

Citywide Affordable Housing Loan Committee

San Francisco Mayor’s Office of Housing and Community Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure
Controller’s Office of Public Finance

**250 Laguna Honda Boulevard Family Housing
\$5,500,000 Acquisition & \$2,500,000 Predevelopment
Request
Total Funding of \$8,000,000**

Evaluation of Request for:	Acquisition & Predevelopment Funding
Loan Committee Date:	
Prepared By:	Omar Masry, Project Manager
MOHCD Asset Manager:	Rosie Chavez
MOHCD Construction Representative:	Robin Wang
Source of Funds Recommended:	\$1M Housing Trust Fund Advance \$7M 2023 Certificates of Participation
Total Previous City Funds Committed:	N/A

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	250 Laguna Honda Boulevard Family Housing	Sponsor(s):	Mission Housing Development Corporation (“Mission Housing” or MHDC)
Project Address (w/ cross St):	250 Laguna Honda Blvd. (at Clarendon Ave.) 94116	Ultimate Borrower Entity:	Limited Liability Company (LLC) – To Be Formed.

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. Mission Housing Development Corporation (Mission Housing or Sponsor) was selected for acquisition and predevelopment financing for 250 Laguna Honda Boulevard, which is a proposed 115-unit 100% affordable housing development for families, including 29 units set aside for permanent supportive housing for families experiencing homelessness (Project) which will be subsidized by the Local Operating Subsidy Program (LOSP). The proposed Project features one manager’s unit and a mix of one- (25), two- (60) and three- (30) bedroom units restricted to households between 20% to 80% MOHCD AMI. Lutheran Social Services of Northern California will operate as a service partner providing support services for residents of the 29 supportive housing units. The Project as currently envisioned does not feature commercial space nor does it include parking spaces. Both features will be evaluated during predevelopment.

Currently, 250 Laguna Honda Boulevard features an 8,250 square foot, two-story House of Worship for Forest Hill Christian Church (Church), as well as a separate 3,810 square foot two-story building previously used for childcare, and an adjacent 49-space surface parking lot (Site). Per the NOFA, the Sponsor is required to fund and maintain an interim use of the site, which may include ongoing use of the Church building and vacant childcare building, by community-based organizations, which will be determined during predevelopment.

The proposed Project would feature a new six-story building, replacing the surface parking lot and vacant childcare building. The Church and its underlying land are not incorporated into the design of the building. Further design will evaluate incorporating the Church and land into the square footage of the affordable housing parcel, including commercial space, and a possible parking set aside.

The request is for proposed predevelopment work in the amount of \$2.5M and another \$5.5M for the Sponsor to acquire the Site by December 2023. The underwriting of this request is based solely on the response from the Sponsor to the NOFA. More work needs to be done during the predevelopment period to bring the Project budget in line with MOHCD underwriting.

Project Description:

Construction Type:	Type III over I	Project Type:	New Construction
Number of Stories:	6	Lot Size (acres and sf):	70,487 sf, 1.62 acres
Number of Units:	115	Architect:	TBD
Total Residential Area:	78,880 sf	General Contractor:	TBD
Total Commercial Area:	N/A	Property Manager:	Caritas Management Corporation
Total Building Area:	121,297 sf	Supervisor and District:	Supervisor Melgar, D7
Future Land Owner:	MOHCD	Total Acquisition Cost:	\$5,500,000
Total Development Cost (TDC) w/o land:	\$91,574,259	Acquisition cost per unit:	\$47,826
TDC/unit w/o land:	\$796,298	MOHCD Gap w/o land	\$18,564,333
Predevelopment Loan w/o land:	\$2,5000,000	MOHCD Gap per unit w/o land	\$161,429

Predevelopment w/o land per unit:	\$21,739	Total MOHCD Subsidy/unit	\$209,255
HOME Funds?	N	(Gap + Acq.)	
		Parking	To Be Determined

PRINCIPAL DEVELOPMENT ISSUES

- **Underwriting and MOHCD Subsidy:** The Project underwriting for this request is based solely on the response from the Sponsor to the NOFA. Due to this, Staff believes the final MOHCD estimate gap represented in this proforma will be significantly more than presented at the NOFA response. More work needs to be done to bring the Project budget in line with MOHCD underwriting. The Sponsor will align with MOHCD underwriting guidelines on the predevelopment and gap budget by the time of execution of acquisition loan documents. See Section 6.5.2, Permanent Uses Evaluation.
- **Construction Costs.** The current hard cost per unit is very low for a project given the cost of comparable projects and current underlying environmental factors such as hillside slope conditions. In addition, the construction budget does not include an escalation factor, typically assumed at 5% of hard costs for a development that is at least two years away from construction. Project is in a nascent predevelopment phase and will require coordination with MOHCD staff to further refine design and budget. These items are noted below and discussed in depth in Section 4.4.

Church Structure: The current design does not incorporate the Church or underlying land into the affordable development. If the land was incorporated, the Project could yield many more units, bringing about better economies of scale. The Church currently stands alone on the site plan concept, and the design and budget do not include alteration, removal, adaptative reuse, or capital expenditures for the existing building. In addition, if the land is not incorporated into the affordable development, the land underlying the Church will need to be bifurcated from the acquisition cost and the Sponsor will be responsible for the associated soft cost and for the cost of land underlying the Church building. The Sponsors will work to finalize the design of the affordable parcel during predevelopment to fully develop the Site plan. See Section 3.3

- **Community Support.** The Site was previously proposed in 2016 as senior-only 100% affordable housing development. The Project was withdrawn in 2018 due to significant community opposition from the surrounding neighborhood due to concerns over siting, zoning, density, design, and influx of new residents and visitors. The local permitting entitlements process now allows by-right development under State laws such as SB 35, AB 2162 and SB 4; and for increased building height and density through associated local or State density bonus waivers. Sponsors are still expected to engage in significant community outreach. See Community Engagement in section 3.
- **Interim Use Plan.** The NOFA required an interim use plan for the overall site, including the Church building and former childcare center. The Sponsor will be required to complete an Interim Use plan within 60 days of predevelopment loan approval. See Section 4.7.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
MOHCD Predevelopment Loan	\$2,500,000	3 years @ 3% deferred	This request
MOHCD Acquisition Loan	\$5,500,000	3 years @ 0% deferred	This request
Total	\$8,000,000		

PERMANENT SOURCES	AMOUNT	TERMS	STATUS
MOHCD Gap Loan*	\$24,064,333	55 yrs. @ 3.00% / Res Rec	This Request
Permanent Private Loan	\$9,315,575	15 yrs. @ 6.68%	Not Committed
HCD Multi-Family Housing (MHP) Loan	\$29,290,497	55 yrs. @ 0.42%	Not Committed
Limited Partner Equity	\$31,403,854	\$0.90	Not Committed
Federal Home Loan Bank – Affordable Housing Program	\$1,000,000	15 yrs. @ 0%	Not Committed
Deferred Developer Fee	\$1,500,000	Paid over 15 yrs.	Committed
General Partner Contributions	\$500,000	At Permanent Loan Close	Committed
Total	\$97,074,259		

*The MOHCD Gap Loan estimate includes predevelopment loan and acquisition monies of \$8,000,000 and additional funding of \$16,064,333. Acquisition costs will be considered paid in full and forgiven once the Site is transferred to MOHCD at construction close. The final gap amount will be \$18,564,333, inclusive of predevelopment funds, but not acquisition. A \$5,500,000 portion of the gap loan, used for acquisition, will not be subject to interest on the loan.

USES	AMOUNT	Per Unit	Per SF
Acquisition*	\$5,976,250	\$51,967	\$49.27
Hard Costs	\$70,146,282	\$609,968	\$578.30
Soft Costs	\$15,806,137	\$137,445	\$130.31
Developer Fee	\$4,350,000	\$37,826	\$35.86
Reserves	\$795,590	\$6,918	\$6.56
Total	\$97,074,259	\$844,124	\$800.30

1. BACKGROUND

1.1. Project History Leading to This Request.

The Site was originally developed as a water pumping station for Spring Valley Water Company, a private water utility that was later acquired by SFPUC. The station was shuttered, and the Site was redeveloped in 1962 into a church currently owned by Forest Hill Christian Church (the “Church”). Over time the congregation has shifted to a primarily off-site and online presence with limited on-site activity and the adjacent childcare center has since ceased operations.

Currently the Church building is used for various religious and community activities by several community-based organizations and congregations.

An affordable senior housing project was proposed at the Site in response to the 2015 Proposition A NOFA issued in 2016. The prior sponsor was a non-profit affordable housing developer, Christian Church Homes, in partnership with Forest Hill Christian Church. The proposal was for 150 affordable units for low-income seniors, including 30 units for seniors experiencing homelessness. The community engagement process resulted in significant opposition to the project due to various concerns. In addition, the prior project development proposal required significant soil engineering, due to its positioning close to the steep rear hillside. The prior project was withdrawn in Spring 2018.

Since the previous attempt to develop this Site, legislation has been enacted to streamline entitlements, including SB 35 (enacted 2017), AB 2162 (enacted 2019) and possibly SB 4 (affordable housing on lands owned by religious institutions) – if signed by the governor on or before October 14, 2023. The current development proposal meets the conditions under either State law, as well as associated State or local density bonus options, which may allow for ministerial approval of affordable housing and exempt it from environmental (and historic preservation) review under the California Environmental Quality Act (CEQA).

Mission Housing and the Church signed an option agreement dated April 4, 2023, with a one-year term and six-month extension option, allowing for an exclusive right to purchase the entire property (and improvements) for \$5,500,000; and has deposited \$50,000 in escrow as consideration. The Sponsor needs to close on the Site purchase by October 2024.

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

The City of San Francisco Mayor's Office of Housing and Community Development 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 in high resource areas that would be competitive for state financing queues. In addition, the NOFA stated goals included the following:

- Construction start in 2026.
- Interim Use through 2025.
- Maximizing density.
- City Subsidy of no more than \$350k per unit (with acquisition).
- A 25% LOSP set aside.
- Fulfilling Racial Equity goals.
- Eligible site control mechanism.
- Opportunity for City to own underlying land.
- Rents restricted at an average of 60% MOHCD AMI for the life of the project (reference: soft debt loan term).

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. Mission Housing’s submittal was as a sole developer, with Lutheran Social Services of Northern California as a service provider for supportive housing units. Mission Housing was determined to have met the minimum threshold eligibility requirements and was one of five teams to submit qualifications to acquire and develop a site. All five teams were given an award under the NOFA.

1.3.2. Joint Venture Partnership. N/A.

Demographics of Board of Directors, Staff and People Served. Mission Housing board consist of majority BIPOC members, and its staff breaks down as follows:

Female	Male
52%	48%

Race/Ethnicity of Mission Housing Board & Staff	Percentage
Asian	24%
Black or African American	21%
Hispanic/Latino	31%
White or Caucasian	24%

Senior Management has a 75% BIPOC representation rate and both the Deputy Executive Director and Chief Financial Officer are BIPOC.

Race/Ethnicity of Mission Housing Residents	Percentage
Asian	15%
Black or African American	20%
Hispanic/Latino	40%
White or Caucasian	15%
Unknown or Decline to State	10%

1.3.3. Racial Equity Vision.

As part of a strategic plan update, Mission Housing is developing a new racial equity vision. No timeline has been provided for completion. Mission Housing was founded as a community-based organization with a “people first,” mindset that involves respecting and building relationships with residents and staff. Mission Housing believes collaboration with community, city, and state partners is essential to successfully advocating for equitable solutions to affordable housing.

Mission Housing has indicated they are inclusive of all people, including people of all identities and abilities/disabilities. The organization believes that housing is a human right and that everyone should have a home and community where they feel a sense of belonging. As well as honoring and celebrating all cultures and welcoming cultural differences, Mission Housing has indicated their efforts to be transparent and base decisions on what is best for their residents, their surrounding communities, and their organization.

The Sponsor's policy statements noted above, and as part of their NOFA submittal, align with values that have been shown to improve outcomes for disadvantaged persons and communities. MOHCD staff will continue to encourage Sponsor to outline specific initiatives, prior to final gap financing, planned to improve racial equity outcomes for both the organization, and outcomes for current residents, neighbors of Mission Housing properties in San Francisco, and frontline staff.

1.3.4. Relevant Experience.

In its 50-year history, Mission Housing has owned and co-developed 45 projects, consisting of over 1,600 units of affordable housing. This includes 17 new construction projects, through joint ventures; as well as 18 acquisition and rehab projects, and 10 scattered site developments. With respect to fiscal capacity, Mission Housing has noted examples where the organization successfully took on development financial risk, including for an approximately \$47 million construction loan associated with a scattered site development that involved the City's Housing Authority.

1.3.5. Project Management Capacity.

This proposed development would constitute the first new construction 100% affordable housing development where Mission Housing is the sole developer, instead of acting as a joint venture partner. MOHCD staff believes the organization's track record and proposed staffing dedicated to this Project are sufficient to meet MOHCD standards.

Project staffing workload

(Name, Title, FTE at Mission Housing, % Time Assigned to Project):

- Kevin Kitchingham, Director of Housing Development, 1 FTE, 15%.
- John Lovell, Senior Project Developer, 1 FTE, 35%.
- Carlos Melgoza, Associate Project Developer, 1 FTE, 40%.
- Scott Falcone, Consultant to Developer, with 10-15 hours per month dedicated to Project.

1.3.6. Past Performance.

There are no performance plans in place for Mission Housing.

1.3.6.1. City audits/performance plans. There are no pending audits in place for Mission Housing.

1.3.6.2. Marketing/lease-up/operations. MOHCD marketing and leasing staff has worked with Mission Housing, as well as the intended property

management firm, Caritas Management Corporation. Staff has noted solid performance by Mission Housing with respect to marketing and outreach but has noted concerns with the ability of Caritas (associated property manager) to handle large building lease ups, where tax credit deadlines may apply. Additional concerns have included responses to future resident inquiries not occurring in a timely manner and compliance files being reviewed outside the expected time frame of three to five business days. MOHCD marketing and lease up staff recommends ensuring sufficient staff is available for lease up such as using three leasing agents, five compliance specialists and two support administrative staff.

A condition has been added to require a marketing and lease up staffing plan outlining staffing and timing of staffing availability to be provided for lease up, prior to TCO.

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

Site Description	
Zoning:	RH-1(D) Residential-House, One-Family-Detached and a 40-X Height and Bulk District
Maximum units allowed by current zoning:	One dwelling unit and one accessory dwelling unit.
Seismic (if applicable):	The Site is subject to hillside stability concerns given previous minor hillside slide movements, water intrusion into the Church circa 2017, and a landscaped area retaining wall collapse in 2022. As part of Sponsor's due diligence and local permitting, the Site is subject, due to slope conditions, to a required interdepartmental project review meeting, expected in Fall 2023, involving SF Planning, SF DPW, and SF Fire, to review seismic, liquefaction and geological concerns.
Soil type:	A Phase I Environmental Site Assessment (ESA) conducted in 2016, for a prior senior-only 100% affordable housing development. The Project Site features primarily loose to medium dune sand and layers of fill consisting of stiff sandy clay. Groundwater is estimated at approximately 12 to 23 feet below ground surface. While it is presumed existing soils will support the proposed structure based on a previous Phase I further geotechnical review, a new Phase 1 is required, and a Phase 2 ESA may also be required depending on the findings of the new Phase 1.
Environmental Review:	The Project is expected to be exempt from environmental review, pursuant to the California Environmental Quality Act (and similar local environmental review rules), via approval under State laws such as AB 2162 or SB 35.
Adjacent uses (North):	SFPUC Laguna Honda Reservoir (across Laguna Honda Boulevard and Clarendon Avenue).
Adjacent uses (South):	Small scale commercial & single-family detached residences.

Adjacent uses (East):	SFDPH Laguna Honda Hospital campus
Adjacent uses (West):	Single family detached homes – Site separated by a significant slope.
Neighborhood Amenities within 0.5 miles:	<ul style="list-style-type: none"> • Laguna Honda Hospital adjacent at to the site • Mollie Stone’s Market 635 Market 0.5 miles away • Golden Gate Heights Park at 12th Ave. and Rockridge Dr. • White Crane Community Gardens on 7th Ave. • Edge Hill Mountain on Kensington Way • West Portal Branch Library at 190 Lenox Way • Walgreens Pharmacy at 685 Portola Drive
Public Transportation within 0.5 miles:	Forest Hill SFMTA Metro Light Rail Station 0.13 miles north along Laguna Honda Boulevard. SFMTA MUNI Bus Lines on Laguna Honda Boulevard Lines including 43,44, 52, K-OWL
Article 34:	Article 34 Authority will be obtained prior to the predevelopment loan being executed.
Article 38:	Not exempt. SF DPH Review to be conducted as part of Project permitting.
Accessibility:	Per updated TCAC regulations 15% of units (17 total) are expected to be mobility accessible and another 10% of units (12 total) are expected to be communication accessible, with no overlap of units. A specific breakdown of mobility and communication units will be provided during predevelopment.
Green Building:	Project team is expected to develop a Site and structure design during predevelopment and determine possible green building measures beyond those required by local building code, including but not limited to Build It Green, USGBC LEED ratings, and Passive House.
Recycled Water:	To be determined during predevelopment review.
Storm Water Management:	The Project will be required to comply with Stormwater control and treatment rules as required by local agencies including SFPUC.

2.1. Description.

The subject property consists of a single irregularly shaped parcel located at the west side of Laguna Honda Boulevard between Plaza Street and Clarendon Avenue in San Francisco, California. The total Site area is approximately 70,487 square feet, or 1.62 acres. The street address is 250 Laguna Honda Boulevard. The property is identified by the San Francisco County Assessor as Block 2819 Lot 051. Topography of the Site consists of a flat area adjacent and parallel to Laguna Honda Boulevard which then slopes steeply upward on the west side of the Site. The hillside above the Site has single-family homes on the crest of the slope which are accessed from Castenada Avenue in the Forest Hill residential neighborhood. The site also slopes upward at the northern end of the property. The Site is presently improved with a two-story 8,520 square-foot House of Worship that is known as the Forest Hill Christian Church, which was built in 1962, as well as a separate two-story 3,810 square-foot building (former preschool and

childcare, now vacant) and a paved surface parking lot for 49 vehicles. There are two curb cuts which allow for vehicle access to the property. The improvements total approximately 12,330 square feet and are situated at the southern side of the Site.

2.2. Zoning.

The Site's current zoning is RH-1(D), Residential, Housing, Single-Family Detached and is in a 40-X Height and Bulk District. The proposed 100% affordable housing development should be eligible for by right approval through SB 35 or AB 2162, and associated density bonus waivers Sponsors will work closely with the Planning department to determine path forward and timeline for zoning and entitlement.

2.3. Probable Maximum Loss. N/A/

2.4. Local/Federal Environmental Review. N/A.

2.5. Environmental Issues. See below.

- Phase I/II Site Assessment Status and Results. An April 2016 Phase I Environmental Site Assessment for a prior affordable housing proposal at the Site identified geological concerns related to the slope at the rear of the property. A new Phase I and geotechnical report will be required during predevelopment in order to review applicable environmental issues. The Sponsors will work to bring on board an architect, general contractor, and structural engineer, that will be expected to provide an analysis of development scope, including updated construction costs, within approximately six months from loan committee approval. The analysis will be reviewed by MOHCD staff to determine if the development budget, timeline, and costs are in line with the applicable NOFA, MOHCD underwriting guidelines, and generally applied standards for construction costs.
- Potential/Known Hazards. The Project Site is in a SFPUC identified 100-year flood risk zone and seismic hazard zone as identified by the State of California's Department of Conservation, Division of Mines and Geology. An April 2016 Phase I Environmental Site Assessment noted the potential for soil and groundwater contamination (e.g., volatile organic compounds, PCBs, and asbestos) from a prior gas service station and auto repair shop at an adjacent property to the south of the Site. As the existing Church sanctuary building and childcare center were constructed prior to 1978, the property may contain lead-based paint. The Sponsor will be required to address these items, including any State Department of Toxic Substance Control review, if applicable (based on Phase I or II review), as part of initial predevelopment activity and as part of required building and grading permit review.

A geotechnical report will also be prepared during the beginning phase of predevelopment to guide architectural and engineering plans for the proposed affordable housing structure and associated improvements. Conditions related to providing a site and structural geotechnical review within 180 days will also serve as a point of review for MOHCD staff to ensure that Mission Housing is making sufficient progress. In the event progress is not being made in a timely

and cost-effective manner MOHCD staff can modify the Project, alter the Project team or cancel the Project.

2.6. Adjacent uses and neighborhood amenities. The Project Site is well-served by bus and rail transit through sidewalks and bike lanes fronting the proposed development. In addition, the Project Site is situated in a residential neighborhood that is considered amenity rich in terms of access to parks, libraries, and schools. While the Site is not immediately adjacent to neighborhood retail or health clinics, these amenities can be readily accessed, within 10 to 20 minutes, by different modes of transportation.

2.7. Green Building. No green building measures beyond compliance with local building codes are proposed currently. During predevelopment the Sponsors may evaluate opportunities to incorporate cost-effective green building measures and/or certifications, such as Build it Green, USGBC's LEED Program (Leadership in Energy Efficient Design) and Passive House.

3. COMMUNITY SUPPORT

3.1. Prior Outreach. The Sponsors have held an initial meeting with the District Supervisor but have not begun community engagement with neighbors. The previous senior-only affordable housing development proposal encountered a mix of support from neighbors and significant community dissent from a relatively smaller group of Forest Hill neighbors. Concerns with the prior proposal included the loss of a potentially historic resource related to previously proposed removal of the house of worship, the overall scale of the development, and the possibility of introducing Seniors. While the advent of State laws since the prior proposal, such as AB 2162 and SB 35, paired with density bonus opportunities, provides a possible streamlined permitting path, the Sponsors and MOHCD will need to engage with stakeholders to address concerns related to site planning, design, massing, historic preservation, the changing building massing of the Site, and seismic and hillside stability.

3.2. Future Outreach.

MOHCD and Sponsor will continue to refine a communications and outreach plan through predevelopment, including through efforts such as community meetings, site walks with focus groups, discussions with nearby neighborhood and outreach to nearby merchants in Forest Hill. This predevelopment process is expected to take place concurrently with predevelopment activity for proposed 100% affordable senior housing, by Mercy Housing, across the street at the Laguna Honda (public) hospital campus. As such, careful coordination to ensure clear communication will be required between MOHCD, Sponsors, and elected officials including the District Supervisor.

3.3. Proposition I.

Proposition I – Neighborhood Notification is required for the Project and will be posted just after Loan Committee approval (expected October 16, 2023) and no less than 30 days before the Mayor's signature on the loan documents.

4. DEVELOPMENT PLAN

4.1. Site Control.

4.1.1. Proposed Property Ownership Structure. Mission Housing will create a limited liability company to develop and own the housing. The underlying land would transfer from the Church to Mission Housing, and MOHCD's acquisition loan would require the underlying property to ultimately be conveyed to the City of San Francisco at construction close. The City will lease the land upon construction close.

In the event the Church building is retained, MOHCD and the Sponsor may consider development options where the Church building is part of a separate parcel of land that is owned by Mission Housing (or related property-specific entity) and not owned by the City. This option will need to be resolved prior to any gap loan approval, and the MOHCD will not fund this portion of the property.

4.2. Proposed Design.

A design team for this Project has yet to be formally procured. Respondents were asked to submit an initial concept design as a part of the 2023 Acquisition Notice of Funding Availability under which this Project was awarded. Based on the geotechnical conditions at the Site, the proposal envisions a six-story building with a footprint of the ground floor that attempts to make use of the most stable soil on the Site, currently occupied by the parking lot and the vacant smaller childcare building, while avoiding development on the highly sloped portion at the rear of the lot. Per the NOFA response, however, the Church's footprint is not included in the available buildable square footage. The Sponsor will be required to evaluate incorporating the land under the Church into the new building's footprint in order to maximize the number of units on Site.

The current plans for the ground floor yield 16,380 square feet, flanked by 4,129 square feet of common open space. There are currently five stories of residential units above the ground floor. This does not meet the maximum amount under the various State/local Affordable Housing Density Bonus programs. The Sponsors will be required to evaluate opportunities for increased building heights if they may allow for increased density with a focus on maximizing affordable housing at a lower City subsidy per unit.

As currently envisioned, the footprint of the upper residential floors extends beyond that of the ground floor. Where it extends into open space, it is supported by columns. An embankment of units along the back of the upper floors extends above the slope supported by a cantilever. Based on preliminary conversations with a licensed structural engineer, the building may be a candidate for a few different typologies.

Avg Unit SF by type:	For all units: To Be Determined During Predevelopment and meet TCAC minimums.			
	Unit Type	TCAC Minimum SF as written in 6/16/2022 Regulations	Project proposed unit SF	% Increase beyond TCAC Minimums
	1-BR	450	467	3.777%
	2-BR	700	703	1.004%
	3-BR	900	936	1.040%
Residential SF:	To Be Determined During Predevelopment			
Circulation SF:	To Be Determined During Predevelopment			
Parking Garage SF:	No parking garage proposed. Sponsors have indicated they plan to provide a limited amount of surface parking to serve residents, staff and visitor, but have not provided a specific count of proposed parking spaces as part of the NOFA submittal. This will need to be evaluated during predevelopment.			
Common Area SF:	To Be Determined During Predevelopment			
Utility SF:	To Be Determined During Predevelopment			
Building Total SF:	121,297 sf			
Retail:	None Proposed			

4.3. Proposed Rehab Scope.

Not applicable based on the current development concept, which would involve the removal of the unused childcare building. The Sponsor will need to develop a plan, during predevelopment, for the disposition of the existing House of Worship.

4.4. Construction Supervisor/Construction Representative's Evaluation.

The proposed project comprises 115 residential units in a mix of 25 one-BR, 60 two-BR and 30 three-BR units. The Site's current zoning is RH-1(D) and is 70,487 square feet with a developable area of approximately 34,000 square feet. Based on preliminary conversation with a licensed structural engineer, the proposed building would consist of either 4 stories of type V construction, over 2 stories of type I, or 5 stories of type III construction over 1 story of type I. The total construction cost estimate from Guzman Construction is \$70,146,282, or \$609,968 per unit, or \$578 per square foot. This cost estimate does not include alteration of the Church structure, or construction cost for an expanded residential building, with more units, if the Church structure is removed.

Staff ran a cost analysis based on similar construction type buildings. The cost data was from projects in predevelopment, under construction, and already completed, from the MOHCD database. The average cost per unit is \$610,351 and \$633 per square foot. The Project sponsor's per unit cost is roughly the same as

the comparable projects and 9% less in cost per square foot. The developer team is considered experienced and has completed several MOHCD projects. There are still many unknowns as to the potential design change, construction related delays, construction cost escalation (typically assumed at 5% but not included in current budget), supply chain issues, building code changes, and the extent of work needed to stabilize the slope and any retaining walls. All these factors could contribute to construction cost increases. The construction cost number will become more accurate as the Project Sponsor develops detailed Project drawings (architectural, geotechnical and structural) during predevelopment.

Hillside and Seismic considerations. The property has been subject to hillside slope failures, water intrusion into the Church, and minor landscape retaining wall collapse. The surrounding slopes are considered steep and susceptible to earthquake-induced land sliding. A previous 2017 geotechnical report outlined recommendations to stabilize the slope as it related to the previous senior housing development, which featured a structure situated slightly closer to the hillside than the current proposed structure. While the current development envisions a structure fronting Laguna Honda Boulevard, and setback further from the hillside (as compared to the prior development proposal), the current development budget presumes significant costs for geotechnical studies and Site development. Further review will be required during predevelopment, including preparation of a detailed geotechnical study.

Electrical Infrastructure Costs. New MOHCD affordable housing developments built on City-owned land have transitioned from using Pacific Gas and Electric (PG&E) for permanent electrical power to the San Francisco Public Utilities Commission (SFPUC). This change has resulted in increased development costs as some costs that would have traditionally been covered by PG&E are no longer covered by PG&E when SFPUC will serve as the permanent power provider (with SFPUC continuing to use PG&E infrastructure for power distribution from off-site). For example, at 730 Stanyan Street (new affordable units under construction commencing in 2023), this cost was estimated at \$550,000 in off-site improvements, including trenching to deliver upgraded service from a permanent (PG&E owned) power connection point nearly a block and a half away from the Project Site. In addition, the process set forth by PG&E for determining scope and timing costs introduces further delays as final PG&E approval is not generally expected until right before construction start. PG&E has also noted staffing shortages that may result in approval (and subsequent construction) delays. The current construction budget does not include a specific contingency for these costs and approval timing remains an area of concern. MOHCD and Sponsors will review the construction budget and continue to engage with PG&E staff to evaluate potential Project challenges and costs. MOHCD staff will also evaluate opportunities to reduce or share costs in the event, similar off-site trenching along Laguna Honda Boulevard is needed for a separate MOHCD-funded 100% affordable housing development for Seniors, at the Laguna Honda Hospital campus.

4.5. Commercial Space.

The current design does not assume commercial space within the proposed affordable housing structure. The existing, vacant childcare center building is expected to be removed as part of construction. The Site also features a House of Worship structure, built in 1962 and adjacent to the affordable housing. The proposed development plan shows the structure as situated next to the affordable housing building. Mission Housing will evaluate options for repurposing it as a community serving use open to the public. However, such space may be difficult to re-purpose in a manner that meets MOHCD underwriting guidelines as well as lending restrictions imposed by State or Federal funding sources for affordable housing. As noted above in Section 3.1, if the Sponsor retains the building and thus opts not to include the church land in the development, the Sponsor will be responsible for the pro rata share of that land and building costs and MOHCD acquisition loan will be reduced only by the value of the property that is incorporated into the new affordable housing development.

Per the Mayor's directive for childcare centers in affordable housing, the Sponsor will evaluate opportunities for an ECEC at the Project Site during predevelopment.

- Space Description. No commercial space proposed.
- Commercial Leasing Plan. No commercial space proposed.
- Operating Pro Forma. No commercial space proposed.
- Tenant Improvement Build Out. No commercial space proposed.

4.6. Service Space.

Service provision space will be included primarily on the ground floor in the new building for all residents and will also consider input from the City's Department of Homelessness and Supportive Housing (HSH) for the 29 proposed supportive housing units. The specific layout and square footage of supportive service space will be reviewed during predevelopment and will also need to meet TCAC minimum space requirements.

4.7. Interim Use.

The NOFA required an interim use plan for the overall site, including the Church building and former childcare center. The Sponsor will be required to complete an Interim Use plan within 60 days of predevelopment loan approval. As per the NOFA, the interim use, including overall site management and cost, is not eligible for reimbursement by the City, and should be covered by the Sponsor until such time as affordable housing construction commences.

4.8. Infrastructure. N/A.

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 and TCAC minimum requirements. The City's Department of Technology has indicated the Site should be servable by City Fiber to enable free broadband for residents.

4.10. Public Art Component.

The Sponsor is not showing an amount for Art in the current budget. The Project's public art requirement calculation is \$134,147, or 1% of expected construction cost

multiplied by the percent of Project funded by eligible MOHCD funds (subject to reduction if State tax credits are awarded). The Sponsor will update the Project budget to include the Art funds as required in line with MOHCD Underwriting Guidelines by preliminary gap.

MOHCD Estimated Gap Funds (less acquisition cost)	\$18,564,333
TDC	\$97,074,259
Hard Cost Total	\$70,146,282
Public Art Calculation	
Construction Cost	\$70,146,282
1% of Construction Cost	\$701,462
Percent funded by MOHCD (MOHCD Committed / TDC)	19.12%
Public Art Requirement	\$134,147

4.11. Marketing, Occupancy, and Lease-Up.

Marketing will be focused on individuals and families subject to the City’s Preference requirements for Affordable Housing for the 85 general affordable lottery units. For the 29 units reserved and subsidized through LOSP for families experiencing homelessness, HSH will provide referrals through the Coordinated Entry System.

MOHCD’s marketing policies and procedures will apply to all units except the one on-site manager’s unit, and the LOSP supported units. The following preferences will apply to the 85 general affordable lottery units:

MOHCD Preference	Applicant Category
1	Certificate of Preference (COP) Holders
2	Displaced Tenants Housing Preference (DTHP) Certificate Holders (20% of the 85 lottery units; 17 units total)
3	Neighborhood Resident Housing Preference (NRHP) (25%* of the 85 lottery units; 21 units total)
4	Live/Work in San Francisco
5	All Others

*In the event the Project is not awarded HCD funding (e.g., MHP, IIG, AHSC), the neighborhood resident housing preference will instead be subject to a 40% cap, as per MOHCD standard, for the 85 lottery units (34 units total).

As a loan condition, Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps to be taken to market the Project to the City’s preference program participants, including COP Holders,

Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor’s Racial Equity statement and promotion of positive outcomes for African American San Franciscans. In addition, Sponsor must demonstrate that rents for the (85) general affordable units are at or below 10% of fair market rents.

4.12. Relocation.

Not applicable. Sponsor has confirmed there are no permitted or unpermitted dwelling units at the Site. Upon close of land acquisition, the Church is expected to discontinue ongoing use of the Site. The Sponsor has indicated that current community-based organizations using the Site operate with permission under a structure more akin to temporary use permits instead of a formal lease; and as such are not expected to receive relocation assistance.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	TBD		
Landscape Architect	TBD		
JV/other Architect	TBD		
General Contractor	TBD		
Owner’s Rep/Construction Manager	TBD		
Financial Consultant	CHPC	N	N
Legal	Gubb & Barshay	N	N
Property Manager	Caritas Management	N/A	N
Services Provider	Lutheran Social Services for the PSH Units, and Mission Housing for the General Affordable Units	N/A	N

5.1. Procurement Plan.

Sponsors and MOHCD staff will review procurement requirements and review procurement needs during predevelopment. This includes a recently completed introductory training with the Office of Contract Management Division (CMD) in late September 2023. After MOHCD review, the Sponsor will issue a Request for Qualifications (RFQ) for an Architect (and in turn the structural and geotechnical engineers) in Fall 2023; followed by a separate RFQ for a General Contractor.

5.2. Opportunities for BIPOC-Led Organizations.

Sponsors will be expected to meet with the City’s Contract Management Division during predevelopment in Fall 2023, prior to the issuance of RFPs/RFQs for consultants and contractors. Sponsor has described their procurement procedures as robust to ensure small business enterprises and local business enterprises are

included in development. Sponsors have also noted that they have met SBE/LBE percentage hiring goals over at least the last five years.

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 June 22, 2023. Loan Committee approves payment of costs no earlier than June 22, 2023, so long as these costs are deemed acceptable and correspond to predevelopment budget attached herein.

6.3. Fulfillment of Loan Conditions.

N/A. This is the first loan request.

6.4. Proposed Predevelopment Financing

6.4.1. Predevelopment Sources Evaluation Narrative. The proposed acquisition & predevelopment budget totals \$8,000,000, including \$5,500,000 for the purchase/acquisition of the property (including both structures) from Forest Hill Christian Church, substantiated by an appraisal dated April 2023 and showing a value of \$5,500,000. If additional predevelopment funding is required, Mission Housing may consider taking out a line of credit or obtain predevelopment funding from a different source. MOHCD will need to approve all terms and rates before execution of agreement.

6.4.2. Predevelopment Uses Evaluation: These funds would cover the site acquisition, and predevelopment expenses for the new housing development. The bulk of these costs are for architecture, engineering, and environmental studies.

Predevelopment deliverables will include a Phase I and Phase II environmental site assessment, topographic and utility survey, and a geotechnical report within six months of loan committee approval. Mission Housing will develop preliminary conclusions and recommendations regarding developable sub area of the lot based on soil and groundwater conditions, and probable foundation type(s) for the proposed development.

Predevelopment Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Acquisition Cost is based on appraisal	Y	An April 2023 appraisal indicated the proposed \$5,500,00 acquisition cost, with land to be transferred to the City, is supportable.
Architecture and Engineering Fees are within standards	Y	The predevelopment budget includes \$3,140,000 for architecture and design fees, and \$260,000 for engineering and environmental studies. This amount may need to be increased given hillside stability and seismic and geological

		concerns.
Bid Contingency is at least 5% of total hard costs	N	Bid contingency is proposed at 2% and will need to be increased during predevelopment. See Below
Escalation amount is commensurate with time period until expected construction start, not to exceed 15%	N	No escalation is proposed and will need to be included during predevelopment.
Construction Management Fees are within standards	N	The predevelopment budget does not include a construction management fee. The Sponsor will update the budget during predevelopment to include a fee that meets MOHCD Underwriting Guidelines.
Developer Fee is within standards	Y	Project management fee during predevelopment is \$100K. See Section 6.5.5 below for the full developer fee breakdown.
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 5% and may need to be increased during predevelopment.
Financing Costs are reasonable	N	MOHCD's \$2.5 million predevelopment loan is not likely sufficient, and the Project may require additional predevelopment funding, or a Sponsor provided line of credit, subject to MOHCD approval.

6.5. Potential Proposed Permanent Financing

Permanent financing being presented below is provided in order to demonstrate the project's overall feasibility but is not intended to be presented for their approval at this time.

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

- **Permanent Mortgage (\$9,315,575).** Lender to be determined. Sponsor estimated an interest rate of 6.68% and a 15-year term. This amount is slightly below the supportable mortgage estimated by MOHCD of \$9,623,968 based on a similar interest rate and 20-year term estimate.
- **State Multi-Family Housing Program (MHP) Loan (\$29,290,497).** The Sponsor intends to apply for an MHP loan in the July 2025 HCD SuperNOFA round. The MHP loan terms are 55 years, 3% simple interest with a 0.42% mandatory payment, residual receipts, \$500 PUPA replacement reserve requirement, minimum of 6 months of operating reserves.

As currently modeled, the Project scores 106 out of 113 possible points, with a tiebreaker of 43.54. The Project may be able to score 5 more points in the affordability category through AMI targeting. The scoring estimate also assumes

the Project missed out on 2 points available for projects developed on Surplus land. MOHCD staff will evaluate the ability for the Site to garner the 2 surplus land points.

Sponsors and MOHCD staff will also evaluate opportunities to secure additional HCD funding, including but not limited to an Infill Infrastructure Grant (IIG).

- **MOHCD Acquisition Loan (\$5,500,000). 55 Year Term, 0.00% interest.** Forgivable. This is the subject of this request, and specific funding sources will need to be identified at final gap loan.
- **MOHCD Gap Loan (\$18,564,333). 55 Year Term, 3.00% simple interest,** residual receipts; this amount includes the \$2.5MM predevelopment loan. This amount is not yet committed. The interest rate may be lowered to an amount below 3% and possibly down to 0%, subject to true debt test and MOHCD approval.
- **LIHTC 4% Tax Credit Equity (\$31,403,854).** Investor to be determined. Sponsor assumes \$0.90 per Federal Low Income Housing Tax Credit, which is considered very conservative and will be reevaluated as the development process progresses. Any increases in equity will reduce the overall MOHCD gap loan. Increasing the equity to \$0.97, which is more in line with other projects in MOHCD pipeline will generate an additional \$2,442,522 in equity.

As the Site is in a Highest Resource Area, the Project may be competitive for State Tax Credits that could significantly increase tax credit equity, up to an estimated \$15 million, and could reduce the MOHCD Gap loan amount.

- **Federal Home Loan Bank Affordable Housing Program (FHLB AHP) Loan (\$1,000,000).** Actual bank to be determined, 15 Year term at 0.00% with disbursement into Project during construction.
- **Deferred Developer Fee Contribution (\$1,500,000).** Paid out over 12 years in the event of Project cash flow.
- **General Partner Contributions (\$500,000).** Paid out at, or prior to loan close.

Though not a part of permanent sources, the construction bond related loan amount is estimated at \$48,941,997 with a 24-month term loan at 7.52%.

Based on the total development cost, the City's subsidy per unit, including land acquisition, is estimated at \$209,255 (including land acquisition) or \$161,428 (without land acquisition). This is significantly less than other projects in MOHCD pipeline.

- CDLAC Tax-Exempt Bond Application: The Project scoring will be competing in the Large Family set-aside within the New Construction pool and the Bay Area's geographic set-aside. The Sponsors will apply to CDLAC-TCAC in 2025 with an

approximate \$48.9 million tax-exempt bond request, scoring 120 out of 120 total points, with a tiebreaker of 147.6% (based off the 2022 tiebreaker calculation).

CDLAC Self-Score	
Opportunity Map Resource Level	TCAC/HCD Opportunity Map: Highest (Not In a QCT/DDA)
TCAC Housing Type (new construction only)	TCAC regs: Large Family
Bond Allocation Request Amount	\$48,941,997
Total Self-Score (out of 120 points)	To be updated
Tiebreaker Score	147.6% (Highly Competitive)

6.5.2 HOME Funds Narrative: N/A.

6.5.4 Commercial Space Sources and Uses Narrative: N/A. No commercial space proposed.

6.5.2. Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Costs per unit are within standards	Y	\$609K/unit including appropriate contingencies; as seen on the comparison chart, this construction cost appears reasonable but may climb higher as final architectural plans are drafted, costs associated with the Church building are determined, and construction cost escalation is added (if warranted). Costs for furnishings currently proposed at \$230,000 fall below maximums established by MOHCD underwriting guidelines (eligible for up to \$407,500) but will need to be increased to provide sufficient support, including for supportive housing units where those populations generally lack durable home goods.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	N	Hard Cost Contingency is 5%, with additional 2% bid contingency and 0.1% design contingency. Sponsor will need to increase these contingencies based on guidance from MOHCD Construction Representative. See below
Architecture and Engineering Fees are within standards	Y	The development budget includes \$3,140,000 for architecture and design fees, and \$340,000 for engineering and environmental studies. This amount appears justified but may need to be increased given hillside stability and seismic and geological concerns.

Construction Management Fees are within standards	N	The budget does not include a construction management fee, which will need to be added and comply with MOHCD Underwriting Guidelines
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$100,000 during predevelopment At risk fee: \$2,250,000 Commercial fee: N/A Deferred fee: \$1,500,000 GP equity: \$500,000 Total fee: \$4,350,000 See below
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 3 months

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. The Sponsor is only taking \$100,000 in cash fee during predevelopment. This does not meet MOHCD Underwriting Guidelines and should be increased to \$550,000 during predevelopment and \$550,000 during construction and close out. Sponsor will update the development fee, including an increase in cash fee consistent with MOHCD Underwriting Guidelines, during predevelopment. The Sponsor will return at preliminary gap with updated numbers that conform to the MOHCD Developer Fee Policy.

At this time the Project is not assuming a commercial fee. In the event a commercial space is proposed, Sponsor is eligible to ask for a commercial fee. MOHCD will require an at-risk commercial developer fee, and the overall Project at-risk fee will be reduced by a commensurate amount, consistent with the MOHCD Commercial Space Underwriting Guidelines in effect at the time of gap approval.

Total Developer Fee:	\$4,350,000	
Amount of Remaining Project Management Fee:	\$100,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$2,250,000	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	Not Requested (no commercial space)	
Amount of Fee Deferred (the "Deferred Developer Fee"):	\$1,500,00	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$500,000	
Milestones for Disbursement of Developer Fee payable for Project Management	Amount Paid at Milestone	Percentage Project

		Management Fee
Project Management Fee: Acquisition/Predevelopment Closing	\$15,000	15%
Project Management Fee (composed of three categories below)		35%
Close of Predevelopment Financing	\$15,000	15%
Submission of HCD Funding Application	\$10,000	10%
Submission of joint CDLAC and TCAC Application	\$10,000	10%
At the Construction Closing	\$20,000	20%
During Construction	\$20,000	20%
Project Close Out - Construction Completion	\$10,000	10%
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	\$450,000	20%
Permanent Conversion	\$1,125,000	50%
Project Close-out	\$675,000	30%
Milestones for Disbursement of that portion of Developer Fee defined as Commercial Fee	N/A	N/A

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

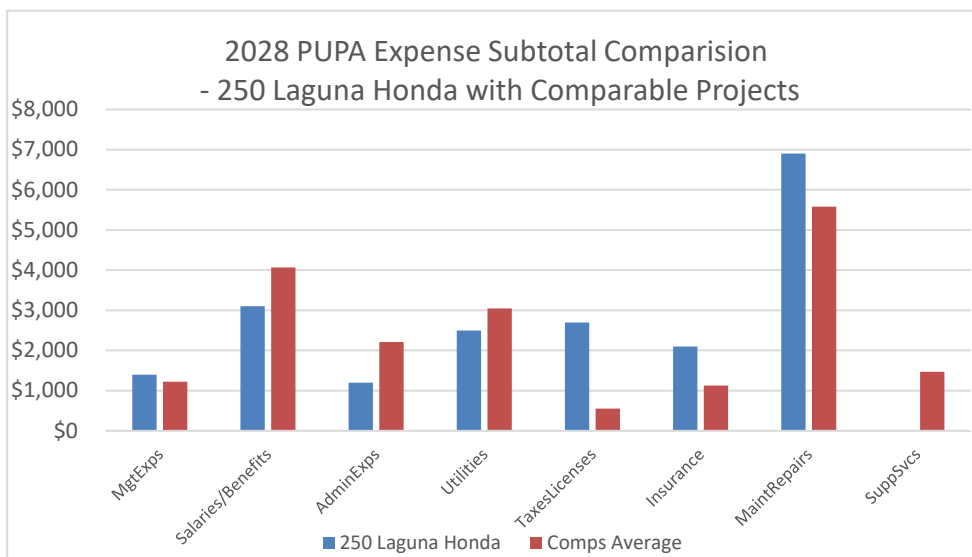
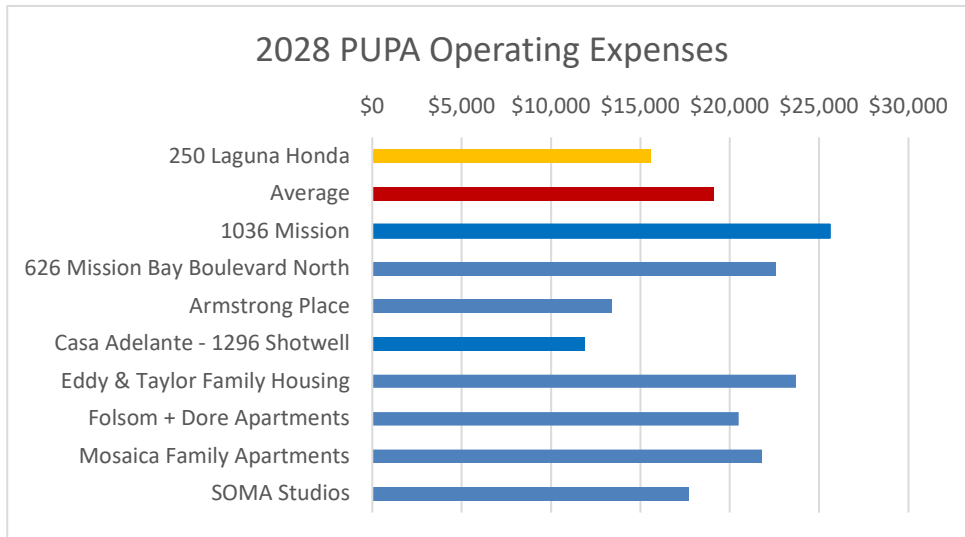
7.1. Annual Operating Budget.

The annual operating budget is presented to demonstrate the Project's overall feasibility but is not intended to be presented for approval at this time. As prescribed by the 2023 Acquisition NOFA, the proposed project has a large portion of deeply affordable units, with 25% of the units (29) having a LOSP subsidy pending establishment and availability, and an additional 6 units without an operating subsidy at 30% AMI. The NOFA also prescribed an average affordability level of 60%, which has resulted in an even larger portion of the units, 62 (54%), restricted at 80% AMI. Due to ongoing challenges of marketing smaller units at higher AMI levels in the current economic environment, all of the units at 80% AMI feature at least 2 bedrooms. The ultimate unit affordability structure will need to balance the need for deep affordability with positive cashflow and long-term sustainability. In addition, the operating budget will need to be updated to include items including but not limited to laundry and parking income, in line with MOHCD underwriting guidelines.

7.2. Annual Operating Expenses Evaluation.

Preliminary operating expense projections in Year 1 are reasonable at \$15,568 per unit per year before reserves and ground lease payment. In reviewing eight comparable new construction multi-family rental developments with unit counts

between 83 to 150, the 2028 adjusted operating expense was \$19,119.



Supportive service costs (right hand side of the chart above) are not shown for the Project because the proposed operating budget does not show these costs for the 85 general affordable units. The Sponsor will be required to provide an updated budget that includes these costs during predevelopment review.

As noted previously, the Project underwriting for this request is based solely on the response from the Sponsor to the NOFA. The information below represents where the Sponsor meets or does not meet MOHCD underwriting guidelines. The Sponsor will work with MOHCD staff to bring Projects budget in line with guidelines before the closing of the MOHCD acquisition and predevelopment loans. The complete operating expense budget will be presented for final approval by preliminary gap.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio stays above 1:1 through Year 17	N	DSCR is 1.3 at Year 1 and increases to 1.615 by year 17. This DSCR will need to be revised, though changes to operating assumptions and Project capital stack, in order to meet MOHCD Underwriting Guidelines.
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	Y	DSCR is 1.3 at Year 1 and 1.672 at Year 20
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%
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 \$15,668 per unit
Property Management Fee is at allowable HUD Maximum	N	Total Property Management Fee is \$71,760 or \$52 PUPM. Maximum property management fee per HUD guidelines is \$81 PUPM. Sponsor has indicated an interest in revising the fee upward while complying with the guideline.
Property Management staffing level is reasonable per comparables	Y	<ul style="list-style-type: none"> • 1.0 FTE property manager (PM) • 1.0 FTE Asst PM • 3.0 FTE desk clerks • 1.0 FTE maintenance tech • 1.0 FTE janitor <p>Sponsor will need to update staffing to provide 24-hour front desk coverage (typically through 4.2 FTE instead of 3.0 FTE currently proposed) as well as correctly pro rate front desk staffing and associated costs to LO SP units.</p>
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$24,280/yr Annual PM Fee is \$24,280/yr
Replacement Reserve Deposits meet or exceed TCAC minimum standards	N	Replacement reserve deposits are erroneously shown at \$8 per year. Standard is typically \$500 per unit per year. Sponsor will need to update budget to meet TCAC/HCD and City Underwriting guidelines.

Limited Partnership Asset Management Fee meets standards	Y	\$5,000 per year through Year 15 with no annual escalation.
--	---	---

7.3. Staffing Summary.

Proposed staffing is shown in the table above and appears appropriate given both the building size and inclusion of 25% of units as supportive housing.

The LOSP allocation does not meet standards as the front desk staffing of 3.0 FTE falls below the 4.2 FTE associated with 24-hour front desk coverage at properties featuring supportive housing. This will need to be updated during predevelopment.

7.4. Capital Needs Assessment & Replacement Reserve Analysis.

N/A. This section does not apply to new construction.

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 to CTCAC in the TCAC application, and will be used at the time of marketing to determine the most restrictive income and rent levels. As currently proposed, the most restrictive (typically TCAC) AMIs for the 29 supportive housing units will need to be increased in order to both remain competitive for State (TCAC/HCD) funding, while also ensuring a sufficient number of families are not “over income” and eligible.

NON-LOTTERY	No. of Units	MOHCD (provided for comparison only)	TCAC Limit	HCD Limit
1BR – LOSP	6	20% MOHCD AMI	20% TCAC AMI	20% TCAC AMI
2 BR – LOSP	15	20% MOHCD AMI	20% TCAC AMI	20% TCAC AMI
3 BR – LOSP	8	20% MOHCD AMI	20% TCAC AMI	20% TCAC AMI
Non-Lottery Total	29			
LOTTERY				
1 BR	2	30% MOHCD AMI	25% TCAC AMI	25% TCAC AMI
2 BR	3	30% MOHCD AMI	25% TCAC AMI	25% TCAC AMI
3 BR	1	30% MOHCD AMI	25% TCAC AMI	25% TCAC AMI
Sub-Total	6			
1 BR	5	40% MOHCD AMI	35% TCAC AMI	35% TCAC AMI
Sub-Total	5			
1 BR	6	50% MOHCD AMI	40% TCAC AMI	45% TCAC AMI
Sub-Total	6			

1 BR	6	60% MOHCD AMI	50% TCAC AMI	50% TCAC AMI
Sub-Total	6			
2 BR	41	80% MOHCD AMI	60% TCAC AMI	60% TCAC AMI
3 BR	21	80% MOHCD AMI	60% TCAC AMI	60% TCAC AMI
Sub-Total	62			
Lottery Total	85			
STAFF UNITS				
2 BR	1	N/A	N/A	N/A
PROJECT TOTAL	115			
PROJECT AVERAGE		57% MOHCD AMI	45% TCAC AMI	45% TCAC AMI
AVERAGE FOR 62 LOTTERY UNITS ONLY		71% MOHCD AMI	54% TCAC AMI	54% TCAC AMI

7.6. MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level per MOHCD AMI
1 BR LOSP	6	50% of Median Income
2 BR LOSP	15	50% of Median Income
3 BR LOSP	8	50% of Median Income
1 BR	19	50% of Median Income
2 BR	3	60% of Median Income
2 BR	41	80% of Median Income
3 BR	22	80% of Median Income
2 BR	1	Manager's Unit
Total	115	

The MOHCD AMIs shown in the MOHCD restrictions table above would result in a 66.84% average MOHCD AMI (for 114 units – not including the 1 manager's unit). In accordance with the applicable NOFA (rents restricted to an average of 60% MOHCD AMI for the life of the Project), the overall average maximum AMI for the 114 units may not exceed 60% MOHCD AMI.

In addition, the LOSP AMIs shown in the predevelopment budget, are too low for families. Sponsor will update this before preliminary gap.

8. SUPPORT SERVICES

8.1. Services Plan.

Services will be provided and overseen by Mission Housing. Lutheran Social Services ("LSS") will be a primary service partner providing supportive services to the 29 LOSP family units. Mission Housing is expected to provide resident

services for the 85 general affordable units at a rate of 1 FTE of social worker, or similar, for every 100 general affordable units; and LSS will provide supportive services and case management for the 29 PSH Units at a rate of 1 FTE for every 25 supportive housing units. In addition, during predevelopment the Sponsor will work with MOHCD and HSH to determine a sufficient level supervisory staffing for resident services and supportive services staff. The services budget shown in Section 8.2 below shows 1.3 FTE of staffing for the 85 General Affordable Units, and 2.66 FTE of staffing for the 29 PSH units. The FTE equivalent appears to exceed MOHCD and HSH staffing rates and will need to be revised during predevelopment.

8.2. Services Budget.

The proposed services budget shown below requires further review by MOHCD staff for the general affordable units, along with review and approval, by HSH, for the PSH units.

Mission Housing Services Budget - 250 Laguna Boulevard	
INCOME	
Services Budget from Building Operating Expenses	\$143,125
Personnel Expenses	
Resident Services Coordinator (1.0 FTE)	\$65,000
Supervision – (0.3 FTE)	\$30,000
Sub Total	\$95,000
Fringe Benefit (27.5%)	
Resident Services Coordinator	\$26,125
Sub Total	\$121,125
Materials and Supplies	
Program supplies	\$2,000
Office supplies	\$2,000
Program Expenses	
Equipment (Laptop, Reproduction)	\$4,000
Communication	\$1,000
IT Support	\$1,500
Resident Building Activities	\$10,000
Transportation	\$500
Professional Development	\$1,000
Subtotal Supplies & Program Expenses	\$22,000
Total Budget	\$143,125

8.3. HSH Assessment of Service Plan and Budget.

The proposed service plan for the 29 supportive housing units shown in the table below has not been reviewed by HSH and will need approval, by HSH, during predevelopment.

Lutheran Social Services Budget for 29 PSH Units – 250 Laguna Boulevard		
Program Income		Total
Income from HSH Contract	\$1,000 per unit per month @ 29 units	\$348,000
Total Program Income		\$ 348,000
Personnel Expenses		
Program Managers	0.6 FTE	\$ 42,600
Program Coordinator	1.0 FTE	\$ 58,500
Case Managers	1.0 FTE	\$ 54,600
Deputy Director	0.06 FTE	\$ 11,000
Total Salaries		\$ 166,700
Fringe Benefits, Workers Comp & Payroll Taxes		\$ 52,510
Operating Expenses		
Equipment & Property Rental		\$ 2,50
Utilities		\$ 8,400
Office Supplies, Postage		\$ 14,500
Printing and Reproduction		\$ 7,000
Insurance		\$ 3,000
Staff Training		\$ 2,500
Staff Travel - (Local & Out of Town)		\$ 1,500
Programming/Resident Support		\$ 30,382.
IT/Technology Support – Allocated Share		\$ 5,000
Outcomes/Case Mgt Software Support – allocated share		\$ 2,550
Audit – allocated share		\$ 4,600
Total Operating/Program Cost		\$ 301,142
Administrative Overhead		
Indirect Costs=15.56% of Total Operating		\$ 46,858
TOTAL BUDGET		\$ 348,000

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan Grant Terms

Financial Description of Proposed Predevelopment Loan	
Loan Amount:	\$2,500,000
Loan Term:	4 years*
Loan Maturity Date:	2028
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%

* Director of MOHCD may extend the loan term of the predevelopment loan to no more than 4 years.

Financial Description of Proposed Acquisition Loan	
Acquisition Loan Amount:	\$5,500,000*
Loan Term:	4 years
Loan Maturity Date:	2028
Loan Repayment Type:	Upon Land Transfer
Loan Interest Rate:	0%

*Acquisition loan amount may be increased (with a corresponding decrease in the predevelopment loan amount) to cover land acquisition costs incurred after June 22, 2023.

9.2. Recommended Loan Conditions

9.2.1 Prior to Initial Predevelopment and Acquisition Disbursement:

- Sponsor must provide evidence of Prop I sign posting
- Sponsor will submit a detailed community engagement plan before the end of 2023 and update it quarterly.
- Sponsor to provide an interim use plan and budget once the Sponsor has acquired the Site.
- Sponsor to update the MOHCD budget workbook to comply with Underwriting Guidelines around 1) full predevelopment period costs including increased developer fee during predevelopment, architecture and engineering, construction representative, remove property tax payment from MOHCD predev loan, 2) update permanent sources and uses to reduce public art amount, 3) update operating budget to add reserve deposits during operations and update the cashflow to reflect the MOHCD-allowed debt service coverage ratio.

9.2.2 Prior to MOHCD Predevelopment Loan Closing:

- Section 3.3: Sponsor must provide evidence of Prop I sign posting thirty (30) days prior to the Loan Agreement being signed by MOHCD Director, projected at end of November.
- Section 4.1.1 Sponsor form property-specific Limited Liability Company or Limited Partnership to borrow MOHCD predevelopment loan and MOHCD acquisition loan.
- Sponsor to provide a settlement statement showing all projected acquisition costs, so long as those costs were incurred after June 22, 2023.

9.2.3 By Closing of the Acquisition and Predevelopment Loan:

- Section 3.2: Create a detailed community engagement plan before the end of 2023 and update quarterly.
- Section 4.7: MOHCD will require Sponsor to provide an interim use plan and budget before the end of 2023. Interim use costs shall not be borne by City predevelopment funding.
- Section 6.5.2: Sponsor will provide a revised predevelopment budget, developer fee breakdown, and permanent development and operating budget, that aligns with applicable MOHCD underwriting guidelines, by closing.

9.2.4 Prior to April 15, 2024

- Section 6.4.2. Within 180 days of Loan Committee approval Sponsor shall provide MOHCD the following: a Phase I and Phase II environmental site assessment (if recommended by the Phase I), topographic and utility survey, geotechnical report, and written evaluation from the developer on developable sub area of the lot based on soil and groundwater conditions, and probable foundation type(s) for the proposed development.
- Sponsor will have obtained MOCHD approval of an interim use plan and budget due within 3 months of closing.

9.2.5 Prior to Gap Financing

- 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.
- Sponsor to provide self-scores for all third-party funding requests.
- Section 1.3.4: Sponsors to provide a more refined racial equity vision to include a plan for engaging Black, Brown and Indigenous communities.
- Section 6.5.1: The Project could leverage state tax credit equity and/or other HCD funding (e.g., Infill Infrastructure Grant) which would lower the MOHCD gap significantly. The Sponsor will evaluate this option when returning to MOHCD for preliminary gap commitment.

- Section 6.5.1: Refinement of annual operating budget to bring DSCR and other MOHCD underwriting requirements in line with guidelines.
- Section 7.2: Insurance (\$144.698); Sponsor shall provide updated insurance quotes prior to any gap financing approval or the submittal of State financing applications.
- Section 8.1: Sponsor will work with MOHCD to bring service provider FTEs and budgets in line with both HSH and MOHCD standards before preliminary gap.
- Section 8.3: Sponsor must provide MOHCD and HSH with a services plan and budget with proposed staffing levels that meet MOHCD underwriting standards and HSH guidelines prior to gap loan approval. Any changes to the current proposed plan and budget will need to be represented to MOHCD and HSH at least 90 days prior to gap loan approval.
- Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines.
- Sponsor must work with MOHCD staff and Project's General Contractor to Value Engineer construction budget with the goal of continually reducing construction costs inclusive of contractor contingency, bid contingency and escalation to start of construction.

9.2.6 On-Going:

- Section 6.4.2: Predevelopment funding with third party to be approved by MOHCD prior to execution of loan documents.
- No Section Reference or referenced throughout eval: Sponsor must provide MOHCD with detailed monthly updates via the MOHCD Monthly Project Update, including on (1st report due January 10, 2024):
 - a. Community outreach and engagement plan,
 - b. Outcomes achieved related to racial equity goals
 - c. Interim use
- Sponsor must provide quarterly updated response to any letters requesting corrective action.
- Sponsor must apply for any other higher value rent and operating subsidies available including Continuum of Care contracts or Project Based Vouchers

9.2.7 12 Months Prior to TCO:

- Sponsor to work with MOHCD and HSH to establish Final LOSP budget and income restrictions for the referrals from Coordinated Entry.
- Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for Black, Brown and Indigenous San Franciscans.
- Sponsor must provide along with the marketing plan, a marketing and lease-up staffing plan, outlining steps will be taken to hire, on-board, and train staff assigned to market the project and lease units.

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

10. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

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

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

Date: _____

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

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

Date: _____

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

Thor Kaslofsky, Director
Office of Community Investment and Infrastructure

Date: _____

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

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

Date: _____

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

REQUEST FOR FINAL PREDEVELOPMENT FINANCING FOR 250 LAGUNA

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

Fri 10/13/2023 11:53 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

250 Laguna Honda Boulevard

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

Fri 10/20/2023 2:09 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 Mission Housing Development Corporation's request for \$5,500,000 for acquisition and \$2,500,000 for predevelopment (total funding of \$8,000,000) for 250 Laguna Honda Boulevard Family Housing.

Thank you,

Dariush

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

Request for Final Predevelopment Financing for 250 Laguna Honda.

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 FINAL PREDEVELOPMENT FINANCING FOR 250 LAGUNA HONDA

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

Fri 10/13/2023 11:52 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

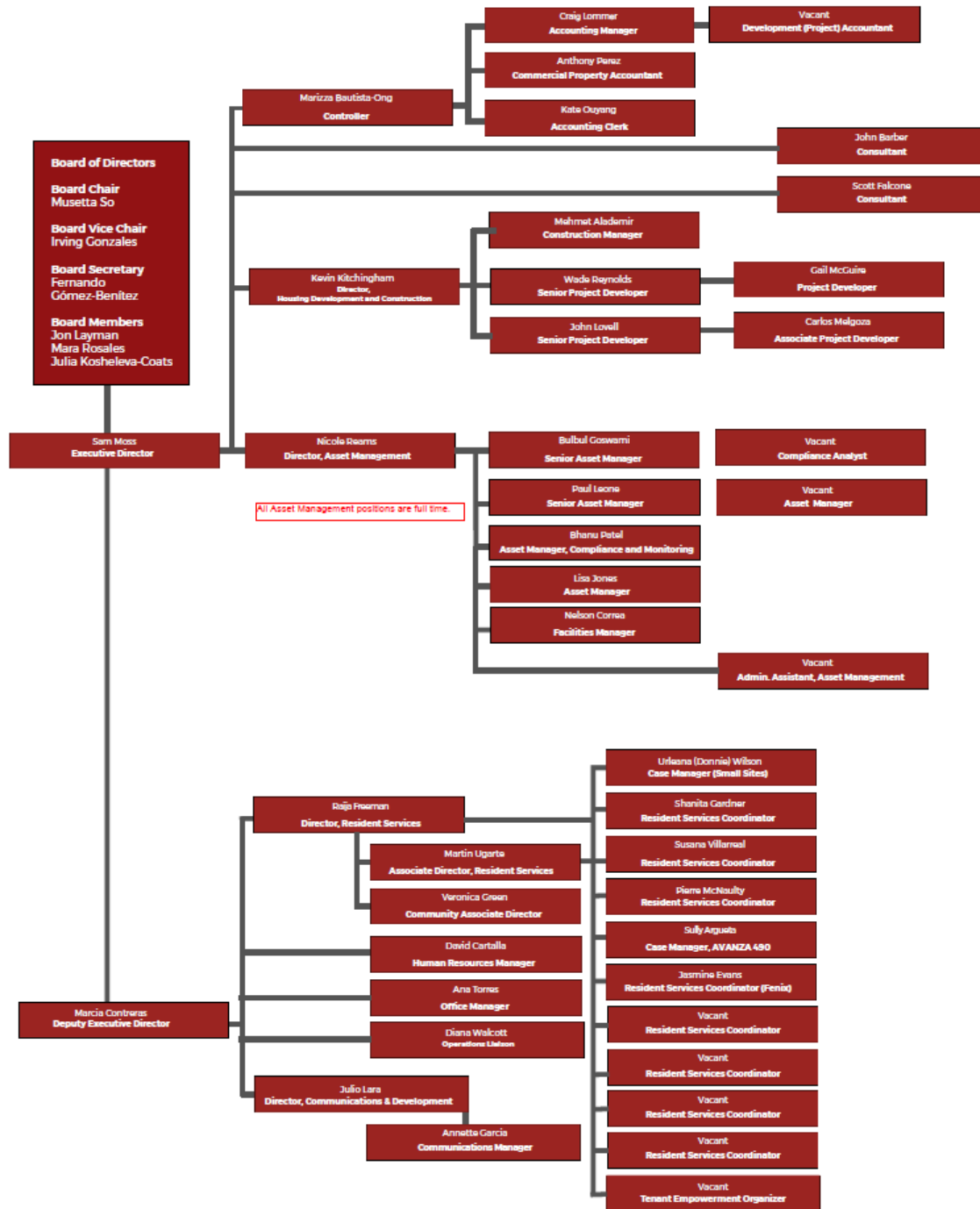
E-mail: bridget.katz@sfgov.org

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	11/1/2023	
1.	Acquisition/Predev Financing Commitment	Complete	
2.	Site Acquisition	December 2023	
3.	Development Team Selection		
a.	Architect	October 2023	
b.	General Contractor	November 2023	
c.	Owner's Representative	Complete	
d.	Property Manager	October 2023	
e.	Service Provider	Complete	
4.	Design		
b.	Submittal of Schematic Design & Cost Estimate	May 2024	
c.	Submittal of Design Development & Cost Estimate	October 2024	
d.	Submittal of 50% CD Set & Cost Estimate	February 2025	
	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	May 2025	
5.	Environ Review/Land-Use Entitlements		-
a.	CEQA Environ Review Submission	N.A.	
b.	NEPA Environ Review Submission	N/A	
6.	Permits		
a.	Building / Site Permit Application Submitted	April 2024	
b.	Addendum #1 Submitted	October 2024	
c.	Addendum #2 Submitted	October 2024	
7.	Request for Bids Issued	August 2025	
8.	Service Plan Submission		
a.	Preliminary	August 2025	
b.	Interim	July 2027	
c.	Update	January 2029	
9.	Additional City Financing		
a.	Predevelopment Financing Application #2	N.A.	
b.	Gap Financing Application		
10.	Other Financing		
a.	MHP Application	July 2025	
b.	Construction Financing RFP	August 2025	
c.	AHP Application	March 2025	
d.	CDLAC Application	May 2025	
e.	TCAC Application	May 2025	
f.	HUD 202 or 811 Application	N/A	

9.	Other Financing Application	N/A	
11.	Closing		
a.	Construction Closing	January 2026	
b.	Permanent Financing Closing	November 2028	
12.	Construction		
a.	Notice to Proceed	January 2026	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	July 2028	
13.	Marketing/Rent-up		
a.	Marketing Plan Submission	July 2027	
b.	Commence Marketing	January 2028	
c.	95% Occupancy	October 2028	
14.	Cost Certification/8609	January 2029	
15.	Close Out MOH/OCII Loan(s)	January 2029	

Attachment B: Borrower Org Chart



Attachment C: Development Staff Resumes

MHC KEY STAFF EXPERIENCE

Sam Moss, Executive Director

Sam Moss oversees the administration of all the organization's assets, programs, and services. Since taking the reins at Mission Housing in September of 2013, Sam has grown the organization to 32 employees, and added the construction of more than 1,000 new, 100% affordable housing units to the Mission Housing pipeline. On any given day, you'll find Sam at City Hall and throughout San Francisco communities pushing for more support of the Affordable Housing industry. Previously Sam served as a commissioner for the SF Department of Building Inspection, and held a seat on the Treasure Island Development Authority Board of Directors. In 2016, Sam joined the Executive Board of San Francisco Housing Action Coalition. He is also a member of the YIMBY Board of Directors.

Marcia Contreras, Deputy Executive Director

Marcia Contreras oversees the operational and administrative functions of Mission Housing, while providing the leadership needed to advance the organization's housing and community development goals. Marcia joined MHDC in 2009, assuming many responsibilities in various departments during her now 13-plus-year tenure including: Asset Management, Resident Services and Operations.

Since 2015, Marcia served in a dual role as Director of Operations and Resident Services where she was the driving force behind the growth of the Mission Housing team and the expansion of supportive services partnerships with numerous human services agencies. Her priceless work re-connecting Mission Housing to grassroots community organizations has solidified relationships throughout the Mission District and San Francisco. Additionally, under Marcia's direction, Mission Housing fundraising efforts have brought in a record-breaking amount of vital funding to the organization's residents.

Nicole Reams, Director of Asset Management

Nicole Reams has been the Director of Asset Management at Mission Housing since 2021. Committed to managing assets for the last two decades, she has worked directly for such companies as DCG Commercial, Fremont Bank, Alameda County, the City and County of San Francisco Homelessness and Supportive Housing Department and Stanford University. She is dedicated to helping communities thrive and has held active roles with the City of Hayward's Downtown Business Improvement Area Advisory Board, Alameda County Assessment Appeals Board, was a Northern California Real Estate Women of Influence Nominee and more recently serves on the City of Richmond's Economic Development Committee. Nicole holds a Masters in Business Administration from California State East Bay and a Bachelors in Marketing from Holy Names University.

Kevin Kitchingham, Director of Housing Development & Construction Management

Kevin Kitchingham has 18 years' experience as an affordable housing professional. His accomplishments include working on more than \$750 million worth of transactions in both the public and private sectors. Before spending a decade at the San Francisco Mayor's Office of Housing and Community Development, Kevin was the Housing Director of a community based non-profit developer in Bernal Heights. In 2015, Kevin was selected by Mayor Ed Lee as a key author of the Mission Action Plan 2020 and he is a keen observer and participant in San Francisco politics and specifically those of the Mission and Bernal neighborhoods. He has also lived and volunteered in Mission/Bernal for more than 25 years and has led numerous community engagement activities.

John Lovell, Senior Project Developer

John Lovell joined Mission Housing in July of 2015. Over the past 8 years John has been of instrumental service on an array of new construction and rehab projects that have helped re-establish Mission Housing as the Mission District's premier community based affordable housing developer. Most recently he has overseen the SFHA Scattered Sites rehab project, a project that involved the acquisition and rehabilitation of 5 severely distressed public housing sites from the San Francisco Housing Authority. A UC Berkeley honors graduate, John studied Political Science, with an emphasis in the history of political thought. John was born and raised in San Francisco. Studying the history of San Francisco and its neighborhoods are one of his personal hobbies. A long time ago he went to preschool on the site of this proposed development, at Forest Hill Christian Preschool.

Carlos Melgoza, Project Developer, Mission Housing

Carlos Melgoza has been with Mission Housing Development Corporation since October 2021. Currently, he is in the final stages of helping project manage the rehabilitation of five severely distressed public housing sites that were formerly owned by the San Francisco Housing Authority and has been accepted into LISC's 2023 Housing Development Training Institute program. Prior to joining Mission Housing, Carlos was very active in housing advocacy. Hailing from East Los Angeles and the eastern Coachella Valley, two communities that have been historically underserved, Carlos has lived experiences with housing insecurity and a lack of community resources for struggling families and individuals. These challenges have directly influenced him to work in the nonprofit sector, and more specifically, in affordable housing development. Carlos began his education at UCSD, studying International Studies with a focus in Latin American literature. He finished his education with a degree in Urban Studies and Planning from San Francisco State.

Scott Falcone, Consultant to Mission Housing

Scott has helped non-profit companies build affordable housing throughout the Bay Area for almost twenty-five years. During the past 14 years, he has helped to oversee, and project manage the development of thousands of new homes as a consultant to dozens of non-profit developers.

John Paul Soto, Deputy Director and Case Manager, Lutheran Social Services of Northern California

John Paul Soto has been with Lutheran Social Services since 2018, serving as a Program Manager, Senior Program Manager, and Case Manager. John's roles include providing counseling and referral services for chronically homeless individuals in supportive housing sites, as well as training and supervision of employees in similar roles. John holds a Bachelor' degree from UC Berkeley in Psychology with an Anthropology Minor.

Attachment D: Asset Management Evaluation of Project Sponsor

Mission Housing Asset Management staff will oversee asset management & compliance responsibilities.

Total Number of Projects and Average Number of Units Per Project Currently in Developer's Asset Management Portfolio: MHI's Asset management department currently oversees 32 buildings with 1,422 units in the City of San Francisco.

Developer's Current Asset Management Staffing Including Job Titles, Full Time Employees, an Organizational Chart and the Status of Each Position (filled/vacant): Mission Housing's Asset management department currently has a staff of 8 people. The Asset Management Department is led by the Director of Asset Management. 2 senior asset managers and 2 asset managers oversee Mission Housing's portfolio, with support from a compliance manager and an administrative assistant. The AM team also includes a facilities manager who helps oversee property maintenance plans and capital improvements that are funded by replacement reserves. All positions are 1.0 FTE each.

Description of Scope and Range of Duties of Developer's Asset Management Team: Mission Housing's Asset Management staff has oversight over all operations of the properties in the portfolio. Asset Management reviews financials, approves budgets, approves substantial capital initiatives, and is a part of the team that determines long term capital projects. Asset management approves all annual budgets for the properties, does all of the reporting and communication to all of financial partners, and approve all operating reserve draws or internal line of credit requests when a property is short of cash and needs a temporary funding to meet property operations costs. Asset management submits grants and loan applications for the properties to secure or continue operating funding.

Description of Developer's Coordination Between Asset Management and Other Functional Teams, Including Property Management, Accounting, Compliance, Facilities Management, etc.

There is constant coordination between Property Management, related departments and Asset Management. Asset management oversees all aspects of operations so there is constant coordination with property management on a daily basis in regard to those issues. Asset and Property Management work together on the annual audits and budgets. In addition, there is constant coordination around cash management and the financial oversight of the property. There is also contact around preparation of the financials. Asset Management and Compliance primarily coordinate around compliance issues that directly affect ownership and the partnership. Asset management and facilities coordinate around preparation the budget and capital projects. The Asset Management staff also coordinates around emergencies.

Developer's Budget for Asset Management Team Shown as Cost Center for SF Projects: Asset Management staffing budget is \$957,996.

Number of Projects Expected to be in Developer's Asset Management Portfolio in 5 Years and, If Applicable, Plans to Augment Staffing to Manage Growing Portfolio: Mission Housing currently has 3 projects in development that are approaching permanent conversion and stabilization. Of these three, one is an existing portfolio recapitalization (South Park Scattered Sites), one is a new construction project (Kapuso Upper Yard) and one is a Scattered Sites acquisition/ rehab project

consisting of 5 scattered sites (SFHA Scattered Sites). If the project for which this loan evaluation is included, it is anticipated that Mission Housing will have at least 36 projects in its portfolio over the next 5 years.

As one of San Francisco's oldest affordable housing developers, Mission Housing Development Corporation (Mission Housing or "MHDC") was founded in 1971 to carry out community-based vision that was to serve as an alternative to the contemporary schemes of wholesale urban renewal and "slum clearance" sponsored by the Redevelopment Agency. In its 50-year history, Mission Housing has owned or developed 46 projects, consisting of over 1,600 units of affordable housing. This includes 17 new construction projects, 18 acquisition and rehab projects, and 10 scattered site developments. Collectively these properties serve as a safe and stable source of housing for over 3,000 of San Francisco's low-income residents. Mission Housing's properties serve a wide range of low-income populations, including families, seniors, and the formerly homeless.

Mission Housing's approach to resident services, community development, and neighborhood outreach is a fundamentally collaborative one that leverages its long-established presence to create strong and lasting partnerships. Mission Housing approaches each project development as an opportunity to strengthen the existing fabric of the community.

Board of Directors

Irving Gonzales: Sole proprietor of G7A/Gonzales Architects in practice since 1988 providing professional services and non-profit/for-profit housing developers and community agencies and programs.

Musetta So: Senior Vice President and Head of Business Operations of Wells Fargo's Data Management and Insight Division, with experience in corporate strategy, private equity, finance, customer service, and online platform development.

Fernando Gomez-Benitez: Fernando has been serving on the Board of Directors of MHDC since January 2016. He is the Deputy Director /Chief Administrative Officer at Mission Neighborhood Health Center (MNHC) where he serves as the health center's Compliance and Privacy Officer and supervises the HIV and Homeless Services Directors.

Mara Rosales: Mara Rosales is a native and lifelong San Franciscan of immigrant Nicaraguan parents. Mara practices civil rights and public law and the development of public policy. She has expertise in economic and community development, and representation of public agencies. Mara has devoted significant volunteer effort and support to local community grass-roots efforts in the Mission District throughout her adult life.

Jon Layman: Jon Layman is a Venture Partner at Prime Movers Lab. He has more than 25 years of experience in technology and life sciences. Jon has wide-ranging experience advising fast-growing startups on strategic, capital raising, operational, and legal matters. He serves on the board of Focused Energy.

Julia Kosheleva-Coats: Julia Kosheleva-Coats is the Head of Marketing Data Science and AI/ML Algorithm Development at Salesforce where she drives the strategic vision of AI-powered marketing. Prior to that, she was the Vice President and Head of AI/ML Model Development for Personalization at Wells Fargo.

MOHCD Asset Management Staff's Final Assessment of Developers Asset Management Capacity:

NOFA Selection Panel awarded Sponsor a score of 9.6 out of 12 in the Developer field, a score of 3 out of 4 as an Owner, a 6.8 out of 8 as a Property Manager, and a 7 out of 8 as a Service Provider.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

	Category	Points
A.	EXPERIENCE:	40
i.	<p>Developer (12 pts)</p> <ul style="list-style-type: none"> ▶ Experience with the following: <ul style="list-style-type: none"> ○ Completing projects on time and on budget ○ Obtaining competitive financing terms ○ Developing proposed type of construction ○ Developing housing for low-income households, including those experiencing homelessness, as applicable ▶ Building community support through outreach ▶ Current staff capacity and experience to take on this project type 	
ii.	<p>Owner (4 pts)</p> <ul style="list-style-type: none"> ▶ Track record successfully owning housing financed with Low-Income Housing Tax Credits ▶ Experience owning affordable housing for low-income households, including those experiencing homelessness, if applicable ▶ Effectiveness of current asset management structure and staffing, given portfolio size ▶ Capacity for assuming asset management of an expanded portfolio once the development is complete 	
iii.	<p>Property Manager (8 pts)</p> <ul style="list-style-type: none"> ▶ Experience managing property for low-income households, including those experiencing homelessness, if applicable ▶ Experience achieving high rates of housing retention ▶ Implements low barrier tenant selection policies consistent with Housing First principles and the HSH Documentation Policy ▶ Contributes to long-term sustainability of the development ▶ Achieves cost efficiencies in operations 	
iv.	Service Providers (8 pts)	

	<ul style="list-style-type: none"> ▶ Experience providing access and delivering services to low-income households, including those experiencing homelessness, if applicable ▶ Experience linking residents to the City’s safety net of services ▶ Works with property management to achieve high rates of housing retention ▶ Supports positive outcomes for residents around health and economic mobility ▶ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years ▶ Capacity to attract and retain adequate staffing to take on this project 	
v.	<p>Racial Equity (8 pts)</p> <ul style="list-style-type: none"> ▶ Experience providing housing to COP holders and neighborhood preference holders ▶ Uses innovative approaches to engagement with COP and neighborhood preference holders ▶ Demonstrates commitment to racially diverse project development teams ▶ Demonstrates experience with serving historically excluded communities of color ▶ Describes experience providing access and implementing effective service delivery strategies to historically excluded communities of color 	
B. VISION:		60
i.	<p>Site and Project Concept (15 pts)</p> <ul style="list-style-type: none"> ▶ Proposes site whose location, size, configuration, and zoning support the development of affordable and permanent supportive housing, including ability to maximize unit yield in a cost-effective construction type and make use of entitlement expediting such as SB 35. ▶ Describes vision for a development program at this site, while best achieving the project goals, and includes: <ul style="list-style-type: none"> ○ A residential program and other envisioned uses; 	

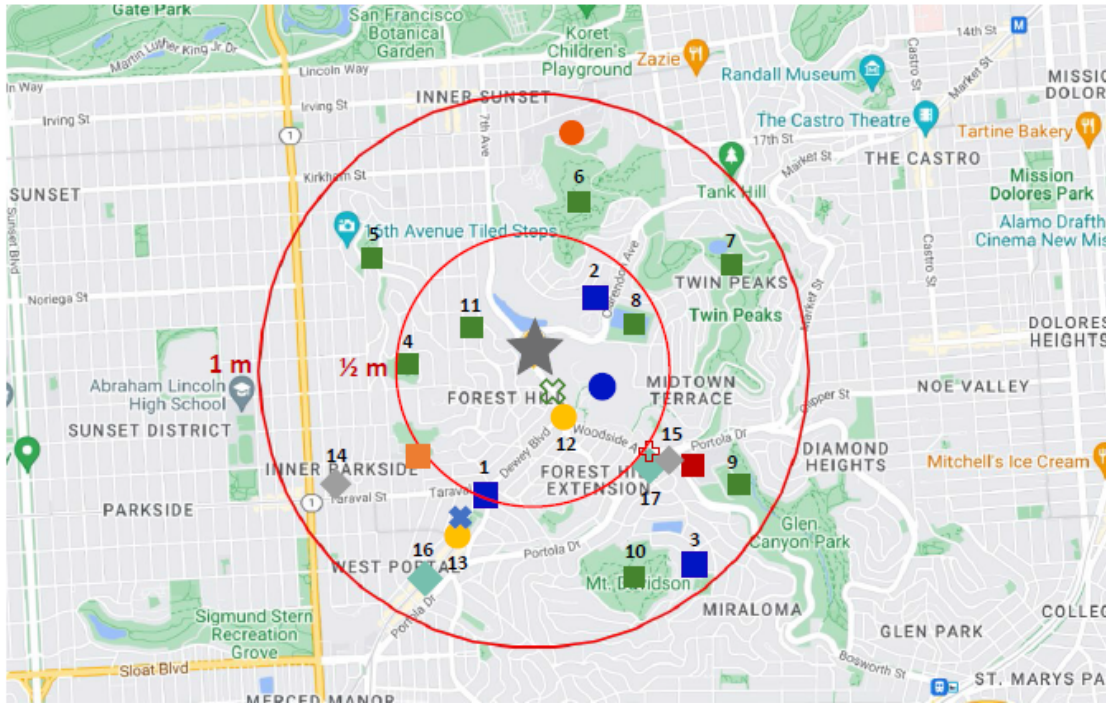
	<ul style="list-style-type: none"> ○ Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood. ▶ Indicates populations served by the programs and spaces (families, families experiencing homelessness, young adults, children etc.). ▶ 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> <ul style="list-style-type: none"> ▶ Describes community engagement strategy and includes: <ul style="list-style-type: none"> ○ The team’s philosophy on community engagement ○ Process for establishing and/or building positive relationships with surrounding neighbors and the larger community ○ Efforts designed to engage all interested community members—particularly BIPOC members of the target populations—and including monolingual non-English speaking community members; ○ How the Development Team intends to comply with the City’s Language Access Ordinance ▶ Describes the Team’s approach to achieving entitlements for the project expeditiously and the approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. ▶ Indicates how particular community engagement strategy will address the historical exclusion of communities of color from quality housing, including but not limited to marketing to attract target populations. 	

<p>iii.</p>	<p>Services Delivery Strategy (10 pts)</p> <ul style="list-style-type: none"> ▶ Describes the Development Team’s services delivery strategy and includes: <ul style="list-style-type: none"> ○ The overall service philosophy; ○ Model for providing services to formerly homeless residents (including case management ratio and provision of amenities such as front desk clerks, if applicable); ○ The services goals of the proposed vision. ▶ A brief description of the desired outcome of the services to be provided and innovative approaches to services provision, including the strategy of engaging residents and encouraging access to services. ▶ Describes how services for residents will be coordinated with the existing network of services in the neighborhood and community. ▶ 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> <ul style="list-style-type: none"> ▶ Describes the Development Team’s financing approach to the project. ▶ Describes how project is strategically positioned to successfully compete for State funding resources, including funding from the CA Debt Limit Allocation Committee and Department of Housing and Community Development ▶ Includes the Team’s process for structuring the project and controlling development costs. ▶ Includes innovative strategies intended to minimize MOHCD’s projected capital gap financing. ▶ Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. ▶ Includes proforma financials. ▶ Includes project design concept to fact check the financials 	

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

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

Attachment F: Site Map with amenities

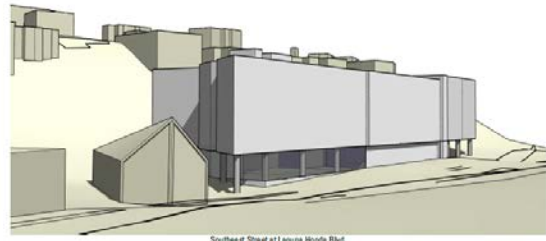


- ★ 250 Laguna Honda Blvd
- West Portal¹, Clarendon², and Miraloma³ Elementary Schools, 5 Lenox Way, 500 Clarendon Ave, and 175 Omar Way
- Herbert Hoover Middle School, 2290 14th Ave
- Ruth Asawa San Francisco School of the Arts, 555 Portola Dr
- Public Parks: Golden Gate Heights Park⁴, Grandview Park Trail⁵, Mount Sutro Forest⁶, Twin Peaks Trails⁷, Midtown Terrace⁸, Glen Canyon Park⁹, Mt. Davidson Park¹⁰, and J Murphy Playground¹¹
- UCSF Medical Center, 400 Parnassus Ave
- Laguna Honda Hospital, 375 Laguna Honda Blvd
- Forest Hill¹² and West Portal¹³ MUNI Stations
- ◆ Safeway¹⁴ and Mollie Stone's¹⁵ Grocery Stores, 730 Taraval St and 635 Portola Dr
- ◆ Walgreen¹⁶ and CVS¹⁷ Pharmacies, 200 W Portola Ave and 701 Portola Dr
- ⊕ Tri Counties Bank, 699 Portola Dr
- ⊗ Arab Cultural Community Center, 2 Plaza St
- ⊗ West Portal Branch Library, 190 Lenox Way
- Forest Hill¹ and West Portal² MUNI Stations

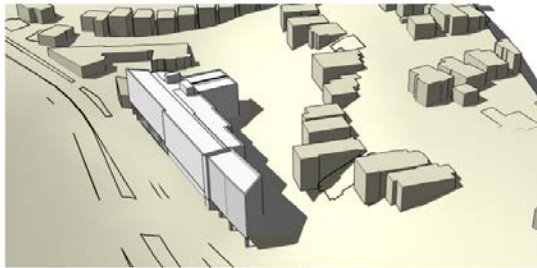
Attachment G: Elevations



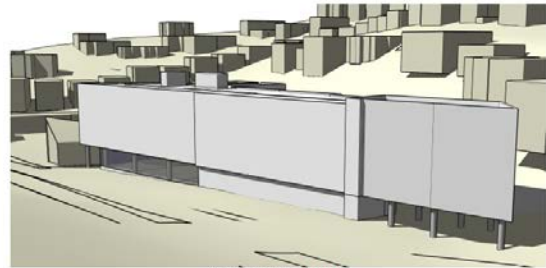
Southeast Overview



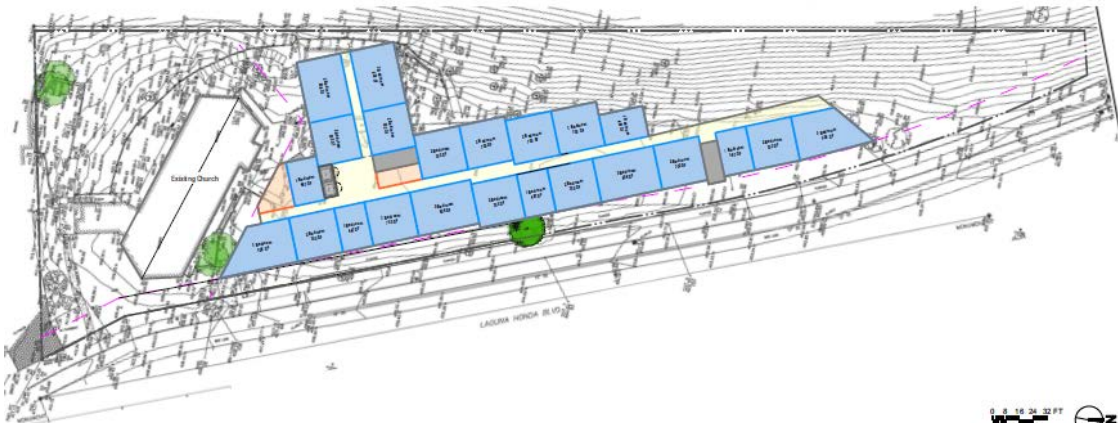
Southeast Street at Laguna Honda Blvd.



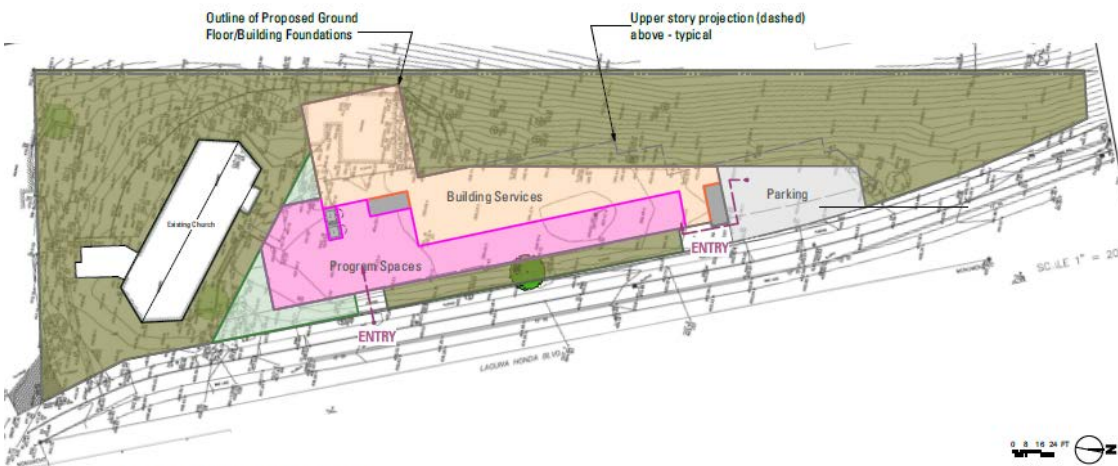
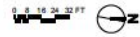
Northwest Overview



Northwest Street at Laguna Honda Blvd.



Typical Residential Floor (1 of 5 shown) 1-1
Scale: 1/32" = 1'-0"



Site Plan and Ground Floor Program and Support Spaces 2-2
Scale: 1/32" = 1'-0"



Attachment J - Development Budget

MOHCD Proforma - Permanent Financing Sources Uses of Funds

Application Date: 8/23/23 **# Units:** 115
Project Name: 250 Laguna Honda Blvd **# Bedrooms:** 235 **LOSP Project**
Project Address: 250 Laguna Honda Blvd **# Beds:**
Project Sponsor: Mission Housing Development Corporation

SOURCES	24,064,333	31,403,854	9,315,575	29,290,497	500,000	1,500,000	1,000,000	97,074,259	Total Sources	Comments
USES										
Name of Sources:	MOHCD/OCII	LIHTC Equity	First Mortgage	HCD MHP	GP Capital Contributions	Deferred Developer Fee	AHP			

ACQUISITION	5,500,000	20,000	0	0	0	0	0	0	5,500,000	4,209,622
Acquisition cost or value	5,500,000	20,000							5,500,000	4,209,622
Legal / Closing costs / Broker's Fee	20,000								20,000	
Holding Costs	415,000								415,000	Property taxes, insurance, and maintenance costs for existing church, less rental income from current tenants
Transfer Tax	41,250								41,250	\$3.75 per \$500 in purchase price
TOTAL ACQUISITION	5,976,250	0	0	0	0	0	0	0	5,976,250	

CONSTRUCTION (HARD COSTS)	3,984,640	31,403,854	9,315,575	11,913,293	0	0	0	0	56,617,362	Include FF&E
* Unit Construction/Rehab	3,984,640	31,403,854	9,315,575	11,913,293					56,617,362	Include FF&E
* Commercial Shell Construction									0	
* Demolition									0	
* Environmental Remediation									0	
* Onsite Improvements/Landscaping									0	
* Offsite Improvements									0	
* Infrastructure Improvements									0	HOPE SF/OCII costs for streets etc.
Parking									0	
GC Bond Premium/GC Insurance/GC Taxes				120,997				1,000,000	1,120,997	1.8%
GC Overhead & Profit				2,384,694					2,384,694	3.8%
CG General Conditions				3,000,000					3,000,000	4.8%
Sub-total Construction Costs	3,984,640	31,403,854	9,315,575	17,418,984	0	0	0	1,000,000	63,123,953	
Design Contingency (remove at DD)	79,693								79,693	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)				1,262,461					1,262,461	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Revit)	1,481,014			1,043,908					2,524,922	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency	3,156,153								3,156,153	5% new construction / 15% rehab
Sub-total Construction Contingencies	4,716,860	0	0	2,306,369	0	0	0	0	7,023,229	
TOTAL CONSTRUCTION COSTS	8,701,500	31,403,854	9,315,575	19,725,353	0	0	0	1,000,000	70,146,282	

Construction line item costs as a % of hard costs

SOFT COSTS	0	0	0	3,100,000	0	0	0	0	3,100,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Architecture & Design										
Architect design fees				2,850,000					2,850,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)									0	
Architect Construction Admin				250,000					250,000	
Reimbursables									0	
Additional Services									0	
Sub-total Architect Contract	0	0	0	3,100,000	0	0	0	0	3,100,000	
Other Third Party design consultants (not included under Architect contract)	40,000								40,000	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	40,000	0	0	3,100,000	0	0	0	0	3,140,000	

Engineering & Environmental Studies										
Survey	70,000								70,000	
Geotechnical studies	200,000								200,000	
Phase I & II Reports	10,000								10,000	
CEQA / Environmental Review consultants									0	
NEPA / 106 Review									0	
CNA/PNA (rehab only)									0	
Other environmental consultants	60,000								60,000	Name consultants & contract amounts
Total Engineering & Environmental Studies	340,000	0	0	0	0	0	0	0	340,000	

Financing Costs										
Construction Financing Costs										
Construction Loan Origination Fee				522,100					522,100	
Construction Loan Interest				5,766,216					5,766,216	
Title & Recording				50,000					50,000	
CDLAC & CDIAC fees				23,828					23,828	
Bond Issuer Fees									0	
Other Bond Cost of Issuance				45,000					45,000	
Other Lender Costs (specify)				58,000					58,000	
Sub-total Const. Financing Costs	0	0	0	6,465,144	0	0	0	0	6,465,144	
Permanent Financing Costs										
Permanent Loan Origination Fee	15,000								15,000	
Credit Enhance. & Appl. Fee									0	
Title & Recording	15,000								15,000	
Sub-total Perm. Financing Costs	30,000	0	0	0	0	0	0	0	30,000	
Total Financing Costs	30,000	0	0	6,465,144	0	0	0	0	6,495,144	

Legal Costs										
Borrower Legal fees	70,000								70,000	
Land Use / CEQA Attorney fees	60,000								60,000	
Tax Credit Counsel	135,000								135,000	
Bond Counsel	90,000								90,000	
Construction Lender Counsel	90,000								90,000	
Permanent Lender Counsel	15,000								15,000	
Other Legal (specify)	0	0	0	0	0	0	0	0	0	
Total Legal Costs	480,000	0	0	0	0	0	0	0	480,000	

Other Development Costs										
Appraisal	15,000								15,000	
Market Study	15,000								15,000	
Insurance	2,000,000								2,000,000	
* Property Taxes									0	
* Accounting / Audit	25,000								25,000	
* Organizational Costs	62,500								62,500	
* Entitlement / Permit Fees	800,000								800,000	
* Marketing / Rent-up	115,000								115,000	
* Furnishings	230,000								230,000	
PGE / Utility Fees	730,000								730,000	
TCAC App / Alloc / Monitor Fees	83,865								83,865	
* Financial Consultant fees	103,000								103,000	
Construction Management fees / Owner's Rep									0	
Security during Construction									0	
Relocation									0	
Special Inspections & Testing	120,000								120,000	
School Impact Fee	298,955								298,955	
Other (specify)	0	0	0	0	0	0	0	0	0	
Total Other Development Costs	4,598,320	0	0	0	0	0	0	0	4,598,320	

Total Soft Cost Contingency as a % of Total Soft Costs 5.0%

Soft Cost Contingency										
Contingency (Arch, Eng, Fin, Legal & Other Dev)	752,673	0	0	0	0	0	0	0	752,673	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	6,240,993	0	0	9,565,144	0	0	0	0	15,806,137	

RESERVES										
* Operating Reserves	680,590								680,590	
* Replacement Reserves	115,000								115,000	
* Tenant Improvements Reserves									0	
* Other (specify)									0	
* Other (specify)									0	
* Other (specify)									0	
TOTAL RESERVES	795,590	0	0	0	0	0	0	0	795,590	

DEVELOPER COSTS										
Developer Fee - Cash-out Paid at Milestones	1,175,000								1,175,000	
Developer Fee - Cash-out At Risk	1,175,000								1,175,000	
Commercial Developer Fee									0	
Developer Fee - GP Equity (also show as source)					500,000				500,000	
Developer Fee - Deferred (also show as source)						1,500,000			1,500,000	
Development Consultant Fees									0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)	0	0	0	0	0	0	0	0	0	
TOTAL DEVELOPER COSTS	2,350,000	0	0	0	500,000	1,500,000	0	0	4,350,000	

TOTAL DEVELOPMENT COST	24,064,333	31,403,854	9,315,575	29,290,497	500,000	1,500,000	1,000,000	97,074,259		
Development Cost/Unit by Source	209,255	273,077	81,005	254,700	4,348	13,043	8,696	844,124		
Development Cost/Unit as % of TDC by Source	24.8%	32.4%	9.6%	30.2%	0.5%	1.5%	1.0%	100.0%		
Acquisition Cost/Unit by Source	47,826	0	0	0	0	0	0	47,826		
Construction Cost (inc Const Contingency)/Unit By Source	75,665	273,077	81,005	171,525	0	0	8,696	609,968		
Construction Cost (inc Const Contingency)/SF	71.74	258.90	76.60	162.62	0.00	0.00	8.24	578.30		

*Possible non-eligible GO Bond/COP Amount: 7,175,730
 City Subsidy/Unit: 209,255
 Tax Credit Equity Pricing: 0.900
 Construction Bond Amount: 48,941,997
 Construction Loan Term (in months): 24 months
 Construction Loan Interest

Attachment K - 1st Year Operating Budget

Application Date: 8/23/2023
Total # Units: 115
 LOSP Units: 29
 Non-LOSP Units: 86

Project Name: 250 Laguna Honda Blvd
Project Address: 250 Laguna Honda Blvd
Project Sponsor: Mission Housing Development Corporation

First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2028

LOSP/non-LOSP Allocation	25%		75%	
	LOSP	non-LOSP	LOSP	non-LOSP

Correct errors noted in Col N!

INCOME	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Residential - Tenant Rents	87,000	2,192,964	2,279,964	Links from 'New Proj - Rent & Unit Mix' Worksheet		
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet		
Residential - LOSP Tenant Assistance Payments	385,556		385,556			
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		
Supportive Services Income	348,000	0	348,000		Alternative LOSP Split	100.00%
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Laundry and Vending	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	Projected LOSP Split	LOSP
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	LOSP
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0			
Gross Potential Income	820,556	2,192,964	3,013,520			
Vacancy Loss - Residential - Tenant Rents	(4,350)	(109,648)	(113,998)	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	816,206	2,083,316	2,899,521	PUPA: 25,213		

OPERATING EXPENSES

Management					Alternative LOSP Split	LOSP
Management Fee	17,940	53,820	71,760	1st Year to be set according to HUD schedule.	Management Fee	25.00%
Asset Management Fee	6,070	18,210	24,280		Asset Management Fee	25.00%
Sub-total Management Expenses	24,010	72,030	96,040	PUPA: 835		

Salaries/Benefits					Alternative LOSP Split	LOSP
Office Salaries	0	0	0		Office Salaries	
Manager's Salary	33,750	101,250	135,000	1 FTE manager @ \$75K + 1 FTE assistant manager @ \$60K	Manager's Salary	25.00%
Health Insurance and Other Benefits	27,456	54,872	82,328	20% of payroll. Higher prorata share to LOSP for 24 hr desk clerks	Health Insurance and Other Benefits	33.35%
Other Salaries/Benefits	0	0	0		Other Salaries/Benefits	
Administrative Rent-Free Unit	0	0	0		Administrative Rent-Free Unit	
Sub-total Salaries/Benefits	61,206	156,122	217,328	PUPA: 1,890		

Administration					Alternative LOSP Split	LOSP
Advertising and Marketing	450	1,350	1,800			
Office Expenses	7,250	21,750	29,000			
Office Rent	0	0	0		Projected LOSP Split	LOSP
Legal Expense - Property	750	2,250	3,000		Legal Expense - Property	25.00%
Audit Expense	3,125	9,375	12,500			
Bookkeeping/Accounting Services	2,500	7,500	10,000		Projected LOSP Split	LOSP
Bad Debts	2,850	8,550	11,400	5% of tenant rents	Bad Debts	25.00%
Miscellaneous	0	0	0			
Sub-total Administration Expenses	16,925	50,775	67,700	PUPA: 589		

Utilities					Alternative LOSP Split	LOSP
Electricity	6,250	18,750	25,000		Projected LOSP Split	LOSP
Water	15,000	45,000	60,000		Electricity	25.00%
Gas	0	0	0			
Sewer	22,500	67,500	90,000			
Sub-total Utilities	43,750	131,250	175,000	PUPA: 1,522		

Taxes and Licenses					Alternative LOSP Split	LOSP
Real Estate Taxes	1,250	3,750	5,000		Real Estate Taxes	25.00%
Payroll Taxes	15,101	30,180	45,280	11% of payroll. Higher prorata share to LOSP for 24 hr desk clerks	Payroll Taxes	33.35%
Miscellaneous Taxes, Licenses and Permits	0	0	0			
Sub-total Taxes and Licenses	16,351	33,930	50,280	PUPA: 437		

Insurance					Alternative LOSP Split	LOSP
Property and Liability Insurance	30,000	90,000	120,000			
Fidelity Bond Insurance	0	0	0		Alternative LOSP Split	LOSP
Worker's Compensation	8,237	16,462	24,698	6% of payroll. Additional allocation to LOSP for 24 hr desk clerks	Worker's Compensation	33.35%
Director's & Officers' Liability Insurance	0	0	0			
Sub-total Insurance	38,237	106,462	144,698	PUPA: 1,258		

Maintenance & Repair					Alternative LOSP Split	LOSP
Payroll	34,840	104,520	139,360	1 Janitor @ 1.0FTE, 1 maintenance tech @ 1.0FTE (Maint. \$40/2080=\$83,200 +	Payroll	25.00%
Supplies	10,000	30,000	40,000	Janitor Supplies, Grounds Supplies, Repairs Material	Supplies	25.00%
Contracts	27,500	82,500	110,000	Exterminating, Grounds, Routine Repairs, Elevator, Decorating	Contracts	25.00%
Garbage and Trash Removal	21,250	63,750	85,000		Alternative LOSP Split	LOSP
Security Payroll/Contract	137,280	23,000	160,280	Security cameras, fire alarm monitoring, 3.0 FTE 24 hour desk clerk coverage @ \$22/hr.	Security Payroll/Contract	85.65%
HVAC Repairs and Maintenance	6,250	18,750	25,000			
Vehicle and Maintenance Equipment Operation and Repairs	0	0	0			
Miscellaneous Operating and Maintenance Expenses	0	0	0			
Sub-total Maintenance & Repair Expenses	237,120	322,520	559,640	PUPA: 4,866		

Supportive Services	348,000	143,125	491,125		Alternative LOSP Split	LOSP
Commercial Expenses	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Supportive Services	70.86%

TOTAL OPERATING EXPENSES 785,599 1,016,213 1,801,812 PUPA: 15,668

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent	3,750	11,250	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.	
Bond Monitoring Fee	2,287	6,861	9,148			
Replacement Reserve Deposit	17,250	51,750	69,000			Alternative LOSP Split
Operating Reserve Deposit	0	0	0			LOSP
Other Required Reserve 1 Deposit	0	0	0			
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	23,287	69,861	93,148	PUPA: 810		

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) 808,886 1,086,074 1,894,960 PUPA: 16,478

Min DSCR:	1.15
Mortgage Rate:	6.68%
Term (Years):	35
Supportable 1st Mortgage Pmt:	873,532
Supportable 1st Mortgage Amt:	\$11,802,459
Proposed 1st Mortgage Amt:	\$9,315,575

NET OPERATING INCOME (INCOME minus OP EXPENSES) 7,320 997,242 1,004,562 PUPA: 8,735

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

Hard Debt - First Lender	0	689,471	689,471	First Mortgage	Provide additional comments here, if needed.	Alternative LOSP Split	LOSP
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd L)	0	123,020	123,020	HCD MHP	Provide additional comments here, if needed.	Hard Debt - First Lender	0.00%
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.	Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd L)	0.00%
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.	Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	
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	0	812,491	812,491	PUPA: 7,065			

CASH FLOW (NOI minus DEBT SERVICE)

Commercial Only Cash Flow	0	0	0			
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	0	0	0			Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)
AVAILABLE CASH FLOW	7,320	184,751	192,071			

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)	6,070	18,210	24,280			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,250	3,750	5,000			
Other Payments	0	0	0			Alternative LOSP Split
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0		Provide additional comments here, if needed.	LOSP
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0		Provide additional comments here, if needed.	Other Payments
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	81,395	81,395	Def. Develop. Fee split: 50%	Provide additional comments here, if needed.	Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)
TOTAL PAYMENTS PRECEDING MOHCD	7,320	103,355	110,675	PUPA: 962		Deferred Developer Fee (Enter amt <= Max Fee)

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) 0 81,396 81,396

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?	Yes	
Will Project Defer Developer Fee?	Yes			
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):	81,395	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%:

Sum of DD F from LOSP and non-LOSP: 81,395
 Ratio of Sum of DDF and calculated 50%: 1.000004515

Soft Debt Lenders with Residual Receipts Obligations

(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCIL - Soft Debt Loans	\$23,017,425	40.10%
MOHCD/OCIL - Ground Lease Value or Land Acq Cost	\$5,088,384	8.88%
HCD (soft debt loan) - Lender 3	\$29,280,497	51.02%
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	39,865	39,865	50% of residual receipts, multiplied by 48.98% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	39,865	39,865	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 41,531

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due	41,531	41,531	50% of residual receipts, multiplied by 51.02% -- HCD MHP's pro rata share of all soft debt
Lender 4 Residual Receipts Due	0	0	
Lender 5 Residual Receipts Due	0	0	
Total Non-MOHCD Residual Receipts Debt Service	41,531	41,531	

REMAINDER (Should be zero unless there are distributions below)

Owner Distributions/Incentive Management Fee	0	0	
Other Distributions/Uses	0	0	
Final Balance (should be zero)	0	0	

Attachment K - 1st Year Operating Budget

Application Date: 8/23/2023
Total # Units: 115
 LOSP Units: 29
 Non-LOSP Units: 86

Project Name: 250 Laguna Honda Blvd
Project Address: 250 Laguna Honda Blvd
Project Sponsor: Mission Housing Development Corporation

First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2028

LOSP/non-LOSP Allocation	25%		75%	
	LOSP	non-LOSP	LOSP	non-LOSP

Correct errors noted in Col N!

INCOME	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Residential - Tenant Rents	87,000	2,192,964	2,279,964	Links from 'New Proj - Rent & Unit Mix' Worksheet		
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet		
Residential - LOSP Tenant Assistance Payments	385,556		385,556			
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		
Supportive Services Income	348,000	0	348,000		Alternative LOSP Split	100.00%
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Laundry and Vending	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	Projected LOSP Split	LOSP
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	LOSP
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0			
Gross Potential Income	820,556	2,192,964	3,013,520			
Vacancy Loss - Residential - Tenant Rents	(4,350)	(109,648)	(113,998)	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	816,206	2,083,316	2,899,521	PUPA: 25,213		

OPERATING EXPENSES	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Management Fee	17,940	53,820	71,760	1st Year to be set according to HUD schedule.		25.00%
Asset Management Fee	6,070	18,210	24,280			25.00%
Sub-total Management Expenses	24,010	72,030	96,040	PUPA: 835		

Salaries/Benefits	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Office Salaries	0	0	0			
Manager's Salary	33,750	101,250	135,000	1 FTE manager @ \$75K + 1 FTE assistant manager @ \$60K		25.00%
Health Insurance and Other Benefits	27,456	54,872	82,328	20% of payroll. Higher prorata share to LOSP for 24 hr desk clerks		33.35%
Other Salaries/Benefits	0	0	0			
Administrative Rent-Free Unit	0	0	0			
Sub-total Salaries/Benefits	61,206	156,122	217,328	PUPA: 1,890		

Administration	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Advertising and Marketing	450	1,350	1,800			
Office Expenses	7,250	21,750	29,000			
Office Rent	0	0	0			
Legal Expense - Property	750	2,250	3,000		Projected LOSP Split	25.00%
Audit Expense	3,125	9,375	12,500			
Bookkeeping/Accounting Services	2,500	7,500	10,000		Projected LOSP Split	LOSP
Bad Debts	2,850	8,550	11,400	5% of tenant rents		25.00%
Miscellaneous	0	0	0			
Sub-total Administration Expenses	16,925	50,775	67,700	PUPA: 589		

Utilities	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Electricity	6,250	18,750	25,000		Projected LOSP Split	25.00%
Water	15,000	45,000	60,000			
Gas	0	0	0			
Sewer	22,500	67,500	90,000			
Sub-total Utilities	43,750	131,250	175,000	PUPA: 1,522		

Taxes and Licenses	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Real Estate Taxes	1,250	3,750	5,000			25.00%
Payroll Taxes	15,101	30,180	45,280	11% of payroll. Higher prorata share to LOSP for 24 hr desk clerks		33.35%
Miscellaneous Taxes, Licenses and Permits	0	0	0			
Sub-total Taxes and Licenses	16,351	33,930	50,280	PUPA: 437		

Insurance	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Property and Liability Insurance	30,000	90,000	120,000			
Fidelity Bond Insurance	0	0	0			
Worker's Compensation	8,237	16,462	24,698	6% of payroll. Additional allocation to LOSP for 24 hr desk clerks		33.35%
Director's & Officers' Liability Insurance	0	0	0			
Sub-total Insurance	38,237	106,462	144,698	PUPA: 1,258		

Maintenance & Repair	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Payroll	34,840	104,520	139,360	1 Janitor @ 1.0FTE, 1 maintenance tech @ 1.0FTE (Maint. \$40/2080=\$83,200 +		25.00%
Supplies	10,000	30,000	40,000	Janitor Supplies, Grounds Supplies, Repairs Material		25.00%
Contracts	27,500	82,500	110,000	Exterminating, Grounds, Routine Repairs, Elevator, Decorating		25.00%
Garbage and Trash Removal	21,250	63,750	85,000			
Security Payroll/Contract	137,280	23,000	160,280	Security cameras, fire alarm monitoring, 3.0 FTE 24 hour desk clerk coverage @ \$22/hr.	Alternative LOSP Split	85.65%
HVAC Repairs and Maintenance	6,250	18,750	25,000			
Vehicle and Maintenance Equipment Operation and Repairs	0	0	0			
Miscellaneous Operating and Maintenance Expenses	0	0	0			
Sub-total Maintenance & Repair Expenses	237,120	322,520	559,640	PUPA: 4,866		

Supportive Services	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Supportive Services	348,000	143,125	491,125			70.86%
Commercial Expenses	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		

TOTAL OPERATING EXPENSES 785,599 1,016,213 1,801,812 **PUPA: 15,668**

Reserves/Ground Lease Base Rent/Bond Fees	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Ground Lease Base Rent	3,750	11,250	15,000	Ground lease with MOHCD		
Bond Monitoring Fee	2,287	6,861	9,148			
Replacement Reserve Deposit	17,250	51,750	69,000			25.00%
Operating Reserve Deposit	0	0	0			
Other Required Reserve 1 Deposit	0	0	0			
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	23,287	69,861	93,148	PUPA: 810		

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
	808,886	1,086,074	1,894,960	PUPA: 16,478		
NET OPERATING INCOME (INCOME minus OP EXPENSES)	7,320	997,242	1,004,562	PUPA: 8,735		

DEBT SERVICE/MUST PAY PAYMENTS (hard debt/amortized loans)	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Hard Debt - First Lender	0	689,471	689,471	First Mortgage		0.00%
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	0	123,020	123,020	HCD MHP		0.00%
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0			
Hard Debt - Fourth Lender	0	0	0			
Commercial Hard Debt Service	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		
TOTAL HARD DEBT SERVICE	0	812,491	812,491	PUPA: 7,065		

CASH FLOW (NOI minus DEBT SERVICE)	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
	7,320	184,751	192,071			
Commercial Only Cash Flow	0	0	0			
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	0	0	0			
AVAILABLE CASH FLOW	7,320	184,751	192,071			

USES OF CASH FLOW BELOW (This row also shows DSCR.)	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
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)	6,070	18,210	24,280			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,250	3,750	5,000			
Other Payments	0	0	0			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0			
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0			
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	81,395	81,395	Def. Develop. Fee split: 50%		0.00%
TOTAL PAYMENTS PRECEDING MOHCD	7,320	103,355	110,675	PUPA: 962		

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
	0	81,396	81,396			

Residual Receipts Calculation	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Does Project have a MOHCD Residual Receipt Obligation?	Yes			Project has MOHCD ground lease?	Yes	
Will Project Defer Developer Fee?	Yes					
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:	50%			Max Deferred Developer Fee Amt (Use for data entry above. Do not link.)	81,395	Sum of DD F from LOSP and non-LOSP: 81,395
% of Residual Receipts available for distribution to soft debt lenders in	50%					Ratio of Sum of DDF and calculated 50%: 1.000004515

Soft Debt Lenders with Residual Receipts Obligations	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCIL - Soft Debt Loans	\$23,017,425	40.10%
MOHCD/OCIL - Ground Lease Value or Land Acq Cost	\$5,088,384	8.88%
HCD (soft debt loan) - Lender 3	\$29,280,497	51.02%
Other Soft Debt Lender - Lender 4		0.00%
Other Soft Debt Lender - Lender 5		0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
MOHCD Residual Receipts Amount Due	39,865	39,865	79,730	50% of residual receipts, multiplied by 48.98% -- MOHCD's pro rata share of all soft debt		
Proposed MOHCD Residual Receipts Amount to Loan Repayment	39,865	39,865	79,730	Enter/override amount of residual receipts proposed for loan repayment.		
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.		

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
			41,531			
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE						
HCD Residual Receipts Amount Due	41,531	0	41,531	50% of residual receipts, multiplied by 51.02% -- HCD MHP's pro rata share of all soft debt		
Lender 4 Residual Receipts Due	0	0	0			
Lender 5 Residual Receipts Due	0	0	0			
Total Non-MOHCD Residual Receipts Debt Service			41,531			

REMAINDER (Should be zero unless there are distributions below)	LOSP	non-LOSP	Total	Comments	Alternative LOSP Split	LOSP
Owner Distributions/Incentive Management Fee	0	0	0			
Other Distributions/Uses	0	0	0			
Final Balance (should be zero)	0	0	0			

250 Laguna Honda Blvd

Financial proforma table with columns for Year 1-20 and rows for Income, Expenses, Cash Flow, and Balance. Includes sub-sections like OPERATING EXPENSES, MAINTENANCE & REPAIR, and RESIDUAL RECEIPTS.

Attachment K - 1st Year Operating Budget

Application Date: 8/23/2023
 Total # Units: 115
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2028

INCOME		
Residential - Tenant Rents	non-LOSP	Approved By (reqd)
Residential - Tenant Assistance Payments (Non-LOSP)		
Residential - LOSP Tenant Assistance Payments		
Commercial Space		
Residential Parking		
Miscellaneous Rent Income	non-LOSP	Approved By (reqd)
Supportive Services Income	0.00%	
Interest Income - Project Operations		
Laundry and Vending	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	non-LOSP	Approved By (reqd)
Withdrawal from Capitalized Reserve (deposit 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	non-LOSP	Approved By (reqd)
Management Fee	75.00%	
Asset Management Fee	75.00%	
Sub-total Management Expenses		

Salaries/Benefits	non-LOSP	Approved By (reqd)
Office Salaries		
Manager's Salary	75.00%	
Health Insurance and Other Benefits	66.65%	
Other Salaries/Benefits		
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits		

Administration		
Advertising and Marketing		
Office Expenses		
Office Rent	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	75.00%	
Audit Expense		
Bookkeeping/Accounting Services	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	75.00%	
Miscellaneous		
Sub-total Administration Expenses		

Utilities		
Electricity	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	75.00%	
Gas		
Sewer		
Sub-total Utilities		

Taxes and Licenses		
	non-LOSP	Approved By (reqd)
Real Estate Taxes	75.00%	
Payroll Taxes	66.65%	
Miscellaneous Taxes, Licenses and Permits		
Sub-total Taxes and Licenses		

Insurance		
Property and Liability Insurance		
Fidelity Bond Insurance	non-LOSP	Approved By (reqd)
Worker's Compensation	66.65%	
Director's & Officers' Liability Insurance		
Sub-total Insurance		

Maintenance & Repair		
	non-LOSP	Approved By (reqd)
Payroll	75.00%	
Supplies	75.00%	(LOSP-specific expenses must be tracked at entry level in project's)
Contracts	75.00%	
Garbage and Trash Removal	non-LOSP	Approved By (reqd)
Security Payroll/Contract	14.35%	
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses		
Sub-total Maintenance & Repair Expenses		

Supportive Services	non-LOSP	Approved By (reqd)
Commercial Expenses	29.14%	

TOTAL OPERATING EXPENSES

Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent		
Bond Monitoring Fee	non-LOSP	Approved By (reqd)
Replacement Reserve Deposit	75.00%	
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)		
	non-LOSP	Approved By (reqd)
Hard Debt - First Lender	100.00%	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd L)	100.00%	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		
Hard Debt - Fourth Lender		
Commercial Hard Debt Service		
TOTAL HARD DEBT SERVICE		

CASH FLOW (NOI minus DEBT SERVICE)

Commercial Only Cash Flow		
Allocation of Commercial Surplus to LOPS/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)	non-LOSP	Approved By (reqd)
Other Payments		
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)		
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	100.00%	

TOTAL PAYMENTS PRECEDING MOHCD

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Residual Receipts Calculation
 Does Project have a MOHCD Residual Receipt Obligation?
 Will Project Defer Developer Fee?
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1
 % of Residual Receipts available for distribution to soft debt lenders in

Soft Debt Lenders with Residual Receipts Obligations

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

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

MOHCD Residual Receipts Amount Due		
Proposed MOHCD Residual Receipts Amount to Loan Repayment		
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due		
Lender 4 Residual Receipts Due		
Lender 5 Residual Receipts Due		
Total Non-MOHCD Residual Receipts Debt Service		

REMAINDER (Should be zero unless there are distributions below)

Owner Distributions/Incentive Management Fee		
Other Distributions/Uses		
Final Balance (should be zero)		

Attachment K - 1st Year Operating Budget

Application Date: 8/23/2023
Total # Units: 115
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): **2028**

INCOME		
Residential - Tenant Rents	non-LOSP	Approved By (reqd)
Residential - Tenant Assistance Payments (Non-LOSP)		
Residential - LOSP Tenant Assistance Payments		
Commercial Space		
Residential Parking		
Miscellaneous Rent Income	non-LOSP	Approved By (reqd)
Supportive Services Income	0.00%	
Interest Income - Project Operations		
Laundry and Vending	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	non-LOSP	Approved By (reqd)
Withdrawal from Capitalized Reserve (deposit 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	non-LOSP	Approved By (reqd)
Management Fee	75.00%	
Asset Management Fee	75.00%	
Sub-total Management Expenses		

Salaries/Benefits	non-LOSP	Approved By (reqd)
Office Salaries		
Manager's Salary	75.00%	
Health Insurance and Other Benefits	66.65%	
Other Salaries/Benefits		
Administrative Rent-Free Unit		
Sub-total Salaries/Benefits		

Administration		
Advertising and Marketing		
Office Expenses		
Office Rent	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	75.00%	
Audit Expense		
Bookkeeping/Accounting Services	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	75.00%	
Miscellaneous		
Sub-total Administration Expenses		

Utilities		
Electricity	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	75.00%	
Gas		
Sewer		
Sub-total Utilities		

Taxes and Licenses		
	non-LOSP	Approved By (reqd)
Real Estate Taxes	75.00%	
Payroll Taxes	66.65%	
Miscellaneous Taxes, Licenses and Permits		
Sub-total Taxes and Licenses		

Insurance		
Property and Liability Insurance		
Fidelity Bond Insurance	non-LOSP	Approved By (reqd)
Worker's Compensation	66.65%	
Director's & Officers' Liability Insurance		
Sub-total Insurance		

Maintenance & Repair		
	non-LOSP	Approved By (reqd)
Payroll	75.00%	
Supplies	75.00%	(LOSP-specific expenses must be tracked at entry level in project's)
Contracts	75.00%	
Garbage and Trash Removal	non-LOSP	Approved By (reqd)
Security Payroll/Contract	14.35%	
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses		
Sub-total Maintenance & Repair Expenses		

Supportive Services	non-LOSP	Approved By (reqd)
Commercial Expenses	29.14%	

TOTAL OPERATING EXPENSES

Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent		
Bond Monitoring Fee	non-LOSP	Approved By (reqd)
Replacement Reserve Deposit	75.00%	
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)		
	non-LOSP	Approved By (reqd)
Hard Debt - First Lender	100.00%	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd L)	100.00%	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		
Hard Debt - Fourth Lender		
Commercial Hard Debt Service		
TOTAL HARD DEBT SERVICE		

CASH FLOW (NOI minus DEBT SERVICE)

Commercial Only Cash Flow		
Allocation of Commercial Surplus to LOSP/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)	non-LOSP	Approved By (reqd)
Other Payments		
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)		
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	100.00%	
TOTAL PAYMENTS PRECEDING MOHCD		

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?
 Will Project Defer Developer Fee?
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1
 % of Residual Receipts available for distribution to soft debt lenders in

Soft Debt Lenders with Residual Receipts Obligations

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

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

MOHCD Residual Receipts Amount Due		
Proposed MOHCD Residual Receipts Amount to Loan Repayment		
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due		
Lender 4 Residual Receipts Due		
Lender 5 Residual Receipts Due		
Total Non-MOHCD Residual Receipts Debt Service		

REMAINDER (Should be zero unless there are distributions below)

Owner Distributions/Incentive Management Fee		
Other Distributions/Uses		
Final Balance (should be zero)		