Loan Amount:	\$1,035,881
Loan Term:	3 years
Loan Maturity Date:	2027
Loan Repayment Type:	Balloon/Residual Receipts
Loan Interest Rate:	3%

2.2. Recommended disbursement conditions/schedule:

Prior to Initial Predevelopment and Acquisition Disbursement:

1. Sponsor must provide evidence of Prop I sign posting
2. Sponsor will submit a detailed community engagement plan before the end of 2023 and update it quarterly.
3. Sponsor to provide an interim use plan and budget once the Sponsor has acquired the Site.
4. Sponsor to update the MOHCD budget workbook to comply with Underwriting Guidelines and reflect 1) full predevelopment period sources and uses and updated predevelopment costs to include increased developer fee during predevelopment, architecture and engineering, construction representative, removing property tax payment from MOHCD predev loan, add MOHCD loan origination fee; 2) update permanent sources and uses to adjust public art amount, reduce hard cost contingency to 5%, include MOHCD loan origination fee; 3) update operating budget and cashflow to trend fees out during operations and update the cashflow to reflect the MOHCD-allowed debt service coverage ratio by lowering rents or leveraging debt, 4) increase MOHCD restrictions on LOSP units to 50% AMI

On-Going:

5. Sponsor must provide MOHCD with detailed monthly updates via the MOHCD Monthly Project Update, including on (1st report due January 10, 2024):
 1. Community outreach,
 2. Outcomes achieved related to racial equity goals
6. Sponsor must provide quarterly updated response to any letters requesting corrective action.
7. Sponsor to provide self-scores for all third-party funding requests.
8. Sponsor must apply for any other higher value rent and operating subsidies available including Continuum of Care contracts or Project Based Vouchers.

Prior to Gap Financing Application:

9. Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines, including the updated budget for Public Art.
10. 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 gap loan approval (estimated May 2026).
11. 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.

Prior to Starting Closing Calls:

12. 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.

Within 12 Months of TCO:

13. Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
14. 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 San Franciscans.
15. 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.
14. Sponsor must submit an updated 1st year operating budget and 20-year cash flow – if any changes have occurred – by November 1st before the City fiscal year the project will achieve TCO so that MOHCD may process a budget request for the LOSP subsidy.

3. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____
Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____
Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

- Attachments:
- A. Project Milestones/Schedule
 - B. Borrower Org Chart
 - C. Developer Resumes
 - D. Asset Management Analysis of Sponsor
 - E. Threshold Eligibility Requirements and Ranking Criteria
 - F. Site Map with amenities
 - G. Elevations and Floor Plans, if available
 - H. Comparison of City Investment in Other Housing Developments
 - I. Sources and Uses
 - J. Development Budget
 - K. 1st Year Operating Budget
 - L. 20-year Operating Pro Forma

REQUEST FOR ACQUISITION LOAN TAKE OUT AND PREDEVELOPMENT FINANCING FOR 249 PENNSYLVANIA

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

Fri 10/13/2023 11:47 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

249 Pennsylvania

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

Fri 10/20/2023 2:00 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 Young Community Developers request for \$11,964,119 for Acquisition and \$1,035,881 for Predevelopment (Total Funding \$13,000,000) for 249 Pennsylvania.

Thank you,

Dariush

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

Request for Acquisition Loan Take Out and Predevelopment Financing for 249 Pennsylvania

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 LOAN TAKE OUT AND PREDEVELOPMENT FINANCING FOR 249 PENNSYLVANIA

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

Fri 10/13/2023 11:32 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

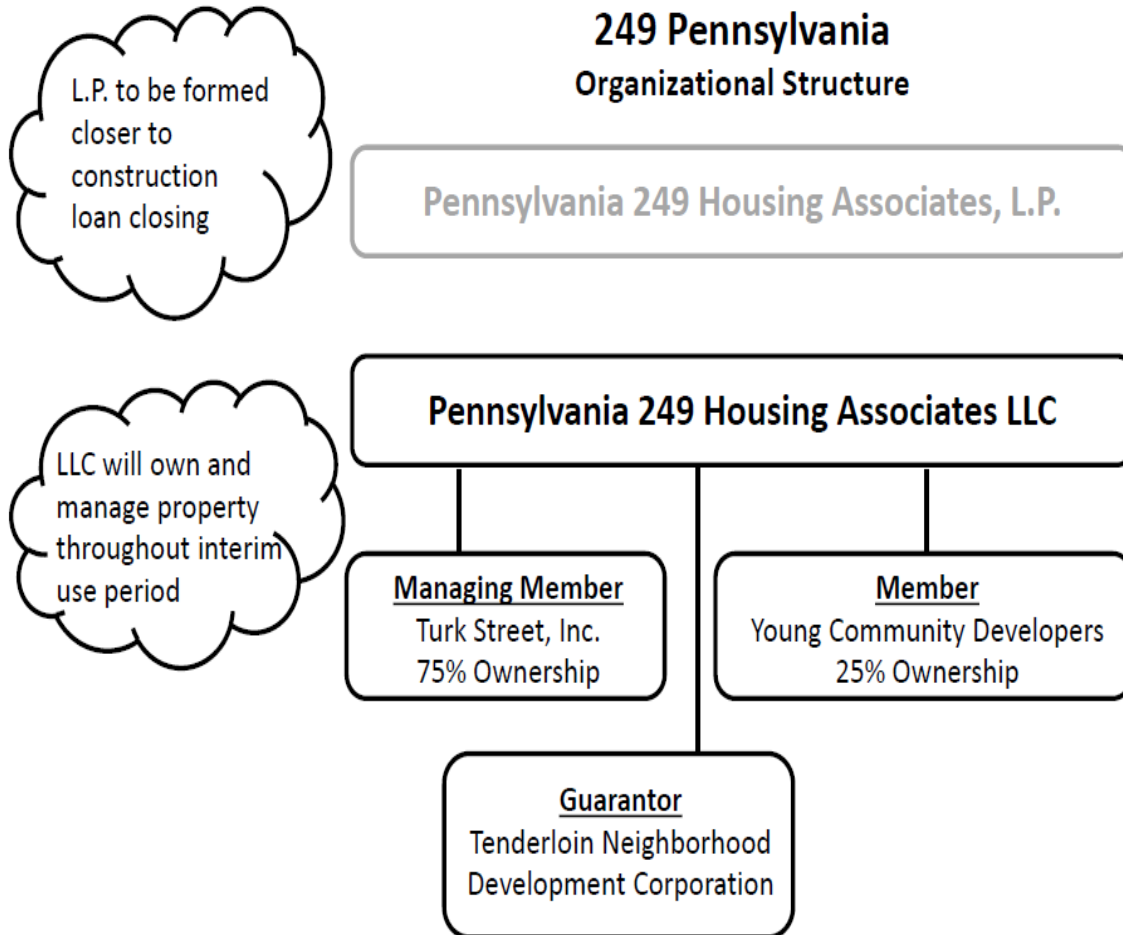
E-mail: bridget.katz@sfgov.org

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	<u>10/13/2019</u>	
Site Acquisition	<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>Q3 2024</u>	
Submittal of 50% CD Set & Cost Estimate	<u>Q1 2025</u>	
Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>Q2 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>Q2 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>January 2026</u>	
TCAC Application	<u>January 2026</u>	
HUD 202 or 811 Application		
Other Financing Application		
Closing		
Construction Closing	<u>June 2026</u>	
Permanent Financing Closing	<u>June 2026</u>	
Construction		
Notice to Proceed	<u>June 2026</u>	
Temporary Certificate of Occupancy/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>May 2029</u>	
Cost Certification/8609	<u>Sept 2029</u>	
Close Out MOH/OCII Loan(s)	<u>Dec 2029</u>	

Attachment B: Borrower Org Chart



Attachment C: Developer Resumes

STAFFING CAPACITY

Project Structure

TNDC and YCD will jointly develop 249 Pennsylvania, leveraging and building on both organizations' expertise. TNDC will lead the design, entitlement, and construction efforts as well as the transition into operations with TNDC's Property Management and Tenant and Community Services teams. YCD will lead community engagement and outreach efforts, beginning during the site's interim use period, and in contracting and procurement, with emphasis on job creation opportunities for District 10 residents and firms. Alberto Benejam and Robert Abbott, Senior Project Managers, and Esther Kim, Assistant Project Manager, will lead day-to-day development efforts, with support from Associate Director, Emily Van Loon, and both organizations' Directors of Housing Development, Chris Cummings and Divali Ramkalawan. Hattie Wyatt, YCD's Director of Potrero Hill site, will lead the community engagement efforts, building on her professional experience and her lived experience as a native, lifelong resident of Potrero Hill.

Tenderloin Neighborhood Development Corporation Bios

Chris Cummings, Director of Housing Development – Chris joined TNDC in 2013 and brings over ten years of professional experience in affordable housing development, consulting, and strategic capital. Chris holds a Master of City Planning from the University of Pennsylvania, and a Bachelor of Arts in Architectural Studies from College of the Holy Cross.

Emily Van Loon, Associate Director of Housing Development – Emily joined TNDC in 2016 and currently oversees TNDC's portfolio recapitalization strategy and a portfolio of development projects and supervises project managers. She holds a B.A. in Urban Studies from Wayne State University and a Masters of Urban and Regional Planning from San Jose State University.

Alberto Benejam, Senior Project Manager – Alberto joined TNDC in May 2016 where he has managed a wide range of projects, including rehabs, new construction, and business development opportunities, most recently 1990 Folsom and the Ambassador and Ritz Hotels. Alberto holds a Master in City Planning & a Master in Architecture from the University of California, Berkeley.

Esther Kim, Assistant Project Manager – Esther joined TNDC in March 2021, where she worked on three new construction projects, from construction design into the lease-up phase. She holds a Master in City Planning from the Massachusetts Institute of Technology.

Young Community Developers Bios

Divali Ramkalawan, Director of Housing Development and Policy – Divali joined the YCD team in 2016. Her work includes developing policy, programming, and oversight of funds allocated for affordable housing projects and community development programs. She holds a B.A. in Political Science from the University of California, Los Angeles and a Master's of City and Regional Planning from the University of California, Berkeley.

Robert Abbott, Senior Project Manager – Robert is a Senior Project Manager at YCD. He has experience in tax and audit sides of low-income housing tax credit partnerships from his time with Novogradac & Company and in mixed-use and commercial developments in California and Nevada. Robert holds a B.S. in Accounting from the University of Oregon.

Hattie Wyatt, Director of Potrero Hill Site – Hattie holds a Bachelor of Science degree in Criminal Justice and a certification in Nonprofit Management. Hattie is a certified Trauma Relief Counselor and in Differential Responses for Case Management and has offered supportive wraparound services for the past 20 years.

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.	<p>Developer (12 pts)</p> <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.	<p>Owner (4 pts)</p> <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 	
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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 maximize unit yield in a cost-effective construction type and make use of entitlement expediting such as SB 35. 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 	
ii.	<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 	

	<p>community relationships after entitlements have been achieved and the development is in operations.</p> <p>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.</p>	
<p>iii.</p>	<p>Services Delivery Strategy (10 pts)</p> <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. 1. 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. 	
<p>iv.</p>	<p>Finance & Cost Containment Approach (15 pts)</p> <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 Development 3. 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. 	

	<ol style="list-style-type: none"> 1. Includes proforma financials. 2. Includes project design concept to fact check the financials 	
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	<ol style="list-style-type: none"> v. Racial Equity Strategy (10 pts) <ol style="list-style-type: none"> 2. Explains how vision aligns with the primary goals of this NOFA set forth in the Introduction and Project Expectations. 3. 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.

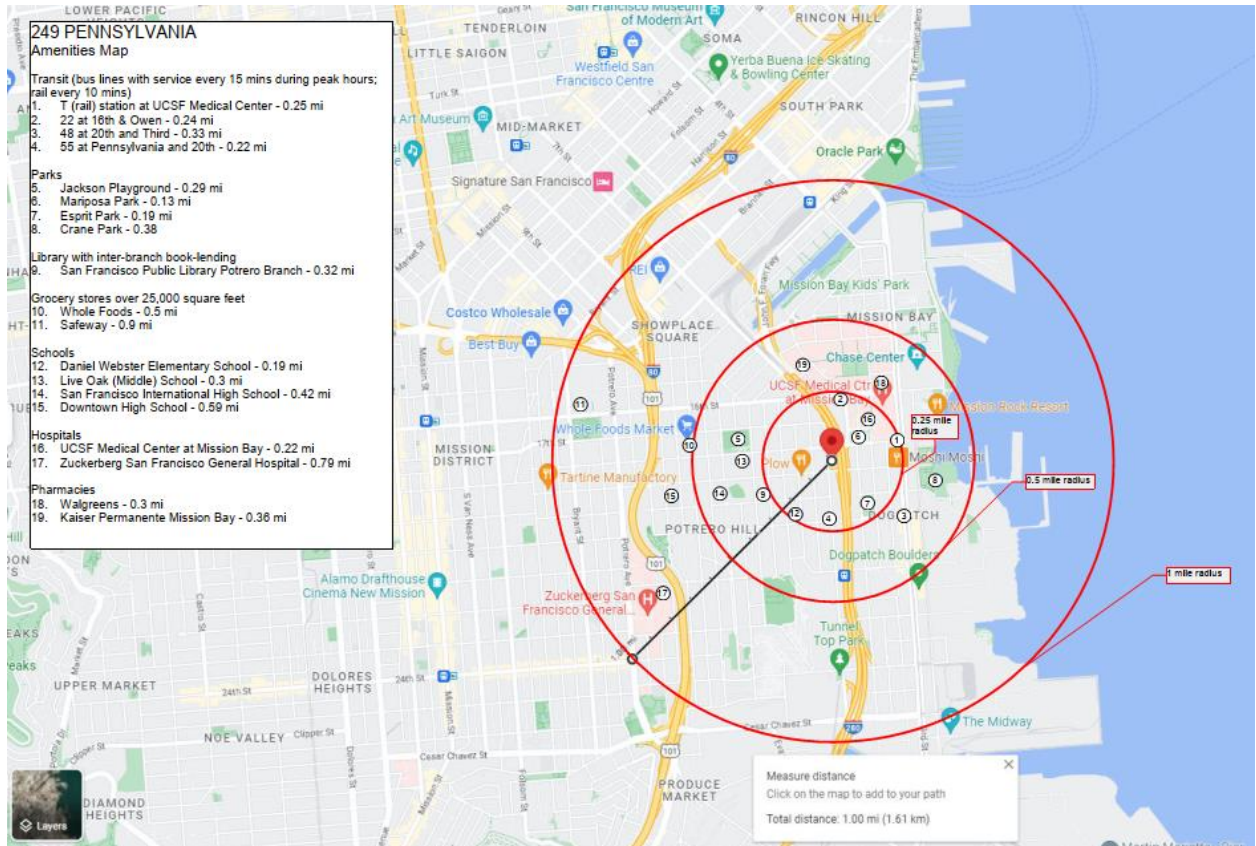
Note Regarding Submittals: Applicants may amend their response prior to the submission deadline. However, after the submission deadline, corrections are only allowed if immaterial and at the sole discretion of MOHCD.

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: T (rail) station at UCSF Medical Center
- #2: Bus line 22 at 16th & Owen
- #3: Bus line 48 at 20th and Third
- #4: 55 at Pennsylvania and 20th

Project is located within 1/2 mile of a park or recreational facility:

- #5: Jackson Playground – within $\frac{1}{2}$ mile
- #6: Mariposa Park – within $\frac{1}{4}$ mile
- #7: Esprit Park – within $\frac{1}{4}$ mile
- #8: Carne Park – within $\frac{1}{2}$ mile

Project is within $\frac{1}{2}$ mile of a public library:

- #9: SF Public Library Potrero Branch – within $\frac{1}{2}$ mile

- Project is within 1 mile of groceries and other essential shopping needs:**
 - **#10:** Whole Foods Grocery – within 1 mile
 - **#11:** Safeway Grocery – within 1 mile
- Project is within 1 mile of schools:**
 - **#12:** Daniel Webster Elementary School – within ¼ mile
 - **#13:** Live Oak Middle School – within ½ mile
 - **#14:** San Francisco International High School – within ½ mile
 - **#15:** Downtown High School – within 1 mile
- Project is within 1 mile of hospitals:**
 - **#16:** UCSF Medical Center at Mission Bay – within ¼ mile
 - **#17:** Zuckerberg San Francisco General Hospital – within 1 mile
- Project is within ½ mile of hospitals:**
 - **#18:** Walgreens – within ½ mile
 - **#19:** Kaiser Permanente Mission Bay – within ½ mile

- **Attachment G: Elevations and Floor Plans**

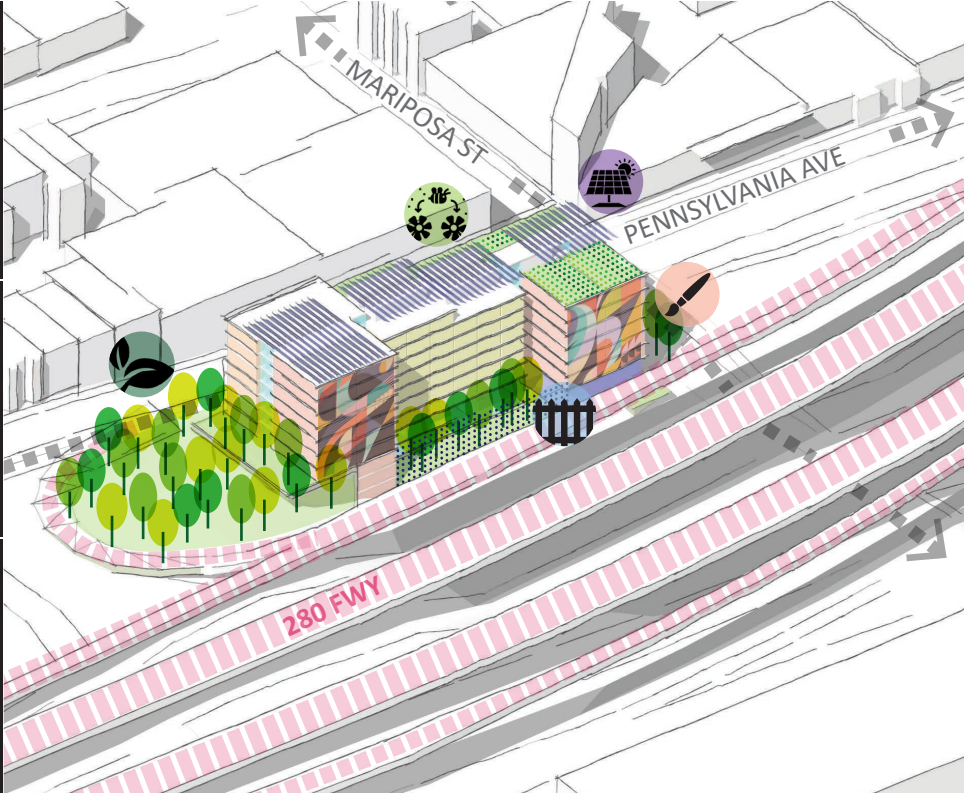
CONCEPT DRAWINGS

UNIT COUNT					
Type	Count	%	#/ FULL FLR	Unit Area	Tot. Area
3BR	30	25%	4	1030	30900
2BR	40	33%	4	800	32000
1BR	0	0%	4	600	0
ST	50	42%	6	400	20000
120		18		82900	

BLDG GROSS AREAS	
MECH PENTHOUSE	1500
9	4800
8	8500
7	15250
6	15250
5	15250
4	15250
3	15250
2	13300
1 & MEZZANINE	19650
Total Gross Area:	124000

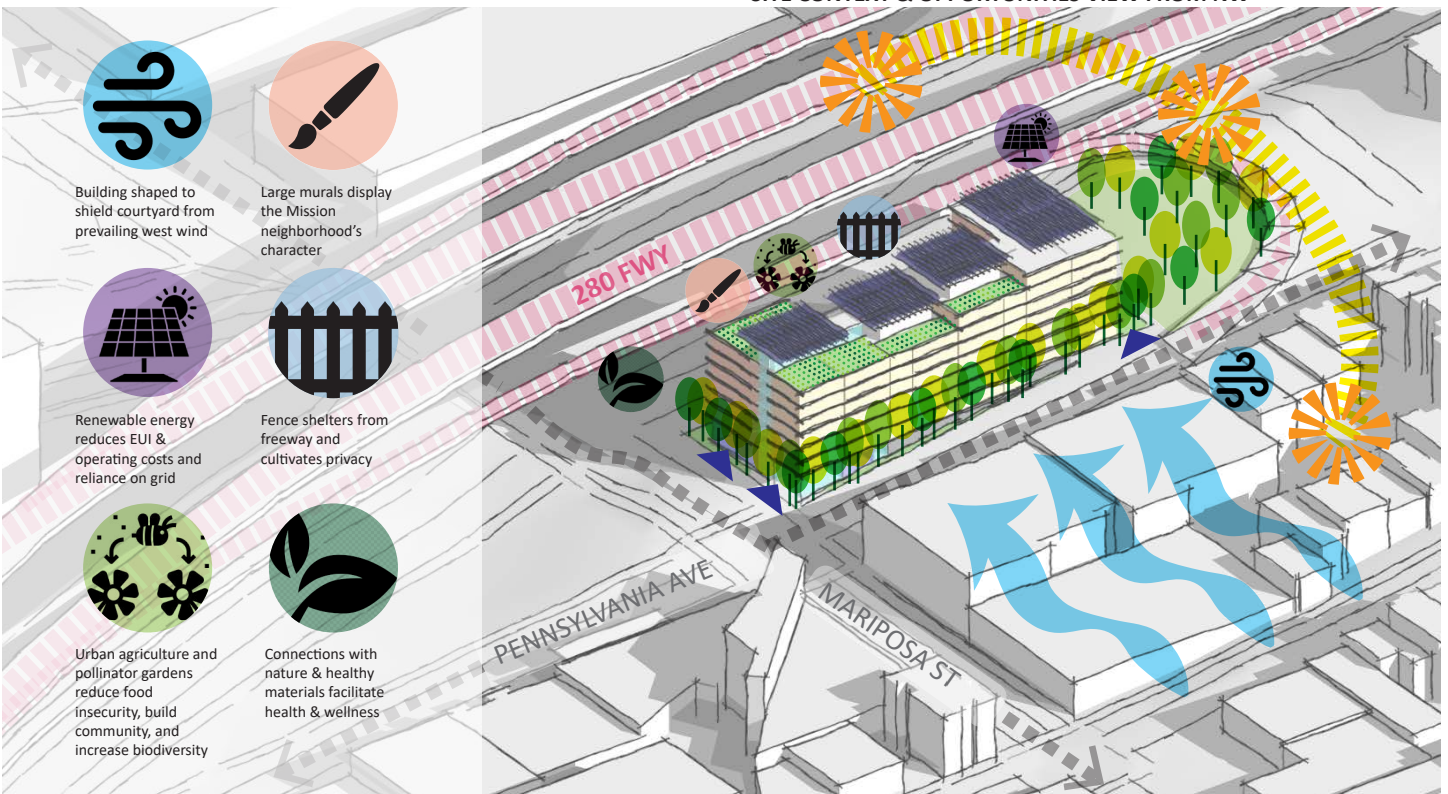
EXTERIOR AREAS / REAR YARD / OPEN SPACE		
Keynote	Space	Area
	Total Lot Area	21625
01	South Garden	1800
02	Courtyard	3200
03	Rain Garden Nook	500
04	Roof Urban Farm	5300
	Total Proposed Rear Yard	5500
	Min Rear Yard (25% Lot Area)	5406
	Total Open Space	10800
	Min Req'd Open Space (80 SF / DU)	9600

GROUND COMMON AREAS		
Keynote	Space	Area
05	Comm Rm (Dbl Height)	2000
06	Social Services	1200
07	Property Management	800
08	Laundry	400
09	Lobby (Dbl Height)	700
10	Meeting Room (Dbl Height)	500
11	Mail (Dbl Height)	200
12	Transformer	500
13	Electrical	500
14	Pumps	500
15	Bikes	1200
16	Trash	800
17	Storage	1200
18	Maintenance (Dbl Height)	800
	Total Ground & Common Space	11300



SITE CONTEXT & OPPORTUNITIES VIEW FROM SE

SITE CONTEXT & OPPORTUNITIES VIEW FROM NW



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

Affordable Multifamily Housing New Construction Cost Comparison - San Francisco

Updated 9/25/2023

	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	\$ 98,142	\$ 56,122	550.0493779	\$ (55,748)	\$ (15,844)	\$ 42	\$ 108,023	\$ 65,307	\$ 126	\$ 150,385	\$ 105,567	\$ 264	\$ (68,154)	145.3%
Delta Percentage	5425%	5650%	11979%	-8%	-4%	7%	67%	74%	94%	17%	22%	36%	-28%	201%
249 Pennsylvania	\$ 99,951	\$ 57,115	\$ 555	\$ 662,283	\$ 378,447	\$ 641	\$ 268,541	\$ 153,452	\$ 260	\$ 1,030,775	\$ 589,014	\$ 998	\$ 174,852	83.0%
Comparable Projects	Average: \$ 1,809	\$ 993	\$ 4.59	\$ 718,030	\$ 394,291	\$ 599	\$ 160,518	\$ 88,145	\$ 134	\$ 880,390	\$ 483,448	\$ 734	\$ 243,006	72.4%

Costs lower than comparable average (within 10%)	Costs higher than comparable average (within 10%)	\$ 124,878,872														
		Building Square Footage					Total Project Costs									
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	Total Dev. Cost w/acq costs	Local Subsidy					
ALL PROJECTS	Average:	34,695	120	192	120,601	13,587	132,466	\$ 304,172	\$ 82,349,432	\$ 20,317,508	\$ 102,791,958	\$ 31,709,924				
Comparable Projects Completed (filtered)	Average:	41,389	131	195	117,383	13,514	130,897	\$302,092	\$82,346,287	\$18,724,066	\$101,372,445	\$29,439,564				
Comparable Projects Under Construction (filtered)	Average:	62,728	123	258	158,022	21,004	166,487	\$6,042	\$100,414,713	\$25,351,318	\$125,784,073	\$40,200,284				
Comparable Projects In Predevelopment (filtered)	Average:	41,283	116	220	132,110	13,283	145,395	\$359,541	\$82,264,015	\$15,171,960	\$97,795,516	\$20,053,554				
Total Comparable Projects	Average:	48,467	123	224	135,838	15,934	147,593	\$222,558	\$88,341,672	\$19,749,115	\$108,317,345	\$29,897,801	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 development:
249 Pennsylvania	3999/015	21,625	120	210	124,000		124,000	\$ 11,994,119	\$ 79,473,927	\$ 32,224,945	\$ 123,692,991	\$ 20,982,240		Type III over Type I	7	Going to bid for design team Fall/Winter 2023
Delta of Subject and Comp Project Averages		-26,842	-3	-14	-11,838	-15,934	-23,593	\$11,771,561	(\$8,867,745)	\$12,475,830	\$15,375,646	(\$8,915,561)				
Delta Percentage		-55%	-2%	-6%	-9%	-100%	-16%	5289%	-10%	63%	14%	-30%				

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						
Hunters View Phase II - Block 10	146 West Point Road	52,333	Jun-18	72	144	90,274	13,328	103,602	\$ -	\$ 55,042,699	\$ 8,732,464	\$ 63,775,163	\$ 17,393,406	9% LIHTC	Type IIIA over Type I	5	Childcare
Transbay 7 - Natalie Gubb Comm	222 Beale Street	29,209	Oct-18	120	208	118,251	5,000	123,251	\$ 35,000	\$ 72,927,227	\$ 16,314,468	\$ 89,276,695	\$ 25,560,000	HCD AHSC Loan	Type I Podium	4-8	system, plus Childcare shell
Mission Bay BI 6 East	626 Mission Bay Blvd. No.	63,250	Nov-18	143	276	162,080	9,719	171,799	\$ 148,125	\$ 95,459,960	\$ 15,222,907	\$ 110,830,992	\$ 35,750,000	HCD AHSC Loan	Type IIIA -V over Type I	6	and infrastructure
Potrero Block X (Vertical)	25th and Connecticut	30,000	Sep-19	72	139	86,569	28,952	115,521	\$ 20,700	\$ 72,315,438	\$ 12,766,230	\$ 85,102,368	\$ 17,693,093		Type IIIA & V over Type I	4-6	No infrastruct. Cost
88 Broadway - Family Housing	88 Broadway	38,182	Jul-21	125	221	140,279	8,700	148,979	\$ -	\$ 85,254,120	\$ 27,758,226	\$ 113,012,346	\$ 27,908,676		Type IIIA & V over Type I	5-6	Family
1990 Folsom Street	1990 Folsom	29,047	Sep-21	143	226	138,824	15,063	153,887	\$ 2,500,000	\$ 94,179,422	\$ 25,616,512	\$ 122,295,934	\$ 46,711,496		Type I and Type VA	2 & 8	Mixed type - Townhomes + 8 story Type I
Mission Bay S. Block 9	410 China Basin Street	47,437	Oct-22	141	141	99,160	-	99,160	\$ -	\$ 78,170,444	\$ 15,598,625	\$ 93,769,069	\$ 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	\$ 122,555,937	\$ 37,557,505	\$ 160,113,443	\$ 46,638,404	4% credits AHP & NPLH	Type IIIA FBH Type I	6	Type IIIA over Type I podium - Factory built, 2019, 4 levels, weather resistant
Maceo May	Treasure Island C3.2 BI C3.A	32,203	Feb-23	105	138	68,488	35,472	103,960	\$ 15,000	\$ 65,211,335	\$ 8,949,661	\$ 74,175,996	\$ 24,225,000	2 HCD Loans (VHHP & MHP)	Type IIIA FBH Type I	3-6	Factory built, 2019, 4 levels, weather resistant

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						
4840 Mission	4840 Mission	64,033	Apr-24	137	232	181,711	14,384	120,861	\$ -	\$ 83,789,393	\$ 23,931,086	\$ 107,720,479	\$ 51,614,447	HCD MHP Loan	Type V over Type I	4-5	Clinic + POPO, steps with row
Treasure Island C3.1	6th St. Avenue C	49,841	May-24	138	321	198,821	11,785	210,586	\$ 25,000	\$ 98,295,567	\$ 18,953,264	\$ 117,273,831	\$ 28,952,317		Type IIIA over Type IA	7	Stories Type IA
Potrero Block B	25th and Connecticut	74,311	Sep-23	157	348	219,291	42,257	261,548	\$ 11,251	\$ 147,636,082	\$ 37,617,867	\$ 185,265,200	\$ 15,688,292	4% Credits; HCD IIG & AHSC	Type IIIA over IA	5-6	contiguous parcels, parking ratio 5.6:2022 est with 18% esc for lan
HPSY Block 52-54	151 and 351 Friedell St	45,580	May-25	112	217	147,190	21,541	168,731	\$ -	\$ 103,737,629	\$ 29,252,420	\$ 132,990,049	\$ 61,518,208	4% credits, IIG	Type V over Type 1	5	contiguous parcels, parking ratio
HPSY Block 56	11 Innes Court	28,792	Apr-25	73	147	76,614	15,939	92,553	\$ -	\$ 55,720,684	\$ 16,725,791	\$ 72,446,475	\$ 34,813,441	4% LIHTC, AHP	Type V over Type I	5	
Hunters View Ph 3 Block 14 & 17	855 & 853 Hunters View Dr	63,379	Aug-24	118	283	124,502	20,138	144,640	\$ -	\$ 113,308,925	\$ 25,627,481	\$ 139,008,406	\$ 48,615,000	4% Credits; HCD MHP	Type III-A over Type I	5-6	incl Commr spaces & 60 Pkg (Cap performs Feb 2023)

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						
Reservoir Buidng E (Balboa)	Lee Avenue	31,008	TBD	124	192	138,150	1,000	139,150	\$ 1,777,707	\$ 76,146,062	\$ 30,807,599	\$ 108,731,368	\$ 13,628,128		Type IIIA over Type IA	7	Leasing in place, 30% SD
Sunnydale Block 7	Sunrise Wy and Santos St	73,161	Oct-24	81	184	114,374	22,815	137,189	\$ 10,000	\$ 78,088,122	\$ 8,000,000	\$ 86,096,122	\$ 12,743,082	4% Credits; HCD IIG & AHSC	Type VA over IA	5	Parking at .74 ratio; 100% SD
Sunnydale Block 9	TBD	52,272	Oct-24	96	223	137,602	26,826	164,428	\$ 10,000	\$ 94,477,462	\$ 6,197,471	\$ 100,684,933	\$ 18,660,015	4% Credits; HCD IIG & AHSC	Type VA over IA	5	5.6:2022 est with 18% esc for lan
1515 SVN	1515 South Van Ness Ave	35,174	Feb-25	170	323	180,291	15,774	196,075	\$ -	\$ 112,327,729	\$ 15,886,352	\$ 128,214,081	\$ 25,737,456	4% credits, HCD MHP	TBD	6	no back, 15:1:2022 (needs to
88 Bluxome	88 Bluxome	14,800	May-24	107	176	90,132	0	90,132	\$ -	\$ 50,280,700	\$ 14,968,377	\$ 65,249,077	\$ 29,499,087	4% credits	Type IIIA over Type I	4-5	10:1:2021 LE
IC4.3 Treasure Island	California & Ave E	55,000	Nov-25	150	315	215,000	10,000	225,000	\$ 25,000	\$ 123,179,014	\$ 33,661,784	\$ 156,865,798	\$ 54,027,768	TCAC 4%, HCD, AHP	Type III over two levels	6	infrastructure by TDC

Attachment I: Predevelopment Budget Sources and Uses

Application Date: 4/7/23 # Units: 120
 Project Name: 249 Pennsylvania Family Housing # Bedrooms: 210
 Project Address: 249 Pennsylvania Ave # Beds:
 Project Sponsor: TNDC & YCD LOSP Project

						Total Sources	Comments
SOURCES	13,000,000	180,000	-	-	-	13,180,000	Costs requested through NOFA
		CSH Acq. Loan / Interim Use Income Takeout Source					
Name of Sources: MOHCD/OCII							

USES

ACQUISITION							
Acquisition cost or value	11,350,000					11,350,000	99950.99108
Legal / Closing costs / Broker's Fee	614,119					614,119	incld acquisition loan interest from initial CSH Loan
Holding Costs		30,000				30,000	NOFA-ineligible costs interim use costs
Transfer Tax						0	
TOTAL ACQUISITION	11,964,119	30,000	0	0	0	11,994,119	

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab						0	Include FF&E
Commercial Shell Construction						0	
Demolition						0	
Environmental Remediation						0	
Onsight Improvements/Landscaping						0	
Offsite Improvements						0	
Infrastructure Improvements						0	HOPE SF/OCII costs for streets etc.
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	
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	
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees	265,000					265,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)	85,000					85,000	Design costs through entitlement (Arch, Civil, Landscape)
Architect Construction Admin						0	
Reimbursables	5,000					5,000	
Additional Services						0	
Sub-total Architect Contract	355,000	0	0	0	0	355,000	
Other Third Party design consultants (not included under Architect contract)	40,000					40,000	Dry utility/joint trench \$20k; acoustics \$10k; other \$10k
Total Architecture & Design	395,000	0	0	0	0	395,000	

Engineering & Environmental Studies

Survey	15,000					15,000	
Geotechnical studies	20,000					20,000	
Phase I & II Reports	5,500					5,500	Phase I
CEQA / Environmental Review consultants	45,500					45,500	Subsurface soil investigation
NEPA / 106 Review						0	
CNA/PNA (rehab only)						0	
Other environmental consultants						0	Name consultants & contract amounts
Total Engineering & Environmental Studies	86,000	0	0	0	0	86,000	

Financing Costs

Construction Financing Costs							
Construction Loan Origination Fee						0	
Construction Loan Interest						0	
Title & Recording						0	
CDLAC & CDIAC 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	
Permanent Financing Costs							
Permanent Loan Origination Fee						0	
Credit Enhance. & Appl. Fee						0	
Title & Recording	10,000					10,000	
Sub-total Perm. Financing Costs	10,000	0	0	0	0	10,000	
Total Financing Costs	10,000	0	0	0	0	10,000	

Legal Costs

Borrower Legal fees	10,000					10,000	
Land Use / CEQA Attorney fees	5,000					5,000	
Tax Credit Counsel						0	
Bond Counsel						0	
Construction Lender Counsel						0	
Permanent Lender Counsel						0	
Other Legal (specify)						0	
Total Legal Costs	15,000	0	0	0	0	15,000	

Other Development Costs

Appraisal	4,500					4,500	
Market Study						0	
Insurance		19,260				19,260	Interim use insurance
Property Taxes	295,860	112,740				408,600	Interim use property tax
Accounting / Audit						0	
Organizational Costs	6,714					6,714	
Entitlement / Permit Fees	100,000					100,000	
Marketing / Rent-up						0	
Furnishings						0	\$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees						0	
TCAC App / Alloc / Monitor Fees						0	
Financial Consultant fees						0	
Construction Management fees / Owner's Rep	15,000					15,000	
Security during Construction		18,000				18,000	Interim use security
Relocation						0	
Other (specify)						0	
Other (specify)						0	
Other (specify)						0	
Total Other Development Costs	422,074	150,000	0	0	0	572,074	

Total Soft Cost Contingency as % of Total Soft Costs 10.0%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	107,807		0	0	0	107,807	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	1,035,881	150,000	0	0	0	1,185,881	

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	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones						0	
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	Need MOHCD approval for this cost, N/A for most projects
Other (specify)						0	
TOTAL DEVELOPER COSTS	0	0	0	0	0	0	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	13,000,000	180,000	0	0	0	0	13,180,000
Development Cost/Unit as % of TDC by Source	108,333	1,500	0	0	0	0	109,833
	98.6%	1.4%	0.0%	0.0%	0.0%	0.0%	100.0%

Acquisition Cost/Unit by Source	94,583	0	0	0	0	0	94,583
Construction Cost (inc Const Contingency)/Unit By Source	0	0	0	0	0	0	0
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00

*Possible non-eligible GO Bond/COP Amount: 302,574
 City Subsidy/Unit: 108,333

Tax Credit Equity Pricing: N/A
 Construction Bond Amount: N/A
 Construction Loan Term (in months): N/A
 Construction Loan Interest Rate (as %): N/A

Attachment J: Development Budget

Application Date: 4/7/23
 Project Name: 249 Pennsylvania Family Housing # Units: 120
 Project Address: 249 Pennsylvania Ave # Bedrooms: 210
 Project Sponsor: TND & YCD # Beds: LOSP Project

SOURCES	20,982,236	51,018,244	34,580,356	1,030,000	150,000	3,169,018	769,017	Total Sources	Comments
Name of Sources:	MOHCD/OCII	LIHTC Equity	HCD-MHP	FHLB-AHP	Income from Interim Use	GP Equity	Deferred Fee	111,698,872	

USES

ACQUISITION

Acquisition cost or value								0	
Legal / Closing costs / Broker's Fee								0	
Holding Costs				30,000				30,000	Interim use income invested in improving interim use
Transfer Tax								0	
TOTAL ACQUISITION	0	0	0	30,000	0	0	0	30,000	

CONSTRUCTION (HARD COSTS)

* Unit Construction/Rehab		29,394,122	26,442,099	1,000,000				56,836,221	Include FF&E
* Commercial Shell Construction								0	
* Demolition			1,297,500					1,297,500	
* Environmental Remediation								0	
* Onsite Improvements/Landscaping								0	
* Offsite Improvements								0	
* Infrastructure Improvements	150,000							150,000	Other hard costs, not in GC contract
* Parking								0	
GC Bond Premium/GC Insurance/GC Taxes			1,716,223					1,716,223	2.6%
GC Overhead & Profit			2,184,534					2,184,534	3.4%
CG General Conditions			2,940,000					2,940,000	4.5%
Sub-total Construction Costs	150,000	29,394,122	34,580,356	1,000,000	0	0	0	65,124,478	
Design Contingency (remove at DD)		1,302,490						1,302,490	Reduced to 2% per latest underwriting guidelines
Bid Contingency (remove at bid)		7,950,937						7,950,937	Bid, 10% escalation
Plan Check Contingency (remove/reduce during Plan Review)		1,302,490						1,302,490	Reduced to 2% per latest underwriting guidelines
Hard Cost Construction Contingency		3,793,532						3,793,532	5% new construction (calculated on top of other contingencies)
Sub-total Construction Contingencies	0	14,349,449	0	0	0	0	0	14,349,449	5.8%
TOTAL CONSTRUCTION COSTS	150,000	43,743,571	34,580,356	1,000,000	0	0	0	79,473,927	

SOFT COSTS

Architecture & Design

Architect design fees	2,400,000							2,400,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)								0	Included above
Architect Construction Admin	600,000							600,000	
Reimbursables	90,000							90,000	
Additional Services	150,000							150,000	
Sub-total Architect Contract	3,240,000	0	0	0	0	0	0	3,240,000	
Other Third Party design consultants (not included under Architect contract)								300,000	\$65k - dry utility; \$60k commissioning; \$40k acoustic; \$35k plan review; \$35k waterproofing; \$25k T24/LEED; \$10k EBMS; \$30K miscellaneous
Total Architecture & Design	3,540,000	0	0	0	0	0	0	3,540,000	

Engineering & Environmental Studies

Survey	35,000							35,000	
Geotechnical studies	85,000							85,000	
Phase I & II Reports	29,500							29,500	
CEQA / Environmental Review consultants	45,500							45,500	Subsurface soil investigation
NEPA / 105 Review								0	
CNA/PNA (rehab only)								0	
Other environmental consultants	250,000							250,000	Special Inspections Testing
Total Engineering & Environmental Studies	445,000	0	0	0	0	0	0	445,000	

Financing Costs

Construction Financing Costs									
Construction Loan Origination Fee	70,000							70,000	
Construction Loan Interest	7,630,448	1,713,798						9,344,247	
Title & Recording	100,000							100,000	
CDLAC & CDJAC fees	100,000							100,000	
Bond Issuer Fees								0	
Other Bond Cost of Issuance	737,722							737,722	
Other Lender Costs (specify)	10,000							10,000	
Sub-total Const. Financing Costs	8,648,170	1,713,798	0	0	0	0	0	10,361,969	
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	
Total Financing Costs	8,648,170	1,713,798	0	0	0	0	0	10,361,969	

Legal Costs

Borrower Legal fees	100,000							100,000	
Land Use / CEQA Attorney fees	10,000							10,000	
Tax Credit Counsel	65,000							65,000	
Bond Counsel								0	
Construction Lender Counsel	50,000							50,000	
Permanent Lender Counsel								0	
Other Legal (specify)								0	
Total Legal Costs	225,000	0	0	0	0	0	0	225,000	

Other Development Costs

Appraisal	15,000							15,000	
Market Study	15,000							15,000	
* Insurance		2,226,859			19,260			2,246,119	GL and builder's risk; insurance during interim use
* Property Taxes		887,260			112,740			1,000,000	Prop tax during interim use & construction
Accounting / Audit		25,000						25,000	
* Organizational Costs		10,000						10,000	
* Entitlement / Permit Fees	1,200,000							1,200,000	
* Marketing / Rent-up		260,000						260,000	
* Furnishings		567,000						567,000	\$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees	1,700,000							1,700,000	
TCAC App / Alloc / Monitor Fees		556,552						556,552	
Financial Consultant fees		65,000						65,000	
Construction Management fees / Owner's Rep	175,000							175,000	
Security during Construction					18,000			18,000	security during interim use
* Relocation								0	
Other (specify)	204,184							204,184	
Other (specify)		20,000						20,000	
Other (specify)								0	
Total Other Development Costs	3,309,184	4,617,672	0	0	150,000	0	0	8,076,856	

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	2,264,882		0	0	0	0	0	2,264,882	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	18,432,236	6,331,470	0	0	150,000	0	0	24,913,707	10.0%

RESERVES

* Operating Reserves		499,131						499,131	
* Replacement Reserves								0	
* Tenant Improvements Reserves								0	
* Other (specify)		444,072						444,072	Rent Up Costs
* Other (specify)								0	
* Other (specify)								0	
TOTAL RESERVES	0	943,203	0	0	0	0	0	943,203	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	1,100,000							1,100,000	
Developer Fee - Cash-out At Risk	1,300,000							1,300,000	
Commercial Developer Fee								0	
Developer Fee - GP Equity (also show as source)						3,169,018		3,169,018	
Developer Fee - Deferred (also show as source)							769,017	769,017	Need MOHCD approval for this cost, N/A for most projects
Development Consultant Fees								0	
Other (specify)								0	
TOTAL DEVELOPER COSTS	2,400,000	0	0	0	0	3,169,018	769,017	6,338,035	

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	174,852	425,152	288,170	8,583	1,250	26,408	6,408	930,824	
Development Cost/Unit as % of TDC by Source	18.8%	45.7%	31.0%	0.9%	0.1%	2.8%	0.7%	100.0%	

Acquisition Cost/Unit by Source

	0	0	0	0	0	0	0	0	
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Construction Cost (inc Const Contingency)/Unit By Source

	1,250	364,530	288,170	8,333	0	0	0	662,283	
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Construction Cost (inc Const Contingency)/SF

	1.38	402.71	318.35	9.21	0.00	0.00	0.00	731.64	
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*Possible non-eligible GO Bond/COP Amount:

City Subsidy/Unit	150,000							150,000	
Tax Credit Equity Pricing:	0.960							0.960	
Construction Bond Amount:	62,601,386							62,601,386	
Construction Loan Term (in months):	33 months							33 months	
Construction Loan Interest Rate (as %):	6.40%							6.40%	

Attachment K: 1st Year Operating Budget

Application Date:	4/7/2023	Non-LOSP Units		Project Name:	249 Pennsylvania Family Housing
Total # Units:	120	LOSP Units	60	Project Address:	249 Pennsylvania Ave
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	2029	LOSP/non-LOSP Allocation		Project Sponsor:	TNDC & YCD
		50%	50%		
INCOME	LOSP	non-LOSP	Total	Comments	
Residential - Tenant Rents	15,000	1,407,492	1,422,492	Links from 'New Proj. - Rent & Unit Mix' Worksheet	Alternative LOSP Split
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj. - Rent & Unit Mix' Worksheet	Residential - Tenant Assistance Payments (N
Residential - LOSP Tenant Assistance Payments	996,054		996,054		
Commercial Space	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	Alternative LOSP Split
Supportive Services Income	0	0	0		Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Laundry and Vending	6,240	6,240	12,480	Links from 'Utilities & Other Income' Worksheet	Projected LOSP Split
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	Tenant Charges
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Other Commercial Income	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Alternative LOSP Split
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		Withdrawal from Capitalized Reserve (deposit
Gross Potential Income	1,017,294	1,413,732	2,431,026		
Vacancy Loss - Residential - Tenant Rents	(750)	(70,375)	(71,125)	Vacancy loss is 5% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!	
Vacancy Loss - Commercial	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
EFFECTIVE GROSS INCOME	1,016,544	1,343,357	2,359,901	PUPA: 19,666	

OPERATING EXPENSES					
Management					
Management Fee	42,480	42,480	84,960	1st Year to be set according to HUD schedule.	Alternative LOSP Split
Asset Management Fee	12,140	12,140	24,280		Management Fee
Sub-total Management Expenses	54,620	54,620	109,240	PUPA: 910	Asset Management Fee
Salaries/Benefits					
Office Salaries	19,268	19,268	38,536	Portfolio wide allocations of facilities/compliance roles	Alternative LOSP Split
Manager's Salary	64,500	64,500	129,000	1 FTE General Manager; 1 FTE Assistant GM	Office Salaries
Health Insurance and Other Benefits	57,428	57,428	114,856	healthcare, retirement	Manager's Salary
Other Salaries/Benefits	96,096	96,096	192,192	4.2 FTE Desk clerks (24/7 coverage)	Health Insurance and Other Benefits
Administrative Rent-Free Unit	4,404	4,404	8,808	Night manager/rent-free unit	Other Salaries/Benefits
Sub-total Salaries/Benefits	241,696	241,696	483,391	PUPA: 4,028	Administrative Rent-Free Unit
Administration					
Advertising and Marketing	2,065	2,065	4,129	Screening & other rental expenses	
Office Expenses	22,764	22,764	45,527	Office supplies & equipment; computers; phones & telecom; tech support;	
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	9,360	9,360	18,720		Projected LOSP Split
Bad Debts	9,705	9,705	19,409	Bad debt + bank service charges	Bad Debts
Miscellaneous	14,804	14,804	29,607	Postage & printing; subscriptions; recruitment; payroll service charges; professional fees;	
Sub-total Administration Expenses	73,266	73,266	146,531	PUPA: 1,221	
Utilities					
Electricity	41,850	41,850	83,700	based on TNDC comps	Projected LOSP Split
Water	115,933	115,933	231,865	based on TNDC comps	Electricity
Gas	0	0	0		
Sewer	0	0	0		
Sub-total Utilities	157,783	157,783	315,565	PUPA: 2,630	
Taxes and Licenses					
Real Estate Taxes	2,500	2,500	5,000		Alternative LOSP Split
Payroll Taxes	21,877	21,877	43,754		Real Estate Taxes
Miscellaneous Taxes, Licenses and Permits	1,161	1,161	2,322		Payroll Taxes
Sub-total Taxes and Licenses	25,538	25,538	51,076	PUPA: 426	
Insurance					
Property and Liability Insurance	78,976	78,976	157,951		
Fidelity Bond Insurance	0	0	0		Alternative LOSP Split
Worker's Compensation	13,673	13,673	27,346		Worker's Compensation
Director's & Officers' Liability Insurance	0	0	0		
Sub-total Insurance	92,649	92,649	185,297	PUPA: 1,544	
Maintenance & Repair					
Payroll	93,600	93,600	187,200	1 FTE custodian; 1 FTE Maintenance supervisor; 1 FTE Maintenance II	Alternative LOSP Split
Supplies	17,819	17,819	35,637		Payroll
Contracts	31,461	31,461	62,922	extermination; fire systems; grounds	Supplies
Garbage and Trash Removal	77,075	77,075	154,149	based on TNDC comps	Contracts
Security Payroll/Contract	3,389	3,389	6,777		Alternative LOSP Split
HVAC Repairs and Maintenance	3,774	3,774	7,548		Security Payroll/Contract
Vehicle and Maintenance Equipment Operation and Repairs	294	294	588		
Miscellaneous Operating and Maintenance Expenses	19,834	19,834	39,668	flooring clean/replace; elevator maint.; plumbing; appliance; furnishings	
Sub-total Maintenance & Repair Expenses	247,245	247,245	494,489	PUPA: 4,121	
Supportive Services	0	80,657	80,657	Only showing support services supported by project (no LOSP services or subsidy)	Alternative LOSP Split
Commercial Expenses	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Supportive Services
TOTAL OPERATING EXPENSES	892,795	973,451	1,866,246	PUPA: 15,552	

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	0	0	0		Alternative LOSP Split
Replacement Reserve Deposit	30,000	30,000	60,000	\$500/unit	Replacement Reserve Deposit
Operating Reserve Deposit	0	0	0		Operating Reserve Deposit
Other Required Reserve 1 Deposit	0	0	0		Other Required Reserve 1 Deposit
Other Required Reserve 2 Deposit	0	0	0		
Required 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	37,500	37,500	75,000	PUPA: 625	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	930,295	1,010,951	1,941,246	PUPA: 16,177	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	86,249	332,406	418,655	PUPA: 3,489	
				Term (Years): 30	
				Supportable 1st Mortgage Pmt: 384,087	
				Supportable 1st Mortgage Amt: \$5,962,364	
				Proposed 1st Mortgage Amt: \$51,018,244	

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)					
Hard Debt - First Lender	0	0	0		Alternative LOSP Split
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	72,619	72,619	145,238	HCD - MHP	Hard Debt - First Lender
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Hard Debt - Second Lender (HCD Program 0
Hard Debt - Fourth Lender	0	0	0		Hard Debt - Third Lender (Other HCD Program
Commercial Hard Debt Service	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Hard Debt - Fourth Lender
TOTAL HARD DEBT SERVICE	72,619	72,619	145,238	PUPA: 1,210	

CASH FLOW (NOI minus DEBT SERVICE)					
Commercial Only Cash Flow	13,630	259,787	273,417		
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	0	0	0		Allocation of Commercial Surplus to LOSP/No
AVAILABLE CASH FLOW	13,630	259,787	273,417	2.88	

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)	0	0	0		
Partnership Management Fee (see policy for limits)	11,130	11,130	22,260	2nd	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	2,500	2,500	5,000	1st	Alternative LOSP Split
Other Payments	0	0	0		Other Payments
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0		Non-amortizing Loan Pmnt - Lender 1 (select
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	123,078	123,078	Def. Develop. Fee split: 50%	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	13,630	136,708	150,338	PUPA: 1,253	Deferred Developer Fee (Enter amt => Max F

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)					
	0	123,079	123,079		

Residual Receipts Calculation					
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?		Yes	
Will Project Defor Developer Fee?	Yes				
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):	123,078	Sum of DD F from LOSP and non-LOSP:	
% of Residual Receipts available for distribution to soft debt lenders in	50%			Ratio of Sum of DDF and calculated 50%:	

Soft Debt Lenders with Residual Receipts Obligations					
MOHCD/OCII - Soft Debt Loans				Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Ground Lease Value or Land Acq Cost				\$20,982,236	63.98%
HCD (soft debt loan) - Lender 3				\$11,814,119	36.02%
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		123,079	123,079	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt	
Proposed MOHCD Residual Receipts Amount to Loan Repayment		123,079	123,079	Enter/override amount of residual receipts proposed for loan repayment.	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaym.	

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
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: 120
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2029

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	0.00%	100.00%	

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	n, 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 Pymt - Lender 1 (select lender in comments field)	lender in comments field		
Non-amortizing Loan Pymt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt => Max Fee from 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 Defor Developer Fee?			
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	123.078		
% of Residual Receipts available for distribution to soft debt lenders in	1.00000393		

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

249 Pennsylvania Family Housing

Total # Units:	LOSP Units		Non-LOSP Units		Year 1 2029			Year 2 2030			Year 3 2031			
	120	60	60	60	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
	50.00%	50.00%	50.00%	50.00%										
INCOME														
Residential - Tenant Rents		1.0%	2.5%		15,000	1,407,492	1,422,492	15,150	1,442,679	1,457,829	15,302	1,478,746	1,494,048	
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a											
Residential - LOSP Tenant Assistance Payments		n/a	n/a		996,054		996,054	1,013,373		1,013,373	1,045,411		1,045,411	
Commercial Space		n/a	2.5%											
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%		6,240	6,240	12,480	6,396	6,396	12,792	6,556	6,556	13,112	
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					1,017,294	1,413,732	2,431,026	1,034,919	1,449,075	2,483,994	1,067,268	1,485,302	2,552,570	
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		(750)	(70,375)	(71,125)	(758)	(72,134)	(72,891)	(765)	(73,937)	(74,702)	
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a											
Vacancy Loss - Commercial		n/a	n/a											
EFFECTIVE GROSS INCOME					1,016,544	1,343,357	2,359,901	1,034,162	1,376,941	2,411,103	1,066,503	1,411,365	2,477,868	
OPERATING EXPENSES														
Management														
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	42,480	42,480	84,960	43,967	43,967	87,934	45,506	45,506	91,011	
Asset Management Fee		3.5%	3.5%	per MOHCD policy	12,140	12,140	24,280	12,565	12,565	25,130	13,005	13,005	26,009	
Sub-total Management Expenses					54,620	54,620	109,240	56,532	56,532	113,063	58,510	58,510	117,021	
Salaries/Benefits														
Office Salaries		3.5%	3.5%		19,268	19,268	38,536	19,942	19,942	39,885	20,640	20,640	41,281	
Manager's Salary		3.5%	3.5%		64,500	64,500	129,000	66,758	66,758	133,515	69,094	69,094	138,188	
Health Insurance and Other Benefits		3.5%	3.5%		57,428	57,428	114,855	59,437	59,437	118,875	61,518	61,518	123,036	
Other Salaries/Benefits		3.5%	3.5%		96,096	96,096	192,192	99,459	99,459	198,919	102,940	102,940	205,881	
Administrative Rent-Free Unit		3.5%	3.5%		4,404	4,404	8,808	4,558	4,558	9,116	4,718	4,718	9,435	
Sub-total Salaries/Benefits					241,696	241,696	483,391	250,155	250,155	500,310	258,910	258,910	517,821	
Administration														
Advertising and Marketing		3.5%	3.5%		2,065	2,065	4,129	2,137	2,137	4,274	2,212	2,212	4,423	
Office Expenses		3.5%	3.5%		22,764	22,764	45,527	23,560	23,560	47,121	24,385	24,385	48,770	
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%		9,360	9,360	18,720	9,688	9,688	19,375	10,027	10,027	20,053	
Bad Debts		3.5%	3.5%		9,705	9,705	19,409	10,044	10,044	20,088	10,396	10,396	20,791	
Miscellaneous		3.5%	3.5%		14,804	14,804	29,607	15,322	15,322	30,643	15,858	15,858	31,716	
Sub-total Administration Expenses					73,266	73,266	146,531	75,830	75,830	151,664	78,484	78,484	156,968	
Utilities														
Electricity		3.5%	3.5%		41,850	41,850	83,700	43,315	43,315	86,630	44,831	44,831	89,662	
Water		3.5%	3.5%		115,933	115,933	231,865	119,990	119,990	239,980	124,190	124,190	248,380	
Gas		3.5%	3.5%											
Sewer		3.5%	3.5%											
Sub-total Utilities					157,783	157,783	315,565	163,305	163,305	326,610	169,021	169,021	338,041	
Taxes and Licenses														
Real Estate Taxes		3.5%	3.5%		2,500	2,500	5,000	2,588	2,588	5,175	2,678	2,678	5,356	
Payroll Taxes		3.5%	3.5%		21,877	21,877	43,754	22,643	22,643	45,285	23,435	23,435	46,870	
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		1,161	1,161	2,322	1,202	1,202	2,403	1,244	1,244	2,487	
Sub-total Taxes and Licenses					25,538	25,538	51,076	26,432	26,432	52,864	27,357	27,357	54,714	
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%		13,673	13,673	27,346	14,152	14,152	28,303	14,647	14,647	29,294	
Director's & Officers' Liability Insurance		3.5%	3.5%											
Sub-total Insurance					92,649	92,649	185,297	95,891	95,891	191,783	99,248	99,248	198,495	
Maintenance & Repair														
Payroll		3.5%	3.5%		93,600	93,600	187,200	96,876	96,876	193,752	100,267	100,267	200,533	
Supplies		3.5%	3.5%		17,819	17,819	35,637	18,442	18,442	36,884	19,088	19,088	38,175	
Contracts and Trash Removal		3.5%	3.5%		31,461	31,461	62,922	32,562	32,562	65,124	33,702	33,702	67,404	
Garbage and Trash Removal		3.5%	3.5%		77,075	77,075	154,149	79,772	79,772	159,544	82,564	82,564	165,128	
Security Payroll/Contract		3.5%	3.5%		3,389	3,389	6,777	3,507	3,507	7,014	3,630	3,630	7,260	
HVAC Repairs and Maintenance		3.5%	3.5%		3,774	3,774	7,548	3,906	3,906	7,812	4,043	4,043	8,086	
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		294	294	588	304	304	609	315	315	630	
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		19,834	19,834	39,668	20,528	20,528	41,056	21,247	21,247	42,493	
Sub-total Maintenance & Repair Expenses					247,245	247,245	494,489	255,898	255,898	511,796	264,854	264,854	529,709	
Supportive Services		3.5%	3.5%			80,657	80,657		83,480	83,480		86,401	86,401	
Commercial Expenses														
TOTAL OPERATING EXPENSES					892,795	973,451	1,866,246	924,043	1,007,522	1,931,565	956,384	1,042,786	1,999,170	
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														
Replacement Reserve Deposit					30,000	30,000	60,000	30,000	30,000	60,000	30,000	30,000	60,000	
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					37,500	37,500	75,000	37,500	37,500	75,000	37,500	37,500	75,000	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					930,295	1,010,951	1,941,246	961,543	1,045,022	2,006,565	993,884	1,080,286	2,074,170	
NET OPERATING INCOME (INCOME minus OP EXPENSES)					86,249	332,406	418,655	72,619	331,919	404,538	72,619	331,079	403,698	
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)					72,619	72,619	145,238	72,619	72,619	145,238	72,619	72,619	145,238	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)														
Hard Debt - Fourth Lender														
Commercial Hard Debt Service														
TOTAL HARD DEBT SERVICE					72,619	72,619	145,238	72,619	72,619	145,238	72,619	72,619	145,238	
CASH FLOW (NOI minus DEBT SERVICE)					13,630	259,787	273,417	-	259,300	259,300	-	258,460	258,460	
Commercial Only Cash Flow														
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)														
AVAILABLE CASH FLOW					13,630	259,787	273,417	-	259,300	259,300	-	258,460	258,460	
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%	per MOHCD policy										
Partnership Management Fee (see policy for														

INCOME	Total # Units:					Year 1 2029			Year 2 2030			Year 3 2031		
	LOSP Units	Non-LOSP Units	50.00%	50.00%	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	120	60	60	60										
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

INCOME	Total # Units: 120	LOSP Units		Non-LOSP Units		Year 4 2032			Year 5 2033			Year 6 2034						
		60		60		annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
		50.00%	50.00%	50.00%	50.00%													
Other Reserve 2 Withdrawals																		
Other Reserve 2 Interest																		
Other Required Reserve 2 Running Balance																		

	Total # Units: 120	LOSP Units		Non-LOSP Units		Year 7 2035			Year 8 2036			Year 9 2037		
		60		60		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		50.00%	50.00%	annual inc	% annual increase									
INCOME		annual inc	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

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Total # Units:	LOSP Units		Non-LOSP Units		Year 10 2038			Year 11 2039			Year 12 2040		
	120	60	60	60	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	50.00%	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
INCOME													
Residential - Tenant Rents		1.0%	2.5%		16,405	1,757,765	1,774,170	16,569	1,801,709	1,818,278	16,735	1,846,751	1,863,486
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a		1,303,529	-	1,303,529	1,345,766	-	1,345,766	1,389,487	-	1,389,487
Commercial Space		n/a	2.5%		-	-	-	-	-	-	-	-	-
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%		7,793	7,793	15,586	7,988	7,988	15,975	8,187	8,187	16,375
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					1,327,727	1,765,558	3,093,285	1,370,323	1,809,696	3,180,019	1,414,409	1,854,939	3,269,348
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		(820)	(87,888)	(88,708)	(828)	(90,085)	(90,914)	(837)	(92,338)	(93,174)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a		-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					1,326,907	1,677,669	3,004,576	1,369,494	1,719,611	3,089,105	1,413,572	1,762,601	3,176,174
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	57,896	57,896	115,792	59,922	59,922	119,844	62,020	62,020	124,039
Asset Management Fee		3.5%	3.5%	per MOHCD policy	16,546	16,546	33,091	17,125	17,125	34,249	17,724	17,724	35,448
Sub-total Management Expenses					74,441	74,441	148,883	77,047	77,047	154,093	79,744	79,744	159,487
Salaries/Benefits													
Office Salaries		3.5%	3.5%		26,260	26,260	52,521	27,179	27,179	54,359	28,131	28,131	56,261
Manager's Salary		3.5%	3.5%		87,907	87,907	175,814	90,984	90,984	181,967	94,168	94,168	188,336
Health Insurance and Other Benefits		3.5%	3.5%		78,268	78,268	156,536	81,007	81,007	162,014	83,842	83,842	167,685
Other Salaries/Benefits		3.5%	3.5%		130,969	130,969	261,938	135,553	135,553	271,106	140,297	140,297	280,594
Administrative Rent-Free Unit		3.5%	3.5%		6,002	6,002	12,004	6,212	6,212	12,425	6,430	6,430	12,859
Sub-total Salaries/Benefits					329,406	329,406	658,812	340,935	340,935	681,871	352,668	352,668	705,736
Administration													
Advertising and Marketing		3.5%	3.5%		2,814	2,814	5,627	2,912	2,912	5,824	3,014	3,014	6,028
Office Expenses		3.5%	3.5%		31,025	31,025	62,049	32,110	32,110	64,221	33,234	33,234	66,469
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%		12,266	12,266	24,532	12,695	12,695	25,391	13,140	13,140	26,279
Audit Expense		3.5%	3.5%		7,591	7,591	15,181	7,856	7,856	15,713	8,131	8,131	16,263
Bookkeeping/Accounting Services		3.5%	3.5%		12,757	12,757	25,513	13,203	13,203	26,406	13,665	13,665	27,331
Bad Debts		3.5%	3.5%		13,226	13,226	26,452	13,689	13,689	27,378	14,168	14,168	28,337
Miscellaneous		3.5%	3.5%		20,176	20,176	40,351	20,882	20,882	41,764	21,613	21,613	43,225
Sub-total Administration Expenses					99,854	99,854	199,707	103,348	103,348	206,697	106,966	106,966	213,911
Utilities													
Electricity		3.5%	3.5%		57,037	57,037	114,075	59,034	59,034	118,067	61,100	61,100	122,199
Water		3.5%	3.5%		158,004	158,004	316,008	163,534	163,534	327,068	169,258	169,258	338,516
Gas		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities					215,041	215,041	430,083	222,568	222,568	445,136	230,358	230,358	460,715
Taxes and Licenses													
Real Estate Taxes		3.5%	3.5%		3,407	3,407	6,814	3,526	3,526	7,053	3,650	3,650	7,300
Payroll Taxes		3.5%	3.5%		29,816	29,816	59,632	30,860	30,860	61,719	31,940	31,940	63,880
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		1,582	1,582	3,165	1,638	1,638	3,275	1,695	1,695	3,390
Sub-total Taxes and Licenses					34,806	34,806	69,611	36,024	36,024	72,048	37,285	37,285	74,569
Insurance													
Property and Liability Insurance		3.5%	3.5%		107,635	107,635	215,271	111,403	111,403	222,805	115,302	115,302	230,604
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%		18,635	18,635	37,270	19,287	19,287	38,575	19,962	19,962	39,925
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance					126,271	126,271	252,541	130,690	130,690	261,380	135,264	135,264	270,529
Maintenance & Repair													
Payroll		3.5%	3.5%		127,567	127,567	255,134	132,032	132,032	264,064	136,653	136,653	273,306
Supplies		3.5%	3.5%		24,285	24,285	48,570	25,135	25,135	50,270	26,014	26,014	52,029
Contracts		3.5%	3.5%		42,878	42,878	85,756	44,379	44,379	88,758	45,932	45,932	91,864
Garbage and Trash Removal		3.5%	3.5%		105,045	105,045	210,089	108,721	108,721	217,442	112,526	112,526	225,053
Security Payroll/Contract		3.5%	3.5%		4,618	4,618	9,236	4,780	4,780	9,560	4,947	4,947	9,894
HVAC Repairs and Maintenance		3.5%	3.5%		5,144	5,144	10,287	5,324	5,324	10,647	5,510	5,510	11,020
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		401	401	801	415	415	829	429	429	858
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		27,032	27,032	54,063	27,978	27,978	55,956	28,957	28,957	57,914
Sub-total Maintenance & Repair Expenses					336,969	336,969	673,938	348,763	348,763	697,526	360,969	360,969	721,939
Supportive Services		3.5%	3.5%		-	109,927	109,927	-	113,774	113,774	-	117,756	117,756
Commercial Expenses					-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES					1,216,788	1,326,714	2,543,502	1,259,375	1,373,149	2,632,525	1,303,453	1,421,210	2,724,663
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					-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit					30,000	30,000	60,000	30,000	30,000	60,000	30,000	30,000	60,000
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					37,500	37,500	75,000	37,500	37,500	75,000	37,500	37,500	75,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					1,254,288	1,364,214	2,618,502	1,296,875	1,410,649	2,707,525	1,340,953	1,458,710	2,799,663
NET OPERATING INCOME (INCOME minus OP EXPENSES)													
					72,619	313,455	386,074	72,619	308,962	381,581	72,619	303,892	376,511
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)					-	72,619	145,238	72,619	72,619	145,238	72,619	72,619	145,238
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					72,619	72,619	145,238	72,619	72,619	145,238	72,619	72,619	145,238
CASH FLOW (NOI minus DEBT SERVICE)													
Commercial Only Cash Flow					-	-	-	-	-	-	-	-	-
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					-	240,836	240,836	0	236,343	236,343	-	231,273	231,273
AVAILABLE CASH FLOW					-	240,836	240,836	0	236,343	236,343	-	231,273	231,273
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%	per MO									

INCOME	Total # Units: 120	LOSP Units		Non-LOSP Units		Year 10 2038			Year 11 2039			Year 12 2040		
		60		60		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		50.00%	50.00%	annual inc	annual increase									
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 2041			Year 14 2042			Year 15 2043			
	120	60	60	60	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)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
INCOME														
Residential - Tenant Rents		1.0%	2.5%		16,902		1,892,920	1,909,823	17,071	1,940,243	1,957,315	17,242	1,988,749	2,005,991
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-		-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a		1,434,744		1,434,744	1,434,744	1,481,591	1,481,591	1,530,084	1,530,084	1,530,084	
Commercial Space		n/a	2.5%		-		-	-	-	-	-	-	-	
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%		8,392		8,392	16,784	8,602	8,602	17,204	8,817	8,817	17,634
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					1,460,038		1,901,312	3,361,351	1,507,264	1,948,845	3,456,110	1,556,143	1,997,566	3,553,710
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		(845)		(94,646)	(95,491)	(854)	(97,012)	(97,866)	(862)	(99,437)	(100,300)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-		-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a		-		-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					1,459,193		1,806,666	3,265,860	1,506,411	1,851,833	3,358,244	1,555,281	1,898,129	3,453,410
OPERATING EXPENSES														
Management														
Management Fee		3.5%	3.5%		64,190		64,190	128,380	66,437	66,437	132,874	68,762	68,762	137,524
Asset Management Fee		3.5%	3.5%		18,344		18,344	36,688	18,986	18,986	37,973	19,651	19,651	39,302
Sub-total Management Expenses					82,535		82,535	165,069	85,423	85,423	170,847	88,413	88,413	176,826
Salaries/Benefits														
Office Salaries		3.5%	3.5%		29,115		29,115	58,231	30,134	30,134	60,269	31,189	31,189	62,378
Manager's Salary		3.5%	3.5%		97,464		97,464	194,928	100,875	100,875	201,750	104,406	104,406	208,812
Health Insurance and Other Benefits		3.5%	3.5%		86,777		86,777	173,554	89,814	89,814	179,628	92,958	92,958	185,915
Other Salaries/Benefits		3.5%	3.5%		145,208		145,208	290,415	150,290	150,290	300,580	155,550	155,550	311,100
Administrative Rent-Free Unit		3.5%	3.5%		6,655		6,655	13,309	6,888	6,888	13,775	7,129	7,129	14,257
Sub-total Salaries/Benefits					365,218		365,218	730,437	378,001	378,001	756,002	391,231	391,231	782,462
Administration														
Advertising and Marketing		3.5%	3.5%		3,120		3,120	6,239	3,229	3,229	6,458	3,342	3,342	6,684
Office Expenses		3.5%	3.5%		34,397		34,397	68,795	35,601	35,601	71,203	36,847	36,847	73,695
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%		14,144		14,144	28,287	14,639	14,639	29,277	15,151	15,151	30,302
Bad Debts		3.5%	3.5%		14,664		14,664	29,328	15,177	15,177	30,355	15,709	15,709	31,417
Miscellaneous		3.5%	3.5%		22,369		22,369	44,738	23,152	23,152	46,304	23,962	23,962	47,925
Sub-total Administration Expenses					110,709		110,709	221,419	114,584	114,584	229,169	118,595	118,595	237,189
Utilities														
Electricity		3.5%	3.5%		63,238		63,238	126,476	65,452	65,452	130,903	67,742	67,742	135,485
Water		3.5%	3.5%		175,162		175,162	350,364	181,313	181,313	362,627	187,659	187,659	375,319
Gas		3.5%	3.5%		-		-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%		-		-	-	-	-	-	-	-	-
Sub-total Utilities					238,400		238,400	476,840	246,765	246,765	493,530	255,402	255,402	510,803
Taxes and Licenses														
Real Estate Taxes		3.5%	3.5%		3,778		3,778	7,555	3,910	3,910	7,820	4,047	4,047	8,093
Payroll Taxes		3.5%	3.5%		33,058		33,058	66,115	34,215	34,215	68,429	35,412	35,412	70,824
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		1,754		1,754	3,509	1,816	1,816	3,632	1,879	1,879	3,759
Sub-total Taxes and Licenses					38,590		38,590	77,179	39,940	39,940	79,881	41,338	41,338	82,676
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%		20,661		20,661	41,322	21,384	21,384	42,769	22,133	22,133	44,265
Director's & Officers' Liability Insurance		3.5%	3.5%		-		-	-	-	-	-	-	-	-
Sub-total Insurance					139,999		139,999	279,997	144,898	144,898	289,797	149,970	149,970	299,940
Maintenance & Repair														
Payroll		3.5%	3.5%		141,436		141,436	282,872	146,386	146,386	292,773	151,510	151,510	303,020
Supplies		3.5%	3.5%		26,925		26,925	53,850	27,867	27,867	55,735	28,843	28,843	57,685
Contracts		3.5%	3.5%		47,540		47,540	95,079	49,204	49,204	98,407	50,926	50,926	101,851
Garbage and Trash Removal		3.5%	3.5%		116,465		116,465	232,930	120,541	120,541	241,082	124,760	124,760	249,520
Security Payroll/Contract		3.5%	3.5%		5,120		5,120	10,241	5,299	5,299	10,599	5,485	5,485	10,970
HVAC Repairs and Maintenance		3.5%	3.5%		5,703		5,703	11,406	5,902	5,902	11,805	6,109	6,109	12,218
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		444		444	889	460	460	920	476	476	952
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		29,971		29,971	59,941	31,020	31,020	62,039	32,105	32,105	64,210
Sub-total Maintenance & Repair Expenses					373,603		373,603	747,207	386,680	386,680	773,359	400,213	400,213	800,427
Supportive Services		3.5%	3.5%		-		121,878	121,878	-	126,143	126,143	-	130,558	130,558
Commercial Expenses														
TOTAL OPERATING EXPENSES					1,349,074		1,470,952	2,820,026	1,396,292	1,522,435	2,918,727	1,445,162	1,575,721	3,020,883
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					-		-	-	-	-	-	-	-	-
Replacement Reserve Deposit					30,000		30,000	60,000	30,000	30,000	60,000	30,000	30,000	60,000
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					37,500		37,500	75,000	37,500	37,500	75,000	37,500	37,500	75,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					1,386,574		1,508,452	2,895,026	1,433,792	1,559,935	2,993,727	1,482,662	1,613,221	3,095,883
NET OPERATING INCOME (INCOME minus OP EXPENSES)														
					72,619		298,214	370,833	72,619	291,898	364,517	72,619	284,908	357,527
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)					72,619		72,619	145,238	72,619	72,619	145,238	72,619	72,619	145,238
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-		-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-		-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-		-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					72,619		72,619	145,238	72,619	72,619	145,238	72,619	72,619	145,238
CASH FLOW (NOI minus DEBT SERVICE)					-		225,595	225,595	(0)	219,279	219,279	0	212,289	212,289
Commercial Only Cash Flow					-		-	-	-</					

INCOME	Total # Units: 120	LOSP Units		Non-LOSP Units		Year 13 2041			Year 14 2042			Year 15 2043		
		60		60		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		50.00%	50.00%	annual inc	annual increase									
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

249 Pennsylvania Family Housing

Total # Units:	LOSP Units		Non-LOSP Units		Year 16 2044			Year 17 2045			Year 18 2046			
	120	60	60	60	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
	50.00%	50.00%	50.00%											
INCOME														
Residential - Tenant Rents		1.0%	2.5%		17,415	2,038,468	2,055,883	17,589	2,089,430	2,107,016	17,765	2,141,666	2,159,430	
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-	-	-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments		n/a	n/a		1,580,281	-	1,580,281	1,632,240	-	1,632,240	1,686,025	-	1,686,025	
Commercial Space		n/a	2.5%		-	-	-	-	-	-	-	-	-	
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%		9,037	9,037	18,075	9,263	9,263	18,527	9,495	9,495	18,990	
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					1,606,733	2,047,505	3,654,238	1,659,092	2,098,693	3,757,785	1,713,284	2,151,160	3,864,445	
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		(871)	(101,923)	(102,794)	(879)	(104,471)	(105,351)	(888)	(107,083)	(107,972)	
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-	
Vacancy Loss - Commercial		n/a	n/a		-	-	-	-	-	-	-	-	-	
EFFECTIVE GROSS INCOME					1,605,862	1,945,582	3,551,444	1,658,213	1,994,222	3,652,434	1,712,396	2,044,077	3,756,473	
OPERATING EXPENSES														
Management														
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	71,169	71,169	142,338	73,660	73,660	147,319	76,238	76,238	152,476	
Asset Management Fee		3.5%	3.5%	per MOHCD policy	20,339	20,339	40,677	21,051	21,051	42,101	21,787	21,787	43,575	
Sub-total Management Expenses					91,508	91,508	183,015	94,710	94,710	189,420	98,025	98,025	196,050	
Salaries/Benefits														
Office Salaries		3.5%	3.5%		32,281	32,281	64,561	33,410	33,410	66,821	34,580	34,580	69,160	
Manager's Salary		3.5%	3.5%		108,060	108,060	216,120	111,842	111,842	223,684	115,757	115,757	231,513	
Health Insurance and Other Benefits		3.5%	3.5%		96,211	96,211	192,422	99,578	99,578	199,157	103,064	103,064	206,127	
Other Salaries/Benefits		3.5%	3.5%		160,994	160,994	321,989	166,629	166,629	333,258	172,461	172,461	344,922	
Administrative Rent-Free Unit		3.5%	3.5%		7,378	7,378	14,756	7,636	7,636	15,273	7,904	7,904	15,808	
Sub-total Salaries/Benefits					404,924	404,924	809,849	419,097	419,097	838,193	433,765	433,765	867,530	
Administration														
Advertising and Marketing		3.5%	3.5%		3,459	3,459	6,918	3,580	3,580	7,160	3,705	3,705	7,410	
Office Expenses		3.5%	3.5%		38,137	38,137	76,274	39,472	39,472	78,944	40,853	40,853	81,707	
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Legal Expense - Property		3.5%	3.5%		15,078	15,078	30,156	15,606	15,606	31,212	16,152	16,152	32,304	
Audit Expense		3.5%	3.5%		9,331	9,331	18,662	9,657	9,657	19,315	9,995	9,995	19,991	
Bookkeeping/Accounting Services		3.5%	3.5%		15,681	15,681	31,363	16,230	16,230	32,460	16,798	16,798	33,596	
Bad Debts		3.5%	3.5%		16,258	16,258	32,517	16,827	16,827	33,655	17,416	17,416	34,833	
Miscellaneous		3.5%	3.5%		24,801	24,801	49,602	25,669	25,669	51,338	26,567	26,567	53,136	
Sub-total Administration Expenses					122,746	122,746	245,491	127,042	127,042	254,083	131,468	131,468	266,976	
Utilities														
Electricity		3.5%	3.5%		70,113	70,113	140,227	72,567	72,567	145,135	75,107	75,107	150,214	
Water		3.5%	3.5%		194,227	194,227	388,455	201,025	201,025	402,051	208,061	208,061	416,122	
Gas		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sewer		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sub-total Utilities					264,341	264,341	528,681	273,593	273,593	547,185	283,168	283,168	566,337	
Taxes and Licenses														
Real Estate Taxes		3.5%	3.5%		4,188	4,188	8,377	4,335	4,335	8,670	4,487	4,487	8,973	
Payroll Taxes		3.5%	3.5%		36,652	36,652	73,303	37,934	37,934	75,868	39,282	39,282	78,524	
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		1,945	1,945	3,890	2,013	2,013	4,026	2,084	2,084	4,167	
Sub-total Taxes and Licenses					42,785	42,785	85,570	44,283	44,283	88,565	45,832	45,832	91,665	
Insurance														
Property and Liability Insurance		3.5%	3.5%		132,312	132,312	264,623	136,942	136,942	273,885	141,735	141,735	283,471	
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Worker's Compensation		3.5%	3.5%		22,907	22,907	45,815	23,709	23,709	47,418	24,539	24,539	49,078	
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-	
Sub-total Insurance					155,219	155,219	310,438	160,652	160,652	321,303	166,274	166,274	332,549	
Maintenance & Repair														
Payroll		3.5%	3.5%		156,813	156,813	313,625	162,301	162,301	324,602	167,982	167,982	335,963	
Supplies		3.5%	3.5%		29,852	29,852	59,704	30,897	30,897	61,794	31,978	31,978	63,957	
Contracts		3.5%	3.5%		52,708	52,708	105,416	54,553	54,553	109,106	56,462	56,462	112,925	
Garbage and Trash Removal		3.5%	3.5%		129,127	129,127	258,253	133,646	133,646	267,292	138,324	138,324	276,647	
Security Payroll/Contract		3.5%	3.5%		5,677	5,677	11,354	5,878	5,878	11,757	6,081	6,081	12,163	
HVAC Repairs and Maintenance		3.5%	3.5%		6,323	6,323	12,646	6,544	6,544	13,088	6,773	6,773	13,546	
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		493	493	985	510	510	1,020	528	528	1,055	
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		33,229	33,229	66,458	34,392	34,392	68,784	35,596	35,596	71,191	
Sub-total Maintenance & Repair Expenses					414,221	414,221	828,442	428,719	428,719	857,437	443,724	443,724	887,447	
Supportive Services		3.5%	3.5%		-	135,128	135,128	-	139,857	139,857	-	144,752	144,752	
Commercial Expenses														
TOTAL OPERATING EXPENSES					1,495,743	1,630,871	3,126,614	1,548,094	1,687,951	3,236,045	1,602,277	1,747,029	3,349,307	
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					-	-	-	-	-	-	-	-	-	
Replacement Reserve Deposit					30,000	30,000	60,000	30,000	30,000	60,000	30,000	30,000	60,000	
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					37,500	37,500	75,000	37,500	37,500	75,000	37,500	37,500	75,000	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					1,533,243	1,668,371	3,201,614	1,585,594	1,725,451	3,311,045	1,639,777	1,784,529	3,424,307	
NET OPERATING INCOME (INCOME minus OP EXPENSES)					72,619	277,211	349,830	72,619	268,770	341,389	72,619	259,548	332,167	
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)					72,619	72,619	145,238	72,619	72,619	145,238	72,619	72,619	145,238	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-	
TOTAL HARD DEBT SERVICE					72,619	72,619	145,238	72,619	72,619	145,238	72,619	72,619	145,238	
CASH FLOW (NOI minus DEBT SERVICE)														
Commercial Only Cash Flow					-	204,592	204,592	-	196,151	196,151	-	186,929	186,929	
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					-	-	-	-	-	-	-	-	-	
AVAILABLE CASH FLOW					-	204,592	204,592	-	196,151	196,151	-	186,929		

INCOME	Total # Units:					Year 16 2044			Year 17 2045			Year 18 2046		
	120	60	LOSP Units 60	Non-LOSP Units 60		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)									
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

	Total # Units: 120	LOSP Units		Non-LOSP Units		Year 19 2047			Year 20 2048		
		60		60		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		50.00%	50.00%	annual inc	% annual increase						
INCOME		annual inc	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	
Other Reserve 2 Withdrawals											
Other Reserve 2 Interest											
Other Required Reserve 2 Running Balance											