



## SSP ACQUISITION AND REHABILITATION FUNDS LOAN APPROVAL RECOMMENDATION

<b>Date:</b>	December 1, 2023
<b>From:</b>	Amanda Fukutome-Lopez, Project Manager
<b>Evaluation of Request for:</b>	Acquisition and Rehabilitation Funding
<b>NOFA/Program:</b>	2019 Acquisition and Rehabilitation Financing for Small Sites Program Properties
<b>Applicant:</b>	San Francisco Community Land Trust
<b>Co-Applicant:</b>	N/A
<b>Project Name (if any):</b>	3975 24 <sup>th</sup> Street
<b>Project Address (with cross street):</b>	3975-3977 24 <sup>th</sup> Street (between Noe and Sanchez Streets)
<b>Number of Units with Unit Mix:</b>	5 existing units: 3 residential (2 1-br & 1 studio) and 2 commercial; 1 new ADU studio to be completed during rehabilitation
<b>District and Supervisor</b>	District 8 / Rafael Mandelman
<b>Amount of SSP Funds Requested:</b>	\$3,055,000
<b>Amount of SSP Funds Recommended:</b>	\$3,055,000
<b>Amount of PASS Funds Recommended:</b>	\$950,000
<b>Source of Funds Recommended:</b>	Housing Stability Funds
<b>Type of Financing:</b>	Acquisition, Rehabilitation, & Permanent Financing

### 1. SUMMARY/BRIEF PROJECT UPDATE

San Francisco Community Land Trust (“SFCLT,” “SFCLT 24<sup>th</sup> St Holdings LLC,” or the “Sponsor”) requests \$950,000 in Preservation and Seismic Safety (“PASS”) funding and \$3,055,000 in Small Sites Program (“SSP”) funding from the Mayor’s Office of Housing and Community Development (“MOHCD”) for the acquisition and rehabilitation of the property located at 3975 24<sup>th</sup> Street in the Noe Valley neighborhood of San Francisco (the “Project” or “Site”). MOHCD issued a soft commitment for the Project on July 11, 2023. The Project went into contract on July 21, 2023, and is anticipated to close in January 2024.

Applicant: [San Francisco Community Land Trust](#)  
 Project Name and Address: [3975 24<sup>th</sup> Street](#)



Constructed in 1905, the two-story property has two one-bedroom units, one studio unit, and two commercial units. The building has a rear yard, where the current tenants maintain a collective garden. The property has two commercial units that are rented by one commercial tenant; one space is used as an art gallery and the other as an art studio. The art studio provides classes to local residents and will explore 501(c)(3) certification with SFCLT's assistance, which would enable SFCLT to access a welfare tax exemption for the studio. To support the Project's acquisition, the commercial tenant has agreed to sign two 20-year leases, one for each of the commercial units. After acquisition and as a part of the rehabilitation scope, SFCLT will add a studio accessory dwelling unit ("ADU") in the basement of the building.

While the Sponsor sought to leverage MOHCD funds with an additional loan from LISC under its Preservation Loan Program, underwriting constraints related to the Bay's Future Fund limited available debt to \$575,000 which would have pushed the needed SSP subsidy beyond program limits. With a 7-year loan term, the LISC loan would also need to be taken out by another loan product at that time, which would incur additional costs related to loan closing. Instead, the Project will use MOHCD PASS debt, which allows it to leverage more hard debt than LISC could offer and allows subsidy to stay within MOHCD SSP program limits.

#### Background:

3975 24<sup>th</sup> Street sits mid-block, across from Whole Foods Market, in a highly desirable Noe Valley location. While the Project was owned by the same owner for years, with whom tenants had a good relationship, the tenants are now at high risk of displacement. After the owner passed away, the tenants noticed the new owner was taking steps to sell the building by making cosmetic repairs and by referencing to a potential Tenancy in Common ("TIC") conversion to compensate for the low existing rents. Based on recent data from Impact Realty, buildings in District 8 are more likely to be at-risk for TIC conversion than any other district in the City. The residents proactively sought acquisition of their building under the Small Sites Program, contacting SFCLT, MOHCD, and their District Supervisor.

The building is 100% occupied and includes low-income tenants. All households are long-term San Francisco residents. The building achieves an average household income of 49% AMI and an average rent of 54% of AMI. All tenants have income certified. The addition of the ADU, which will be underwritten at a rent of 80% AMI, will result in an estimated average household income of 56% of AMI and an average rent of 60% AMI.

Applicant:

San Francisco Community Land Trust

Project Name and Address:

3975 24<sup>th</sup> Street



Since the commercial tenant occupied the Project in 2020, the commercial spaces have become a community hub offering regular classes to adults and children. The commercial tenant has made a long-term commitment to the Project and to the community, enthusiastically agreeing to sign a 20-year lease for each space before loan closing. For more on the commercial space, please see **Section 6.6**.

The Project is in fair condition with a significant amount of deferred maintenance. The anticipated rehabilitation scope includes voluntary seismic upgrades, repair and seismic strengthening of the wood deck, roof replacement, exterior and interior paint, window replacement, mold remediation, residential unit improvements, and construction of a studio ADU in the rear basement.

The total development cost is \$4,005,000 (\$667,500/unit). The PASS Program allows the Project to leverage \$950,000 (\$158,333/unit) in PASS senior debt, which is nearly \$400,000 more in senior debt than LISC was able to provide. The Project is requesting \$3,055,000 (\$509,167/unit) in SSP soft debt. This is in line with SSP Program Guidelines, which permit a request of \$3,055,000 based on the Project's score on the scoring rubric.

## 2. PRINCIPAL DEVELOPMENT ISSUES

**Procurement Challenges.** The rehabilitation cost for 3975 24<sup>th</sup> Street is approximately \$1.7M, including contingencies. SFCLT recently experienced challenges with securing adequate bid coverage for a larger scattered sites project, resulting in higher-than-estimated bids and only one complete bid. There is a concern that this project will run into similar procurement challenges, given its small project size and contract value. To mitigate this challenge, SFCLT will confer with MOHCD on a strategy for procurement outreach as a condition of this loan.

**Closing Date.** The Project went into contract on July 21, 2023, with an estimated closing date of November 20, 2023. The closing date will need to be extended to the beginning of January which may be difficult, given the Seller's desire for a quick sale. SFCLT is discussing closing extensions with the Seller and will remove financing contingency by December 4<sup>th</sup>, following Loan Committee approval, to provide assurance to the Seller that the transaction is moving forward.

**Commercial space.** The two commercial spaces are rented by one tenant, who uses one space as an art studio and one space as an art gallery. The tenant is committed to the Project and will sign a 20-year lease for each of the 2 commercial spaces. However, the PASS loan has a 40-year

Applicant: [San Francisco Community Land Trust](#)  
Project Name and Address: [3975 24<sup>th</sup> Street](#)



term, and the current tenants may not be able to or want to renew their 20-year lease at the end of its term. The two spaces are both legal and separately metered, allowing them to be leased to two separate tenants. While having two commercial units in a Small Sites building that provides over 50% of the Project's income presents an element of risk, the surrounding neighborhood is marketable and has low commercial vacancy. To further address concerns around the commercial spaces, execution of the commercial leases and a commercial space plan will be required as a condition of close. For more on the commercial spaces, see **Section 6.6**.

### 3. **BORROWER/GRANTEE PROFILE**

San Francisco Community Land Trust (SFCLT) is a nonprofit organization whose mission is to create permanently affordable housing for low to moderate-income people through community ownership of land. Guided by the principles of anti-displacement and racial justice, SFCLT stabilizes neighborhoods, and creates greater access to housing and home ownership opportunities with a focus on BIPOC communities previously excluded from access to wealth, and, in particular, access to homeownership.

#### **Board of Directors**

SFCLT is governed by a board of 10 directors who represent public membership (4 seats), the community at large-general members (4 seats) and residents of SFCLT buildings – lessee members (4 seats). As of November 2023, 10 seats are occupied and 2 seats are vacant. The Executive Management Committee of SFCLT is as follows:

Board President:	Hope Williams
Vice President:	Shanti Singh
Treasurer:	Francesca Manning
Secretary:	Dom Refurzeo

Other Board members are:

Marquise Mazique – Lessee Members Representative  
 Dom Refurzeo– Lessee Members Representative – Board Secretary  
 Shelah Moody - Lessee Members Representative  
 Hope Williams - General Members Representative - President  
 Francesca Manning Ph.D – General Members Representative – Treasurer  
 Shanti Singh – Public Members Representative - Vice President  
 Antje Steinmuller – Public Members Representative  
 Kyle Smeallie – Public Members Representative  
 Vinita Goyal- General Members Representative  
 Shayna Leibowitz- Lessee Member Representative

Applicant: [San Francisco Community Land Trust](#)  
 Project Name and Address: [3975 24<sup>th</sup> Street](#)



## Experience of Key Staff

Saki Bailey, Executive Director: Saki has a decade of experience in non-profit management and program development roles, as well as in facilitation, teaching, and training. Saki holds a J.D. and a PhD in law and legal theory. Saki is also a licensed attorney and advocates for policies which advance community land trusts and other shared equity housing models. Prior to coming to SFCLT, Saki worked at Bay Area Community Land Trust (BACLt) where she developed experience in real estate acquisition and program management, and in that capacity worked to develop the City of Berkeley's first pilot "Small Sites" project aimed at stopping displacement in smaller buildings between 5-25 units.

Tracy Parent, Housing Director: Tracy Parent has more than 20 years' experience working with affordable housing, community land trusts and housing co-ops. Tracy previously served as SFCLT's Organizational Director from 2011 to 2016; and served on its Board of Directors from 2006 to 2011. She also worked with the Affordable Housing Program of the Federal Home Loan Bank of San Francisco (2007-2011) and as a HUD-certified housing counselor with the Mission Economic Development Agency (2005-2007). Tracy has a master's degree in international public administration and has held a real estate license in California since 2002.

Emily Silagon, Construction Management Director: Emily Silagon, a Bay Area transplant of 12 years, is a licensed architect and a construction project manager. Emily graduated from California College of the Arts in San Francisco and worked for several years in an architectural firm prior to transitioning into the construction management realm. Emily also brings two years of experience in establishing operational standards and building infrastructure for the construction management department at Mosser Companies, where her focus was preparing the company platform for sustainable growth. This balance of industry knowledge and operational prowess will be leveraged to elevate the Construction Management department within SFCLT.

Kristen Villalobos, Associate Acquisitions Director: Kristen first entered the affordable housing arena in 1999, managing an 80-unit Section 42 Tax Credit property. From there, she transitioned into the role of Compliance Specialist, overseeing a portfolio of 25 Tax Credit properties that spanned the West Coast & Alaska. In 2014 she obtained her CA Real Estate license, then joined the fight to reverse displacement as a Sales Agent with IMPACT in 2017. In her prior role at IMPACT, she represented Qualified Non-Profit Affordable Housing providers in the purchase of 260 Units across 24 unique buildings under the Small Sites Program.

Applicant: [San Francisco Community Land Trust](#)  
Project Name and Address: [3975 24<sup>th</sup> Street](#)



**Recent New Acquisitions**

	<b>Name/Location</b>	<b>Status / Year Completed</b>	<b>Total Units</b>
1	1130 Filbert Street, Russian Hill (SSP)	Acquired 2022	4
2	285 Turk Street	2022	42

**3.1 Asset Management Performance & Capacity**

SFCLT’s first acquisition in 2007 was 53 Columbus Avenue, a building of 21 residential units and 1 commercial ground floor unit. The 53 Columbus project was stabilized by SFCLT in 2011 and has been consistently cash flow positive for the last ten years. The 53 Columbus project exemplifies SFCLT’s mission of empowering low-income tenants with control and ownership of their housing through conversion to Housing Co-operatives.

Since the completion of eight (8) Small Site acquisitions in the period 2015- 2017, SFCLT has been working on stabilizing the buildings. The first priority of this stabilization has been the completion of major renovations focused on health and safety concerns, including, seismic retrofits in all buildings. The renovation program will be completed for all buildings acquired under SSP by the end of 2023. The second priority is lease-up all vacant units. Asset Management has worked diligently with MOHCD to streamline the process and procedures for the lease-up of SSP properties, including establishing a First-Come First-Serve marketing plan for 2976 23<sup>rd</sup> Street. These efforts have helped reduce SSP project vacancies in SFCLT’s portfolio.

In early 2022 SFCLT acquired 2 buildings – the 42-unit 285 Turk building in the Tenderloin (outside of the Small Sites Program), and the 4-unit building 1130 Filbert in Russian Hill.

In the past three years, SFCLT contracted with an auditing firm with experience with SSP and MOHCD financing. The Annual Monitoring Reports from SSP properties have been delivered to MOHCD on time.

**SFCLT Asset Management Goals:**

- Increase revenue consistent with SFCLT affordable housing mission.
- Reduce operating costs and expenses including debt service.
- Ensure long-term capital needs of the property are addressed through an up-to-date Capital Needs Plan.



- Ensure there is sufficient capacity available to the organization to scale and operate an expanded portfolio.

**Asset Management Plan:**

- Build on the successful experience of the asset management of 12 buildings over the last 5 years.
- Develop and implement a recapitalization plan for the portfolio to reduce debt service and release equity from the buildings. This work has started, with five buildings refinanced as of October 2023.
- Leverage the experience of Board members in tenant engagement and communication.
- Implement waitlists for all Small Site buildings.
- Ensure annual rent increases for Small Sites are implemented at a rate of between 2 to 3.5%.
- Implement the recommendations of each building Capital Needs Assessment study. Ensure every 7 years a new study is undertaken.
- Look at opportunities to bring in new revenue by adding or expanding units through an ADU program.

**3.2 Development Experience.**

SFCLT has successfully completed the rehab of 70 units in 9 buildings acquired with the assistance of MOHCD since 2015. SFCLT has 71 units in 3 buildings acquired with private funding.

	Developed	Owned
No. Projects	12	12
No. Units/Bdrms	141	141

**3.3 How Selected.**

**Small Sites Program Funding**

A Notice of Funding Availability (“NOFA”) was published on July 24, 2014 to provide acquisition and rehabilitation financing for multi-family rental buildings of 5 to 25 units. The NOFA established a fund to help stabilize buildings that are occupied by low- to moderate-income tenants throughout San Francisco that are particularly susceptible to market pressure resulting in property sales, evictions, and rising tenant rents.

Revised guidelines for the SSP Program were published in November 2022. A scoring rubric was developed as a part of the guideline update to prioritize sites achieving a minimum of 70 points, which demonstrates that the site meets most of the core goals of the SSP Program, including community stabilization and housing affordability goals. 3975 24<sup>th</sup> Street scored 96/100 points,

Applicant: [San Francisco Community Land Trust](#)  
 Project Name and Address: [3975 24<sup>th</sup> Street](#)



indicating that this is a priority project for the City with vulnerable residents at risk of eviction in a geographically underserved district.

SSP Scoring Rubric Score: 3975 24<sup>th</sup> Street

Category	Points
Housing Affordability	35/35
Community Stabilization	35/35
Geographic Equity (D8)	26/30
<b>Total</b>	<b>96/100</b>

### **Preservation and Seismic Safety Program (PASS)**

The Preservation and Seismic Safety Program (PASS) provides low-cost and long-term financing to fund seismic retrofits, as well as the acquisition, rehabilitation, and preservation of affordable multi-family housing. The Program was created to complement the City's anti-displacement and preservation strategy, including the Small Sites Program. PASS was initially funded by repurposing \$261 million in underutilized bond authority funds from the 1992 Seismic Safety Loan Program. \$72 million was funded in the first issuance of the PASS program in February 2019. The second issuance of \$103 million took place in December 2020. The Project is considered an eligible property under Section 2.1 of the PASS Program Regulations, and the Sponsor is considered an eligible borrower under Section 2.2 of the PASS Program Regulations.

## **4. SITE**

### **4.1 Brief Site Description.**

Located in the Noe Valley neighborhood between Noe and Sanchez Streets, 3975 24<sup>th</sup> Street is a two-story building with three residential units, including two one-bedroom units and one studio unit, and two commercial units. SFCLT intends to add an ADU studio unit post-acquisition, for a total of four residential units. Built in 1905, the building has a total of 2,619 sf on a 2,953 sf lot. The building has 2,055 residential sf and 564 commercial sf.

### **4.2 Site Characteristics.**

1. Address, Lot/Block: 6508 / 028A
2. Lot Square footage: 2,953 sf
3. Building age: 1905
4. Number of buildings: 1
5. Number of floors: 2
6. Building typology: Flat & Store 4 units or less; wood or steel frame

Applicant: [San Francisco Community Land Trust](#)  
 Project Name and Address: [3975 24<sup>th</sup> Street](#)





7. Unusual characteristics (including surrounding uses): None
8. Recently completed rehab work: None

#### **4.3 Environmental Issues/Site Suitability.**

Phase I/II Site Assessment Status and Results: A Phase I Environmental Site Assessment report was prepared by Partner Engineering and Science, Inc. on August 17, 2023. The Phase I did not identify any recognized, controlled, or historical environmental conditions during its assessment. Due to the age of the building, the report suggested the possibility of asbestos-containing materials ("ACMs") and lead-based paint ("LBP") onsite. A Phase II was not recommended.

Potential/Known Hazards: A Phoenix Environmental Consulting, LLC report, dated August 9, 2023, detailed the results of a visual inspection without bulk sample testing. Exterior suspect materials include shing sheet roofing material; mastic and tar; and transite siding and transite flue. Interior suspect materials include plaster with skim coat; sheet vinyls; wallboard with joint compound; and texture 1.

An Environmental Lead Detect, Inc. report, dated August 8, 2023, detailed the results of LBP testing of the Project's exteriors areas, common areas, and all units. LBP was identified in all tested areas. Remediation of asbestos and lead-containing materials is recommended, but at the very least an Operations & Maintenance Program will be required as a condition of this loan. See **Section 10.2** for Loan Conditions.

## **5. ENTITLEMENTS**

### **5.1 Zoning**

The Project is zoned NCD – 24<sup>th</sup> Street-Noe Valley Commercial and is in the 40-X Height and Bulk District. The rehabilitation work will include the addition of an ADU in the rear basement space, but neither the rehabilitation work nor the addition of the ADU will change the use, height, or bulk of the building. ADUs are permitted under Section 207 of the Planning Code.

### **5.2. Local/Federal Environmental Review.**

Staff expects the project to fall within the Categorical Exemption 1 - Existing Facilities under CEQA. SFCLT will be required to obtain a formal Planning Department determination when the project requires Planning Department permitting for the ADU.

Applicant: [San Francisco Community Land Trust](#)  
Project Name and Address: [3975 24<sup>th</sup> Street](#)



### 5.3 Article 34 Authority.

The MOHCD approval letter is pending and will be issued prior to closing.

### 5.4 Resident/Community Support.

The residents have been very supportive of SFCLT acquiring the Project and were instrumental in organizing to provide support for SFCLT's acquisition of 3975 24<sup>th</sup> Street. Residents launched a campaign to drum up support for the acquisition, contacting their Supervisor and MOHCD. All residents have income certified.

## 6. DEVELOPMENT PLAN

### 6.1 Site Control.

Purchase Price: \$1,650,000

Status of Purchase & Sale Contract: Ratified

P & S Contingencies: Inspection and appraisal contingencies have been removed; finance contingency has not yet been lifted.

Hard Closing Date and other deadlines: COE scheduled for 11/20/23 per contract. Internally, SFCLT plans to extend to at least 1/11/24, though this has not been officially extended.

### 6.2 Appraisal.

3975 24<sup>th</sup> Street was appraised by Golden Gate Appraisal Inc. on August 30, 2023. The value conclusions are:

As-Is Value with Actual In-Place Rents	\$1,650,000
Hypothetical As-Complete Value with Actual In-Place Rents	\$1,730,000
Hypothetical Stabilized Value with Market Rents	\$2,000,000
Hypothetical Value with MOHCD Guideline Restricted Rents	\$1,850,000

### 6.3 Title Issues.

There are six Notices of Liens on the preliminary title report, dated July 13, 2023. All six liens are for delinquent refuse collection service and were recorded by the San Francisco Department of Public Health, Environmental Health, Solid Waste Program. Release of the six liens is required as a condition of close. **See Section 10.1, Loan Conditions.**



#### 6.4 Property Ownership Structure.

SFCLT will own fee title to the land and the improvements of the subject property.

#### 6.5 Proposed Rehab Scope.

1. Foundations/Structural: Wood frame construction over brick and concrete continuous foundations is in fair condition. Voluntary Seismic Retrofit to strengthen the crawl space and basement shear, to replace foundation that is cracking or deteriorating, and to add shear value to the soft story condition at the Commercial Space.
2. Electrical system: Main service is 200 amps with 6 meters. Service is adequate, rehab scope includes minor electrical work to address non-grounded receptacles and the lack of receptacles in the kitchens.
3. Roof: Built-up tar and gravel roof is approximately 18-20 years old. Rehab will include roof replacement.
4. Exterior Structures: Rear wood deck and stairs will be repaired where wood is deteriorating. Seismic strengthening of the deck to be included in the structural design and permit.
5. Exterior: Wood board siding on west/east/south façade and cement stucco on north façade will be repaired. Rehab to include an exterior repaint, with repairs to any deteriorating siding or trim elements.
6. Windows: Window frames show signs of moisture damage and need repair or replacement. Single-pane windows to be replaced to improve moisture control and to address water intrusion and mold issues.
7. Interiors: Interior paint of common area stairwell is needed. Deteriorating rear egress door threshold will also be repaired.
8. Other: Mold has been identified on the window frames and walls within Unit #1. Further mold testing to be performed after acquisition will determine if there is any mold growth within the wall cavities.
9. Unit Renovations: All three units will be renovated as part of the rehabilitation scope. Unit renovations may vary slightly by unit, but include kitchen refurbishment, replace kitchen flooring, upgrade light fixtures, interior patch and repaint throughout, repair grout in bathroom floors, replace non-functional bathroom fans, replace outdated bathroom sink and fixtures, electrical modifications to include GFCI and grounded outlets, and refinish wood floors.
10. ADU: Construction of a 350 sq ft studio unit is proposed in the rear basement space, pending approval from Planning and Building Departments. Includes sprinklers of ground floor and egress route, additional electrical meter, and possible modifications to the existing egress routes for residential units.

Applicant:

San Francisco Community Land Trust

Project Name and Address:

3975 24<sup>th</sup> Street



## **6.6 Commercial Space.**

There are two commercial units totaling 564 sf. Unit 3977A is 318 sf, and Unit 3977B is 246 sf. The units are separately metered and are currently being rented by one tenant. The current units are in average condition and will not receive in-unit renovations as part of the rehabilitation scope. However, bathroom and unit repair as well as maintenance expenses are included in the Capital Needs Assessment.

The current tenant has occupied both spaces since November 2020 and is paying \$3,700/month (\$44,400/year) for the two units. Though the rent is market rate, the lease is not Triple Net. The previous tenants included a retail store and a locksmith. The tenant is on a month-to-month lease agreement. As a MOHCD condition to close, the tenant will sign a 20-year lease for each of the commercial spaces at the same rate of rent, with permitted annual rent increases of 2-3.5%. SFCLT will pay commercial operating expenses, property insurance, and property taxes for the two units. When appraising the property, Golden Gate Appraisal Inc. looked at comparable commercial rents in the neighborhood, concluding that at \$6.20/sf/month the commercial rent at 3975 24<sup>th</sup> Street was considered market rate. Market rate for comparable commercial units ranged from \$5/sf/month to \$9/sf/month, but these may also be Triple Net leases. If the commercial tenant vacates the units, SFCLT expects to lease the units to new commercial tenants. Because two of the six units are commercial units, and because over 50% of the monthly income is from the commercial spaces, MOHCD would like to mitigate potential loss in the unexpected event that the commercial spaces are vacated earlier than the 20-year lease term. Therefore, as a loan condition, SFCLT will be required to submit a commercial space marketing plan that includes, at minimum, a plan for unanticipated vacancies, rent setting strategy, and marketing strategy by close.

## **6.8 Population to Be Served**

The tenants are all long-term, low-income, and self-employed individuals. The commercial tenant is an art studio and gallery that provides art classes to children and adults in the community.

## **6.9 Proposed Unit Mix & Affordability**

Household incomes at the Project range from 27% to 75% of AMI; the average AMI is currently 49% and all households have income certified. The rent on one unit will be increased to at least a 20% rent burden level to comply with SSP Guidelines. The Project qualifies for the program with at least 66% of the Project (ie. three of four households) earning an average income at or below 80% AMI. The rent for the vacant unit will be set at 80% AMI upon completion. Any future vacant units will be restricted to households earning 120% AMI or less.

Applicant: [San Francisco Community Land Trust](#)  
Project Name and Address: [3975 24<sup>th</sup> Street](#)



**6.10 Marketing & Occupancy Preferences.**

The Project is subject to MOHCD's marketing procedures and will, at construction completion, be marketed according to multifamily marketing procedures. These units will be subject to the Certificate of Preference Program, the Displaced Tenant Housing Preference Program, and the Live/Work in San Francisco preference. SFCLT will market vacancies to the San Francisco Housing Authority for acceptance of Section 8 and VASH vouchers.

**6.11 Relocation.**

The Borrower anticipates the need for \$65,000 in relocation funding to move three households off-site for three months. This is based off recent relocation comparables for other SFCLT SSP projects. See below for anticipated costs for relocation.

Item	Cost	Quantity	Total
2 way moving costs + packing / haul	\$5,300	3 households	\$15,900
Rent during ADU + Unit Renovation	\$3,500/month	2 households * 3 months 1 household * 4 months	\$35,000
Storage and Other Expenses	\$1,100	3 households	\$3,300
Relocation Consulting - Relocation plan, consulting, Implementation Services	\$7,000		\$7,000
Commercial Rent during Construction	\$3,700	1 month	\$3,700
		<b>Total</b>	<b>\$64,900</b>

**6.12 Accessibility.**

All residential units are accessed by stairs and are not accessible. The commercial spaces don't have stairs.

**6.13 Performance Schedule.**

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
1	SSP Financing Commitment	<u>12/1/2023</u>	
2.	Site Acquisition	1/11/2024	11/20/2023

Applicant: [San Francisco Community Land Trust](#)  
 Project Name and Address: [3975 24<sup>th</sup> Street](#)



3.	Close MOHCD Loans	1/11/2024	1/11/2024
4.	Design	2/11/2024	
5.	Permits		
a.	Building Permit Application Submitted	5/1/2024	
5.	Submit Bid Package for MOHCD Approval	7/1/2024	
6.	General Contractor Selection	<u>9/1/2024</u>	
7.	Construction		
a.	Notice to Proceed	11/1/2024	
b.	Complete Construction	10/1/2025	
8.	Marketing & Lease-up	10/1/2025	
a.	Lease Vacant Unit	12/1/2025	

**7. DEVELOPMENT TEAM**

**7.1 Project Manager.**

Name: Emily Silagon

Percentage Time Spent on Project: 15%

**7.2 Architect.**

Firm: Architect will be procured through CMD-approved bidding process.

Brief Description of Scope of Work: Scope of work will include design and permitting of 350 sf ADU in the basement of the building. The Architect will engage all consultants needed to complete the design and permitting.

**7.3 Contractor.**

Firm: Contractor will be procured through CMD-approved bidding process.

Procurement Requirements: Prevailing wage and LBE

**7.4 Other Consultants.** Other consultants will be procured through CMD bidding process, as necessary.

**7.5 Property Manager.**

Applicant: [San Francisco Community Land Trust](#)  
 Project Name and Address: [3975 24<sup>th</sup> Street](#)



Firm: Kalco Properties

Has property manager participated in the Small Site program previously? Yes  
 Kalco Property Management will serve as the property manager of 3975 24<sup>th</sup> Street. Kalco manages over 750 affordable housing units across San Francisco and has been in the industry for over 40 years. Kalco manages most properties in SFCLT's portfolio.

**8. FINANCING PLAN**

**8.1 Sources and Uses** (attached)

Sources	Interest Rate	Amount
PASS market rate	3.87289%	\$578,550
PASS below market rate	0.95763%	\$319,200
PASS deferred	0.95763%	\$52,250
<b>Total PASS Funding (2016 GO Bond Series 2020C)</b>	<b>2.47201%</b>	<b>\$950,000</b>
<b>Total SSP Funding (Housing Stability Funds)</b>	<b>3.00%</b>	<b>\$3,055,000</b>
<b>Total Funding</b>		<b>\$4,005,000</b>

After the acquisition, the PASS loan will be structured as interest-only until the Project completes construction (both rehabilitation of the existing three units and construction of the new ADU) and the Project is fully leased up. At that milestone, the PASS loan will convert to a 40-year fully amortizing loan with monthly annual debt payments. This is a slightly different structure than what is contemplated in the PASS regulations, which have separate construction interest only and permanent amortizing loan structures outlined instead of the construction to permanent loan structure planned for this transaction. **Thus, the Project is also seeking an exception from PASS regulations from the MOHCD Director, in consultation with the Loan Committee.**

1. SSP Term: 40 years from closing.
2. PASS Term: 40 years from full lease up of the Project.
3. DSCR: At least 1 during Rehabilitation and ADU Construction (Years 1 and 2) and 1.15 thereafter through the first 20 years.
4. SSP Repayment: Residual receipts
5. PASS Repayment: The market-rate and below-market rate loans require monthly payments and are fully amortized over the term; the deferred loan requires a balloon payment at maturity.
6. SSP Priority: Subordinate to senior financing and the City's Declaration of Restrictions
7. PASS Priority: Senior, in first position, but will subordinate to the City's Declaration of Restrictions.

Applicant: [San Francisco Community Land Trust](#)  
 Project Name and Address: [3975 24<sup>th</sup> Street](#)



## 8.2 Development Budget

### Development Budget Analysis/Comments

1. Sufficiency of Reserves
  - a. Replacement Reserves: Capitalized replacement reserves in the amount of \$60,000 are budgeted to meet the SSP Guidelines that require the higher of \$2,000 per unit or the amount necessary to pay replacement costs for the next 20 years, as specified in an approved CNA. Replacement reserves are projected to be funded through Year 20, when a cash-out refinancing event is anticipated. This cost meets SSP Guidelines.
  - b. Operating Reserves: Capitalized operating reserves in the amount of \$25,105 are budgeted to supported unanticipated operating costs for at least 20 years. This cost is 25% of the first year operating budget, including hard debt service payments. This cost meets SSP Guidelines.
  - c. Commercial Vacancy Reserves: Commercial vacancy reserves in the amount of \$12,820 are budgeted to support any unanticipated operations period vacancy. The capitalized reserves are sized based per MOHCD's Commercial Underwriting Guidelines at \$10,000 plus \$5/sf ( $\$10,000 + 564 \text{ sf} * \$5/\text{sf} = \$12,820$ ) for operations period vacancy.
2. Developer Fee: In line with SSP Guidelines, SFCLT will receive a total of \$168,000 in developer fee. \$105,000 will be payable at acquisition, and \$63,000 will be payable once the Project's rehabilitation and ADU construction are complete and the Project is fully leased. \$63,000 is the sum of \$10,000 per 5 existing units and \$13,000 for the ADU, as permitted by the SSP Guidelines.
3. Construction Management Fee: The Construction Management Fee is \$30,000, in line with SSP Guidelines.

## 8.3 Disbursement

This request includes both the acquisition and rehabilitation portions of the Project. Funds associated with the acquisition of the Project will be released at close of escrow. All other funds will be released on a reimbursement basis through MOHCD's standard draw process.

SFCLT has been incurring costs for the Project since May 1, 2023, when it began contracting for due diligence work. Thus, with this approval, SFCLT may submit draws for reimbursement of invoices related to the Project dated on or after May 1, 2023. A MOHCD Construction Manager will monitor the progress of the rehabilitation and provide approval for construction-related draws.

Applicant: [San Francisco Community Land Trust](#)  
 Project Name and Address: [3975 24<sup>th</sup> Street](#)





## **9. PROJECT OPERATIONS**

### **9.1 Annual Operating Budget (attached)**

### **9.2 Annual Operating Budget Analysis/Comments.**

#### Commercial Operating Budget Analysis/Comments.

1. PUPY Operating Expense: (w/out reserves and fees): \$7,675
2. Annual Reserve Deposits: \$800 per SSP Underwriting Guidelines of \$400/PUPY for a building with <10 units.
3. Property Taxes: \$6,904 is budgeted to support anticipated real estate taxes for the commercial spaces.

#### Residential Operating Budget Analysis/Comments.

1. PUPY Operating Expense: (w/out reserves and fees): \$9,970. The PUPY Operating Expense is in line with similar properties.
2. Annual Reserve Deposits: \$1,600 per SSP Underwriting Guidelines of \$400/PUPY for a building with <10 units.
3. Property Taxes: The residential units in the Project are anticipated to be welfare tax exempt. SFCLT is budgeting \$10,210 for real estate taxes for both the exempt units and commercial spaces.
4. Surplus Cash: \$2,338 in Year 1 and \$5,586 in Year 3 (stabilized post-Rehabilitation and ADU Construction).
5. Annual Monitoring Fees: \$5,000 (\$2,500 for loan servicing and \$2,500 for monitoring) per PASS Program Regulations.

### **9.3 20-year Cash Flow (attached)**

1. Does Cash Flow Remain Positive for 20 years? Yes
2. Income Assumptions: 2.5%
3. Commercial vacancy for the Project has been reduced from SSP Guidelines requirement of 20% to 10%, based on the long-term lease that will be signed for both commercial spaces by construction closing, the tenant's performance during and post-pandemic, the marketability of the neighborhood, and the neighborhood's low commercial vacancy rate.
4. Expense Assumptions: 3.5%
5. Replacement Reserve Analysis: Replacement reserves are funded through Year 20.
6. DSCR: DSCR is above 1 in Years 1 and 2. The DSCR is 1.15 starting in Year 3 and steadily rises, hitting its maximum DSCR in Year 19. The DSCR falls to 1.15 in Year 20, with an anticipated cash-out refinance.
7. Refinancing Plan: SSP Underwriting Guidelines offer conservative underwriting parameters, including a 1.15 DSCR and a 10% vacancy loss assumption, to support the

Applicant:

San Francisco Community Land Trust

Project Name and Address:

3975 24<sup>th</sup> Street



Project through at least Year 20. Operating and replacement reserves are projected to be funded through Year 20 of the Project's lifecycle, ensuring that refinancing should not be required until at least that time.

## **10. STAFF RECOMMENDATIONS**

**Staff recommends the amount and terms of the financing plan outlined in Section 8.1.**

### **10.1 Recommended Closing Conditions**

1. SFCLT to provide evidence that six outstanding Notices of Liens have been resolved prior to closing.
2. SFCLT to provide executed commercial leases prior to closing.
3. SFCLT to provide a commercial space plan that will, at a minimum, address a plan for unanticipated vacancies, rent setting strategy, and marketing strategy prior to closing.

### **10.2 Recommended Loan Conditions.**

1. All reserve accounts must be established in separate interest-bearing accounts. Reserve accounts must be established by loan closing, and reserve funds will be directly deposited into the accounts at close through escrow.
2. If existing lead and asbestos are not abated as part of the rehabilitation scope, SFCLT will provide an O&M Program for the management of any suspected or confirmed lead-based paint or asbestos containing materials that remain onsite.
3. SFCLT will hold monthly construction update meetings with MOHCD staff regarding the progress of the rehabilitation and ADU construction.
4. SFCLT will be required to obtain formal Planning Department determination if the Project requires Planning Department approval of permits.
5. Any Welfare Tax Exemption refunds must be deposited into the Project's replacement reserves no later than 60 days after the funds are received by SFCLT.
6. No later than 30 days after loan close, SFCLT will confer with MOHCD on a strategy for procurement outreach.

#### **Attachments:**

- Exhibit A. Sources and Uses
- Exhibit B. Annual Operating Budget
- Exhibit C. 20-Year Cash Flow

Applicant: [San Francisco Community Land Trust](#)  
Project Name and Address: [3975 24<sup>th</sup> Street](#)



**LOAN APPROVAL RECOMMENDATION**

APPROVE.       DISAPPROVE.

\_\_\_\_\_  
Eric D. Shaw, Director  
Mayor's Office of Housing and Community Development

Date: \_\_\_\_\_

APPROVE.       DISAPPROVE.

\_\_\_\_\_  
Thor Kaslofsky, Executive Director  
Office of Community Investment and Infrastructure

Date: \_\_\_\_\_

APPROVE.       DISAPPROVE.

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

Date: \_\_\_\_\_

APPROVE.       DISAPPROVE.

\_\_\_\_\_  
Anna Van Degna, Director  
Controller's Office of Public Finance

Date: \_\_\_\_\_

## REQUEST FOR ACQUISITION REHAB FUNDING FOR 3975 24TH STREET

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

Fri 12/1/2023 11:30 AM

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

I 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

## Request for Acquisition Rehab Funding for 3975 24th Street

Slutzkin, Marc (CII) <marc.slutzkin@sfgov.org>

Fri 12/1/2023 11:49 AM

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

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

Hi Vanessa,

I approve the above request on behalf of OCII.

Thanks

Marc



**Marc Slutzkin**  
**Deputy Director**

---

📍 One South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103

🏠 [www.sfocii.org](http://www.sfocii.org)

## San Francisco Community Land Trust request

Menjivar, Salvador (HOM) <salvador.menjivar1@sfgov.org>

Thu 12/14/2023 4:28 PM

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

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

I support the San Francisco Community Land Trust requests for up to \$3,055,000 in Small Sites Program (SSP) funding and

\$950,000 in Preservation and Seismic Safety Program (PASS) funding for acquisition and rehab for the property located at 3975 24th Street in the Noe Valley neighborhood.



Salvador Menjivar

Director of Housing

*Pronouns: He/Him*

San Francisco Department of Homelessness and Supportive Housing

[salvador.menjivar1@sfgov.org](mailto:salvador.menjivar1@sfgov.org) | 415-308-2843

Learn: [[dhsh.sfgov.org](https://dhsh.sfgov.org)][hsh.sfgov.org](https://hsh.sfgov.org) | Follow: [@SF\\_HSH](https://twitter.com/SF_HSH) | Like:

[@SanFranciscoHSH](https://twitter.com/SanFranciscoHSH)

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**Re: REQUEST FOR ACQUISITION REHAB FUNDING FOR 3975 24TH STREET**

Trivedi, Vishal (CON) <[vishal.trivedi@sfgov.org](mailto:vishal.trivedi@sfgov.org)>

Fri 12/1/2023 11:29 AM

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

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

I vote Yes.

Thanks!

**Vishal Trivedi** | Financial Analyst  
Office of Public Finance | City & County of San Francisco  
Email | [vishal.trivedi@sfgov.org](mailto:vishal.trivedi@sfgov.org)

# Exhibit A. Sources and Uses

MOHCD Proforma - Permanent Financing Sources Uses of Funds

Application Date: 5/1/23 # Units: 6 Small Sites Project  
 Project Name: 3975 24th St. # Bedrooms:   
 Project Address: 3975 24th Street # Beds:   
 Project Sponsor: San Francisco Community Land Trust  
 Don't forget to fill in D135-D138!

SOURCES	3,055,000	562,716	310,464	50,820	-	-	Total Sources	3,979,000	Comments

USE:	Name of Source:	MOHCD/OCI	PASS-MR	PASS-BMR	PASS-Deferred				
	Perm loans total:	3,617,716							

ACQUISITION									
Acquisition cost or value	726,000	562,716	310,464	50,820			1,650,000		3617715.775
Legal / Closing costs / Broker's Fee	20,000						20,000		
Holding Costs							0		
Transfer Tax	0						0		
<b>TOTAL ACQUISITION</b>	<b>746,000</b>	<b>562,716</b>	<b>310,464</b>	<b>50,820</b>	<b>0</b>	<b>0</b>	<b>1,670,000</b>		

CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab	715,000						715,000		Include FF&E
Commercial Shell Construction							0		
Demolition							0		
Environmental Remediation							0		
Drainage Improvements/Landscaping							0		
Offsite Improvements							0		
Infrastructure Improvements	520,000						520,000		HOPE SF/OCI costs for streets, etc.
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes							0		0.0%
GC Overhead & Profit	247,000						247,000		16.7%
GC General Conditions							0		9.0%
Sub-total Construction Costs	1,482,000	0	0	0	0	0	1,482,000		
Design Contingency (remove at DD)							0	\$45MM+	0.0%
Bid Contingency (remove at bid)							0	\$45MM+	0.0%
Plan Check Contingency (remove/reduce during Plan Review)							0	\$45MM+	0.0%
Hard Cost Construction Contingency	222,300						222,300		5% new construction / 15% rehab
Sub-total Construction Contingencies	222,300	0	0	0	0	0	222,300		15.0%
<b>TOTAL CONSTRUCTION COSTS</b>	<b>1,704,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,704,300</b>		

SOFT COSTS									
Architecture & Design									
Architect design fees	25,000						25,000		See MOHCD AXE Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)	10,000						10,000		
Architect Construction Admin							0		
Reimbursables							0		
Additional Services							0		
Sub-total Architect Contract	35,000	0	0	0	0	0	35,000		
Other Third Party design consultants (not included under Architect contract)							0		Consultants not covered under architect contract; name consultant type and contract amount
<b>Total Architecture &amp; Design</b>	<b>35,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,000</b>		
Engineering & Environmental Studies									
Survey	6,525						6,525		
Geotechnical studies							0		
Phase I & II Reports	2,500						2,500		
CEQA / Environmental Review consultants							0		
NEPA / 108 Review							0		
CNA/PNA (rehab only)	8,105						8,105		
Other environmental consultants	5,360						5,360		Name consultants & contract amounts
<b>Total Engineering &amp; Environmental Studies</b>	<b>22,490</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,490</b>		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee							0		
Construction Loan Interest							0		
Title & Recording							0		
CDLAC & CDAC fees							0		
Bond Issuance Fees							0		
Other Bond Cost of Issuance							0		
Other Lender Costs (specify)							0		
Sub-total Const. Financing Costs	0	0	0	0	0	0	0		
Permanent Financing Costs									
Permanent Loan Origination Fee	15,000						15,000		
Credit Enhance. & Appl. Fee							0		
Title & Recording	7,500						7,500		
Sub-total Perm. Financing Costs	22,500	0	0	0	0	0	22,500		
<b>Total Financing Costs</b>	<b>22,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>22,500</b>		
Legal Costs									
Borrower Legal fees	5,000						5,000		
Lend/Len/CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel							0		
Permanent Lender Counsel	15,000						15,000		
Other Legal (specify)							0		
<b>Total Legal Costs</b>	<b>20,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,000</b>		
Other Development Costs									
Appraisal	7,500						7,500		
Market Study							0		
Insurance	20,000						20,000		
Property Taxes	29,205						29,205		1.5 year of capitalized property taxes
Accounting / Audit							0		
Organizational Costs							0		
Entitlement / Permit Fees	28,600						28,600		
Marketing / Rent-up	1,700						1,700		
Furnishings							0		\$2,000/unit; See MOHCD UIW Guidelines on: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees							0		
TCAC App / Alloc / Monitor Fees							0		
Financial Consultant fees							0		
Construction Management fees / Owner's Rep	30,000						30,000		
Security during Construction							0		
Relocation	65,000						65,000		
Bond and Monitoring Fees	5,000						5,000		
Other (specify)							0		
Other (specify)							0		
<b>Total Other Development Costs</b>	<b>187,005</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>187,005</b>		Total Soft Cost Contingency as % of Total Soft Costs
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	48,320	0	0	0	0	0	48,320		Should be either 10% or 5% of total soft costs.
<b>TOTAL SOFT COSTS</b>	<b>335,315</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>335,315</b>		<b>16.8%</b>

RESERVES									
Operating Reserves	26,065						26,065		
Replacement Reserves	65,500						65,500		
Tenant Improvements Reserves							0		
Interest Reserve	0						0		
Commercial Vacancy Reserve	12,820						12,820		\$10000-\$55/sf (Comm underwriting guidelines)
Other (specify)							0		
<b>TOTAL RESERVES</b>	<b>101,385</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>101,385</b>		

DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones	105,000						105,000		
Developer Fee - Cash-out At Risk	63,000						63,000		
Commercial Developer Fee							0		
Developer Fee - GP Equity (also show as source)							0		
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0		Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0		
<b>TOTAL DEVELOPER COSTS</b>	<b>168,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>168,000</b>		

TOTAL DEVELOPMENT COST									
	3,055,000	562,716	310,464	50,820	0	0	3,979,000		
Development Cost/Unit by Source	595,157	93,786	51,744	8,470	0	0	653,157		
Development Cost/Unit as % of TDC by Source	76.8%	14.1%	7.8%	1.3%	0.0%	0.0%	100.0%		

Acquisition Cost/Unit by Source									
	121,000	93,786	51,744	8,470	0	0	275,000		

Construction Cost (inc Const Contingency)/Unit by Source									
	284,050	0	0	0	0	0	284,050		

Construction Cost (inc Const Contingency)/SF									
	1,389,750								

\*Possible non-eligible GO Bond/COP Amount: 509,167  
 City Subsidy/Unit: 509,167

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

Small Sites									
Combined Loan to Value Ratio:									241%

% of Acquisition Cost by Source									
	44%	34%	19%	3%	0%	0%	100%		

Small Sites Maximum Developer Fee									
	140,000								



# Exhibit B. Annual Operating Budget

**Application Date:** 5/1/2023 **Project Name:** 3975 24th St.  
**Total # Units:** 6 **Project Address:** 3975 24th Street  
**First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):** 2024 **Project Sponsor:** San Francisco Community Land Trust

INCOME	Total	Comments
Residential - Tenant Rents	77,295	Links from 'Existing Proj - Rent Inv' Worksheet
Residential - Tenant Assistance Payments (SOS Payments)	0	
Residential - LOSP Tenant Assistance Payments	0	
Commercial Space	44,400	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Venting	524	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	
<b>Gross Potential Income</b>	<b>122,319</b>	
Vacancy Loss - Residential - Tenant Rents	(7,330)	Vacancy loss is 10% of Tenant Rents
Vacancy Loss - Residential - Tenant Assistance Payments	0	#DIV/0!
Vacancy Loss - Commercial	(4,440)	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
<b>EFFECTIVE GROSS INCOME</b>	<b>110,150</b>	<b>PUPA: 18,358</b>

OPERATING EXPENSES	Total	Comments
<b>Management</b>		
Management Fee	5,328	1st Year to be set according to HUD schedule
Asset Management Fee	7,992	
<b>Sub-total Management Expenses</b>	<b>13,320</b>	<b>PUPA: 2,220</b>

Salaries/Benefits	Total	Comments
Office Salaries	0	Links from 'Staffing' Worksheet
Manager's Salary	0	Links from 'Staffing' Worksheet
Health Insurance and Other Benefits	0	
Other Salaries/Benefits	0	
Administrative Rent-Free Unit	0	
<b>Sub-total Salaries/Benefits</b>	<b>0</b>	<b>PUPA: 0</b>

Administration	Total	Comments
Advertising and Marketing	2,400	
Office Expenses	0	
Office Rent	2,700	\$450 PUPA
Legal Expense - Property	750	
Audit Expense	4,800	\$400 per month
Bookkeeping/Accounting Services	1,200	Income certs
Bad Debts	0	
Miscellaneous	11,850	
<b>Sub-total Administration Expenses</b>	<b>11,850</b>	<b>PUPA: 1,975</b>

Utilities	Total	Comments
Electricity	108	PG&E 60% of \$180 (\$150 annual bill/20%=\$180)
Water	1,917	SFPUC combined, 60% of \$3195 (\$2,662 annual bill/20%=\$3195)
Gas	0	Included above
Sewer	0	
<b>Sub-total Utilities</b>	<b>2,025</b>	<b>PUPA: 338</b>

Taxes and Licenses	Total	Comments
Real Estate Taxes	3,297	\$189
Payroll Taxes	1,500	Rent Registration, LLC, etc.
Miscellaneous Taxes, Licenses and Permits	4,797	
<b>Sub-total Taxes and Licenses</b>	<b>4,797</b>	<b>PUPA: 800</b>

Insurance	Total	Comments
Property and Liability Insurance	6,000	60% of \$10,000 annual premium
Fidelity Bond Insurance	0	
Worker's Compensation	0	
Director's & Officers' Liability Insurance	0	
<b>Sub-total Insurance</b>	<b>6,000</b>	<b>PUPA: 1,000</b>

Maintenance & Repair	Total	Comments
Payroll	0	Links from 'Staffing' Worksheet
Supplies	0	
Contractors	1,320	60% of \$2,200 annual bill
Garbage and Trash Removal	0	Links from 'Staffing' Worksheet
Security Payroll/Contract	0	
HVAC Repairs and Maintenance	5,160	\$200 PUPA Misc. + \$180 (Pest Control) + 150 janitorial service
Vehicle and Maintenance Equipment Operation and Repairs	0	
Miscellaneous Operating and Maintenance Expenses	6,480	
<b>Sub-total Maintenance &amp; Repair Expenses</b>	<b>6,480</b>	<b>PUPA: 1,080</b>

Supportive Services	0	Links from 'Staffing' Worksheet
<b>Commercial Expenses</b>	<b>15,350</b>	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%

**TOTAL OPERATING EXPENSES** 59,822 **PUPA: 9,970**

Reserves/Ground Lease Base Rent/Bond Fees	Total	Comments
Ground Lease Base Rent	0	Provide additional comments here, if needed.
Bond Monitoring Fee	5,000	
Replacement Reserve Deposit	2,400	\$400 PUPA x 6
Operating Reserve Deposit	0	Capitalized
Other Required Reserve 1 Deposit	0	
Other Required Reserve 2 Deposit	0	
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>	<b>7,400</b>	<b>PUPA: 1,233</b>

<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond)</b>	<b>67,222</b>	<b>PUPA: 11,204</b>	Min DSCR: 1.68 Mortgage Rate: 5.00% Term (Years): 30
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>	<b>42,928</b>	<b>PUPA: 7,155</b>	Supportable 1st Mortgage Pmt: 39,383 Supportable 1st Mortgage Amt: 981,182 Proposed 1st Mortgage Amt: \$562,716

DEBT SERVICE/MUST PAY PAYMENTS (Hard debt/amortized loans)	Total	Comments
Hard Debt - First Lender	27,690	PASS-BMR Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% ymrt, or other 2nd L)	9,345	PASS-BMR Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%
<b>TOTAL HARD DEBT SERVICE</b>	<b>37,035</b>	<b>PUPA: 6,173</b>

<b>CASH FLOW (Net minus DEBT SERVICE)</b>	<b>5,891</b>
Commercial Only Cash Flow	24,810
<b>AVAILABLE CASH FLOW</b>	<b>5,891</b>

**USES OF CASH FLOW BELOW (This row also shows DSCR.)** 1.16

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL	Total	Comments
*Below-the-line Asset Mgt fee (uncommon in new projects, see policy)	0	
Partnership Management Fee (see policy for limits)	0	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	0	
Other Payments	0	
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	0	Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)	0	Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt. <= Max Fee from cell I130)	0	Def. Develop. Fee split: 0% Provide additional comments here, if needed.
<b>TOTAL PAYMENTS PRECEDING MOHCD</b>	<b>0</b>	<b>PUPA: 0</b>

<b>RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS)</b>	<b>5,891</b>
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Residual Receipts Calculation	Yes	Project has MOHCD ground lease?	TBD
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Project has MOHCD ground lease?	TBD
Will Project Defer Developer Fee?	No		
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr	33%		
% of Residual Receipts available for distribution to soft debt lenders	67%		

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCI - Soft Debt Loans		\$3,055,000	100.00%
MOHCD/OCI - Ground Lease Value or Land Acq Cost			0.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Total	Comments
MOHCD Residual Receipts Amount Due	3,928	67% of residual receipts, multiplied by 100% - MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.
Proposed MOHCD Residual Receipts Amount to Replacement Reserve	3,928	MOHCD res recs to Res. Res. (RR) until RR balance = 1.5 Original Capitalized RR amt.
<b>REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS</b>	<b>1,964</b>	<b>Total Resid Receipts due not allocated, please revise F142</b>

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

REMAINDER (Should be zero unless there are distributions below)	Total	Comments
Owner Distributions/Incentive Management Fee	1,964	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses	0	
<b>Final Balance (should be zero)</b>	<b>0</b>	



Small Sites Project

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
<b>INCOME</b>	<b>% annual increase</b>	<b>Comments (related to annual inc assumptions)</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	
MOHCD Residual Receipts Amount Due	100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	3,928	649	3,724	4,128	4,526	4,920	5,306	5,686	6,058	6,421
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-	4,128	-	-	5,306	-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			-	-	-	-	-	-	-	-	-	-
Proposed Total MOHCD Amt Due less Loan Repayment			-	-	-	-	-	-	-	-	-	-
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>												
HCD Residual Receipts Amount Due	0.00%	No HCD Financing	-	-	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-	-	-
<b>Total Non-MOHCD Residual Receipts Debt Service</b>			-	-	-	-	-	-	-	-	-	-
<b>REMAINDER (Should be zero unless there are distributions below)</b>			1,964	324	1,862	2,064	2,263	2,460	2,653	2,843	3,029	3,211
Owner Distributions/Incentive Management Fee			1,964	324	1,862	2,064	2,263	2,460	2,653	2,843	3,029	3,211
Other Distributions/Uses			-	-	-	-	-	-	-	-	-	-
<b>Final Balance (should be zero)</b>			-	-	-	-	-	-	-	-	-	-
<b>REPLACEMENT RESERVE - RUNNING BALANCE</b>												
1.5x Original Capitalized RR = \$93,750												
Replacement Reserve Starting Balance			62,500	65,525	72,508	90,884	97,917	83,138	90,896	99,124	63,865	46,276
Replacement Reserve Deposits			2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
City Share Replacement Reserve Deposit (Small Sites Only)			-	3,928	649	3,724	-	4,526	4,920	-	5,686	6,058
Repayment of City Loan from Cash Out (Small Sites Only)			-	-	14,603	-	-	-	-	-	-	-
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-	16,159	-	-	38,650	26,313	41,287
Replacement Reserve Interest			625	655	725	909	979	831	909	991	639	463
<b>RR Running Balance</b>			65,525	72,508	90,884	97,917	83,138	90,896	99,124	63,865	46,276	13,910
<i>RR Balance/Unit</i>			\$10,921	\$12,085	\$15,147	\$16,320	\$13,856	\$15,149	\$16,521	\$10,644	\$7,713	\$2,318
<b>OPERATING RESERVE - RUNNING BALANCE</b>												
Operating Reserve Starting Balance			26,065	26,325	26,588	26,854	27,123	27,394	27,668	27,945	28,224	28,506
Operating Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Operating Reserve Withdrawals			-	-	-	-	-	-	-	-	-	-
Operating Reserve Interest			261	263	266	269	271	274	277	279	282	285
<b>OR Running Balance</b>			26,325	26,588	26,854	27,123	27,394	27,668	27,945	28,224	28,506	28,791
<i>OR Balance as a % of Prior Yr Op Exps + Debt Service</i>			31.6%	30.6%	24.9%	24.6%	24.4%	24.1%	23.8%	23.5%	23.3%	
<b>OTHER REQUIRED RESERVE 1 - RUNNING BALANCE</b>												
Other Reserve 1 Starting Balance			12,820	13,076	13,338	13,605	13,877	14,154	14,437	14,726	15,021	15,321
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Interest			256	262	267	272	278	283	289	295	300	306
<b>Other Required Reserve 1 Running Balance</b>			13,076	13,338	13,605	13,877	14,154	14,437	14,726	15,021	15,321	15,628
<b>OTHER RESERVE 2 - RUNNING BALANCE</b>												
Other Reserve 2 Starting Balance			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Interest			-	-	-	-	-	-	-	-	-	-
<b>Other Required Reserve 2 Running Balance</b>			-	-	-	-	-	-	-	-	-	-

3975 24th St.

Total # Units: 6

Small Sites Project

			Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
			2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
<b>INCOME</b>	% annual increase	Comments (related to annual inc assumptions)	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Residential - Tenant Rents	2.5%		97,330	99,764	102,258	104,814	107,434	110,120	112,873	115,695	118,587	121,552
Residential - SOS Payments	4.0%		-	-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a		-	-	-	-	-	-	-	-	-	-
Commercial Space	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	56,836	58,257	59,713	61,206	62,736	64,304	65,912	67,560	69,249	70,980
Residential Parking	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%		-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%		799	819	839	860	882	904	926	949	973	998
Tenant Charges	2.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-	-
<b>Gross Potential Income</b>			<b>154,965</b>	<b>158,839</b>	<b>162,810</b>	<b>166,880</b>	<b>171,052</b>	<b>175,328</b>	<b>179,712</b>	<b>184,204</b>	<b>188,810</b>	<b>193,530</b>
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH schedule	(9,733)	(9,976)	(10,226)	(10,481)	(10,743)	(11,012)	(11,287)	(11,570)	(11,859)	(12,155)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	policy; annual incrementing usually not appropriate	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a		(5,884)	(5,826)	(5,971)	(6,121)	(6,274)	(6,430)	(6,591)	(6,756)	(6,925)	(7,098)
<b>EFFECTIVE GROSS INCOME</b>			<b>139,548</b>	<b>143,037</b>	<b>146,613</b>	<b>150,278</b>	<b>154,035</b>	<b>157,886</b>	<b>161,833</b>	<b>165,879</b>	<b>170,026</b>	<b>174,277</b>
<b>OPERATING EXPENSES</b>												
<b>Management</b>												
Management Fee	3.5%	1st Year to be set according to HUD schedule	7,516	7,779	8,051	8,333	8,624	8,926	9,239	9,562	9,897	10,243
Asset Management Fee	3.5%	per MOHCD policy	11,274	11,668	12,076	12,499	12,937	13,389	13,858	14,343	14,845	15,365
<b>Sub-total Management Expenses</b>			<b>18,789</b>	<b>19,447</b>	<b>20,127</b>	<b>20,832</b>	<b>21,561</b>	<b>22,316</b>	<b>23,097</b>	<b>23,905</b>	<b>24,742</b>	<b>25,608</b>
<b>Salaries/Benefits</b>												
Office Salaries	3.5%		-	-	-	-	-	-	-	-	-	-
Manager's Salary	3.5%		-	-	-	-	-	-	-	-	-	-
Health Insurance and Other Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Other Salaries/Benefits	3.5%		-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%		-	-	-	-	-	-	-	-	-	-
<b>Sub-total Salaries/Benefits</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Administration</b>												
Advertising and Marketing	3.5%	Yr 1 and 2- 3 residential unit assumptions	3,385	3,504	3,627	3,753	3,885	4,021	4,162	4,307	4,458	4,614
Office Expenses	3.5%		-	-	-	-	-	-	-	-	-	-
Office Rent	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	Yr 1 and 2- 3 residential unit assumptions	3,809	3,942	4,080	4,223	4,370	4,523	4,682	4,846	5,015	5,191
Audit Expense	3.5%		1,058	1,095	1,133	1,173	1,214	1,257	1,300	1,346	1,393	1,442
Bookkeeping/Accounting Services	3.5%		6,771	7,008	7,253	7,507	7,770	8,042	8,323	8,614	8,916	9,228
Bad Debts	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%		1,693	1,752	1,813	1,877	1,942	2,010	2,081	2,154	2,229	2,307
<b>Sub-total Administration Expenses</b>			<b>16,716</b>	<b>17,301</b>	<b>17,906</b>	<b>18,533</b>	<b>19,182</b>	<b>19,853</b>	<b>20,548</b>	<b>21,267</b>	<b>22,011</b>	<b>22,782</b>
<b>Utilities</b>												
Electricity	3.5%	Yr 1 and 2- 3 residential unit assumptions	152	158	163	169	175	181	187	194	201	208
Water	3.5%	Yr 1 and 2- 3 residential unit assumptions	2,704	2,799	2,897	2,998	3,103	3,212	3,324	3,440	3,561	3,685
Gas	3.5%		-	-	-	-	-	-	-	-	-	-
Sewer	3.5%		-	-	-	-	-	-	-	-	-	-
<b>Sub-total Utilities</b>			<b>2,856</b>	<b>2,956</b>	<b>3,060</b>	<b>3,167</b>	<b>3,278</b>	<b>3,393</b>	<b>3,511</b>	<b>3,634</b>	<b>3,761</b>	<b>3,893</b>
<b>Taxes and Licenses</b>												
Real Estate Taxes	3.5%		4,651	4,814	4,982	5,156	5,337	5,524	5,717	5,917	6,124	6,338
Payroll Taxes	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%		2,116	2,190	2,267	2,346	2,428	2,513	2,601	2,692	2,786	2,884
<b>Sub-total Taxes and Licenses</b>			<b>6,767</b>	<b>7,003</b>	<b>7,249</b>	<b>7,502</b>	<b>7,765</b>	<b>8,037</b>	<b>8,318</b>	<b>8,609</b>	<b>8,910</b>	<b>9,222</b>
<b>Insurance</b>												
Property and Liability Insurance	3.5%	Yr 1 and 2- 3 residential unit assumptions	8,464	8,760	9,066	9,384	9,712	10,052	10,404	10,768	11,145	11,535
Fidelity Bond Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%		-	-	-	-	-	-	-	-	-	-
<b>Sub-total Insurance</b>			<b>8,464</b>	<b>8,760</b>	<b>9,066</b>	<b>9,384</b>	<b>9,712</b>	<b>10,052</b>	<b>10,404</b>	<b>10,768</b>	<b>11,145</b>	<b>11,535</b>
<b>Maintenance &amp; Repair</b>												
Payroll	3.5%		-	-	-	-	-	-	-	-	-	-
Supplies	3.5%		-	-	-	-	-	-	-	-	-	-
Contracts	3.5%		-	-	-	-	-	-	-	-	-	-
Garbage and Trash Removal	3.5%		1,862	1,927	1,995	2,064	2,137	2,211	2,289	2,369	2,452	2,538
Security Payroll/Contract	3.5%		-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%		-	-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%		7,279	7,533	7,797	8,070	8,352	8,645	8,947	9,261	9,585	9,920
<b>Sub-total Maintenance &amp; Repair Expenses</b>			<b>9,141</b>	<b>9,461</b>	<b>9,792</b>	<b>10,134</b>	<b>10,489</b>	<b>10,856</b>	<b>11,236</b>	<b>11,629</b>	<b>12,037</b>	<b>12,458</b>
<b>Supportive Services</b>	3.5%		-	-	-	-	-	-	-	-	-	-
<b>Commercial Expenses</b>		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	22,217	22,995	23,799	24,632	25,494	26,387	27,310	28,266	29,255	30,279
<b>TOTAL OPERATING EXPENSES</b>			<b>84,949</b>	<b>87,922</b>	<b>91,000</b>	<b>94,185</b>	<b>97,481</b>	<b>100,893</b>	<b>104,424</b>	<b>108,079</b>	<b>111,862</b>	<b>115,777</b>
<b>Reserves/Ground Lease Base Rent/Bond Fees</b>												
Ground Lease Base Rent		cells.	-	-	-	-	-	-	-	-	-	-
Bond Monitoring Fee			5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Replacement Reserve Deposit			2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Operating Reserve Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit			-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit			-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
<b>Sub-total Reserves/Ground Lease Base Rent/Bond Fees</b>			<b>7,400</b>	<b>7,400</b>	<b>7,400</b>	<b>7,400</b>	<b>7,400</b>	<b>7,400</b>	<b>7,400</b>	<b>7,400</b>	<b>7,400</b>	<b>7,400</b>
<b>TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)</b>			<b>92,349</b>	<b>95,322</b>	<b>98,400</b>	<b>101,585</b>	<b>104,881</b>	<b>108,293</b>	<b>111,824</b>	<b>115,479</b>	<b>119,262</b>	<b>123,177</b>
<b>NET OPERATING INCOME (INCOME minus OP EXPENSES)</b>			<b>47,199</b>	<b>47,715</b>	<b>48,213</b>	<b>48,694</b>	<b>49,154</b>	<b>49,593</b>	<b>50,009</b>	<b>50,400</b>	<b>50,764</b>	<b>51,100</b>
<b>DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)</b>												
Hard Debt - First Lender		Interest Only Year and Year 2	27,690	27,690	27,690	27,690	27,690	27,690	27,690	27,690	27,690	27,690
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		Enter comments re: annual increase, etc.	9,346	9,346	9,346	9,346	9,346	9,346	9,346	9,346	9,346	9,346
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-	-
<b>TOTAL HARD DEBT SERVICE</b>			<b>37,036</b>	<b>37,036</b>	<b>37,036</b>	<b>37,036</b>	<b>37,036</b>	<b>37,036</b>	<b>37,036</b>	<b>37,036</b>	<b>37,036</b>	<b>37,036</b>
<b>CASH FLOW (NOI minus DEBT SERVICE)</b>			<b>10,163</b>	<b>10,678</b>	<b>11,177</b>	<b>11,657</b>	<b>12,118</b>	<b>12,557</b>	<b>12,973</b>	<b>13,364</b>	<b>13,728</b>	<b>14,064</b>
<b>USES OF CASH FLOW BELOW (This row also shows DSCR.)</b>												
<b>USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL</b>												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-	-
Other Payments			-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2		Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			-	-	-	-						

Small Sites Project

		Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
		2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	
<b>INCOME</b>	<b>% annual increase</b>	<b>Comments (related to annual inc assumptions)</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	<b>Total</b>	
MOHCD Residual Receipts Amount Due	100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	6,775	7,119	7,451	7,772	8,079	8,371	8,649	8,909	9,152	4,443
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-	-	-	-	-	-	-	4,443
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			-	-	-	-	-	-	-	-	-	-
<b>NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE</b>												
HCD Residual Receipts Amount Due	0.00%	No HCD Financing	-	-	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-	-	-	-	-	-	-	-
<b>Total Non-MOHCD Residual Receipts Debt Service</b>			-	-	-	-	-	-	-	-	-	-
<b>REMAINDER (Should be zero unless there are distributions below)</b>			<b>3,388</b>	<b>3,559</b>	<b>3,726</b>	<b>3,886</b>	<b>4,039</b>	<b>4,186</b>	<b>4,324</b>	<b>4,455</b>	<b>4,576</b>	<b>2,222</b>
Owner Distributions/Incentive Management Fee			3,388	3,559	3,726	3,886	4,039	4,186	4,324	4,455	4,576	2,222
Other Distributions/Uses			-	-	-	-	-	-	-	-	-	-
<b>Final Balance (should be zero)</b>			-	-	-	-	-	-	-	-	-	-
<b>REPLACEMENT RESERVE - RUNNING BALANCE</b>			<b>1.5x Original Capitalized RR = \$93,750</b>									
Replacement Reserve Starting Balance			13,910	20,662	30,044	39,863	50,113	45,210	56,141	67,474	79,197	62,232
Replacement Reserve Deposits			2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
City Share Replacement Reserve Deposit (Small Sites Only)			6,421	6,775	7,119	7,451	7,772	8,079	8,371	8,649	8,909	9,152
Repayment of City Loan from Cash Out (Small Sites Only)			-	-	-	-	-	-	-	-	-	-
Replacement Reserve Withdrawals (ideally tied to CNA)			2,209	-	-	-	15,575	-	-	-	-	29,066
Replacement Reserve Interest			139	207	300	399	501	452	561	675	792	622
<b>RR Running Balance</b>			<b>20,662</b>	<b>30,044</b>	<b>39,863</b>	<b>50,113</b>	<b>45,210</b>	<b>56,141</b>	<b>67,474</b>	<b>79,197</b>	<b>62,232</b>	<b>101,636</b>
<i>RR Balance/Unit</i>			<i>\$3,444</i>	<i>\$5,007</i>	<i>\$6,644</i>	<i>\$8,352</i>	<i>\$7,535</i>	<i>\$9,357</i>	<i>\$11,246</i>	<i>\$13,200</i>	<i>\$10,372</i>	<i>\$16,939</i>
<b>OPERATING RESERVE - RUNNING BALANCE</b>												
Operating Reserve Starting Balance			28,791	29,079	29,370	29,664	29,960	30,260	30,563	30,868	31,177	31,489
Operating Reserve Deposits			-	-	-	-	-	-	-	-	-	-
Operating Reserve Withdrawals			-	-	-	-	-	-	-	-	-	-
Operating Reserve Interest			1%	288	291	294	297	300	303	306	309	312
<b>OR Running Balance</b>			<b>29,079</b>	<b>29,370</b>	<b>29,664</b>	<b>29,960</b>	<b>30,260</b>	<b>30,563</b>	<b>30,868</b>	<b>31,177</b>	<b>31,489</b>	<b>31,804</b>
<i>OR Balance as a % of Prior Yr Op Exps + Debt Service</i>			<i>23.0%</i>	<i>22.7%</i>	<i>22.4%</i>	<i>22.1%</i>	<i>21.8%</i>	<i>21.5%</i>	<i>21.2%</i>	<i>20.9%</i>	<i>20.6%</i>	<i>20.3%</i>
<b>OTHER REQUIRED RESERVE 1 - RUNNING BALANCE</b>												
Other Reserve 1 Starting Balance			15,628	15,940	16,259	16,584	16,916	17,254	17,599	17,951	18,310	18,676
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals			-	-	-	-	-	-	-	-	-	-
Other Reserve 1 Interest			2%	313	319	325	332	338	345	352	359	366
<b>Other Required Reserve 1 Running Balance</b>			<b>15,940</b>	<b>16,259</b>	<b>16,584</b>	<b>16,916</b>	<b>17,254</b>	<b>17,599</b>	<b>17,951</b>	<b>18,310</b>	<b>18,676</b>	<b>19,050</b>
<b>OTHER RESERVE 2 - RUNNING BALANCE</b>												
Other Reserve 2 Starting Balance			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals			-	-	-	-	-	-	-	-	-	-
Other Reserve 2 Interest			-	-	-	-	-	-	-	-	-	-
<b>Other Required Reserve 2 Running Balance</b>			-	-	-	-	-	-	-	-	-	-