

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

758 Pacific Avenue

Up to \$2,131,526

758 Pacific Acquisition Financing

and

772 Pacific Avenue with 758 Pacific Avenue

\$936,205

Additional Predevelopment Loan Request

Evaluation of Request for:	\$3,067,731
Loan Committee Date:	January 5, 2024
Prepared By:	Cindy Heavens, Senior Project Manager Judy Shepard-Hall, Senior Project Manager
Asset Manager:	Omar Cortez
Construction Representative	Harry Wong
Sources and Amounts for Land Acquisition Recommended:	Total: \$2,131,526 CDBG
Sources and Amounts of New Additional Predevelopment Funds Recommended:	Total: \$936,205 Housing Trust Fund
Sources and Amounts of Previous City Funds Committed:	Total: \$4,100,000 Housing Trust Fund - \$1,000,000 772 Montgomery donation - \$100,000 2019 GO Bond – Senior - \$3,000,000
Total Sources and Amounts of City Predevelopment Funds:	Total: \$7,167,731 CDBG - \$2,131,526 Housing Trust Fund - \$1,936,205 772 Montgomery donation - \$100,000 2019 GO Bond – Senior - \$3,000,000
NOFA/PROGRAM/RFP:	Multisite Request for Qualifications issued on November 30, 2020
Applicant/Sponsor(s) Name:	Chinatown Community Development Center (Chinatown CDC)

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	772 + 758 Pacific Avenue	Sponsor(s):	Chinatown CDC
Project Address (w/ cross St):	772 + 758 Pacific Avenue, 94133 (Pacific Ave between Stockton St & Grant Ave)	Ultimate Borrower Entity:	New Asia Housing, L.P.

Project Summary:

Chinatown Community Development Center (“Chinatown CDC” or the “Sponsor”) was selected to be the developer of 772 Pacific Avenue, a city-owned parcel, as part of a Multisite Request for Qualification dated November 30, 2020 (“Multisite RFQ”). In October 2021, the Citywide Affordable Housing Loan Committee (“Loan Committee”) approved a \$4.1 million predevelopment loan. All awardees under the Multisite RFQ were required to investigate upsizing the buildings to build more affordable housing. Since the International Hotel completed construction in 2005, no new affordable housing has been built in Chinatown. The upsizing request allowed Chinatown CDC to look at development opportunities on sites adjacent to 772 Pacific to increase the number of affordable housing units and create a more economically viable banquet hall, which is a historic commercial use, and a key component of Chinatown CDC Multisite RFQ response. An adjacent site, 758 Pacific Avenue, a 2-story building with ground floor commercial and two residential units above (“758 Pacific”), became available for this purpose. By adding 758 Pacific Avenue parcel to the City-owned 772 Pacific Avenue parcel, the revised 772 Pacific plan has a feasible design that adds 88 affordable housing units and increases the initial height by 7 stories for a 15-story building. The revised 772 Pacific development continues to respond to the Consolidated Plan, furthers the objectives in the Strategies for a Sustainable Chinatown, and achieves MOHCD’s racial equity goals by advancing opportunities and improving programmatic outcomes for low-income residents, while expanding development opportunity for Black Indigenous People of Color (“BIPOC”) led, community based organizations like Chinatown CDC.

The revised 772 Pacific development on the combined lots of 772 and 758 Pacific Avenue will provide 173 affordable units (111 studios and 62 one-bedrooms) and two 2-bedroom manager’s units, with 40 units (23% of total units) serving formerly homeless seniors subsidized by the City’s Local Operating Subsidy Program (“LOSP”), 70 units (40% of total units) serving extremely low-income seniors supported by the City’s Senior Operating Subsidy (“SOS”), 5 units serving Plus Housing seniors, and 58 units serving low-income seniors at 60% Area Median Income (“MOHCD AMI”) and this revision is the “Project”.

Chinatown CDC requests \$2,131,526 to pay off the interim acquisition financing that was incurred by Chinatown CDC when 758 Pacific was purchased on August 8, 2023. Concurrent with or prior to the takeout of the interim acquisition financing, Chinatown CDC will transfer 758 Pacific to New Asia Housing, L.P., a California limited partnership, which at this time Chinatown CDC is the initial limited partner and the general partner is also a Chinatown CDC affiliated limited liability corporation. As is standard, upon transferring 758 Pacific to the City prior to or concurrent with the construction loan financial closing, the acquisition loan will be considered paid in full. The total acquisition cost is inclusive of Chinatown CDC acquisition loan interest and title fees. MOHCD staff and Chinatown CDC also request \$936,205 for additional predevelopment funds to include relocation and appraisal costs associated with acquiring 758 Pacific, NEPA review costs, and soft cost contingency.

Prior to the construction closing, Chinatown CDC intends to merge the two parcels into one large parcel that will be the Project. The Project continues to meet the \$280,000 per unit maximum loan amount in the Multisite RFQ. The Project’s total development cost is one of the lowest of recent similar developments in the MOHCD portfolio and is only 3% more than average similar developments, indicating that the increase in units benefits the Project’s economies of scale.

Proposed permanent financing includes 4% Low-Income Housing Tax Credits, Federal Home Loan Bank Affordable Housing Program (“AHP”) funds, General Partner Equity, a MOHCD gap loan, a California Department of Housing and Community Development (“HCD”) Multifamily Housing Program (“MHP”) loan and Infill Infrastructure Grant (“IIG”). After entitlements, which includes a full CEQA review, construction is expected to start in November 2027 with a construction completion date of November 2030.

Project Description:

Construction Type:	Type I concrete	Project Type:	New Construction
Number of Stories:	15	Lot Size (acres and sf) of combined parcels:	0.21 acres / 9,219 sf + 0.045 acre / 1,950 sf
Number of Units:	175	Architect:	Herman Coliver Locus Architecture (HCLA)
Total Residential Area:	108,000 sf	General Contractor:	Cahill/Pilot JV
Total Commercial Area:	15,000 sf	Property Manager:	Chinatown CDC
Total Building Area:	123,000 sf	Supervisor and District:	Supervisor Peskin (D3)
Landowner:	City & County of San Francisco		
Total Development Cost (TDC) w/o land:	\$171,772,330	Total Acquisition Cost:	Up to \$2,131,526
TDC/unit w/o land:	\$ 981,556	Gap estimate w/o land:	\$49,000,000
		Gap estimate per unit w/o land:	\$280,000
Total Predev Loan Amount Requested:	\$7,167,731	Total Predev Loan Amount / unit:	\$40,958
HOME Funds?	N	Parking?	N

PRINCIPAL DEVELOPMENT ISSUES

- 1) **Base Concept Scenario:** The 15-story, Type I, 175-unit base concept presented in this loan evaluation is in response to initial community outreach. The total units and unit mix may change after further community feedback, required Environmental Impact Review (“EIR”) related to the Special Use District (“SUD”) process, and cost efficiency analyses on the Project’s development and operating costs. However, the 175-unit development maximizes the height and density for a new development in Chinatown. Any reduction in units or stories due to community outreach to market-rate households in relation to the EIR has the potential to make the Project exceed the per-unit loan maximum in the Multisite RFQ. Please see Section 4.3 Construction Supervisor/Construction Specialist’s Evaluation and Section 9.3 Recommended Loan Conditions.
- 2) **High Rise requires EIR and extends construction start:** Because the building has upsized to a high-rise and there are zoning restraints in Chinatown, an EIR is required, which extends the initial planned start of the construction from the initial Multisite RFQ response by 3 years making the Project vulnerable to construction cost increases. However, escalations are in the construction budget and the Project’s total per unit development cost are only 3% above average. See Sections 4.3 and 6.5.1.
- 3) **Vulnerable to Neighborhood Opposition due to EIR:** The required EIR process makes the Project vulnerable to market rate residents’ opposition. Chinatown CDC has an extensive plan to outreach to key tenant groups in their network, as well as those known by the District Supervisor prior to requesting the Supervisor to submit the SUD application to City Planning. See Section 3.2 and Section 9.3 Recommended Loan Conditions.
- 4) **Affordability Restrictions:** This request assumes 58 units without operating subsidy to be restricted at 60% MOHCD AMI. MOHCD and Chinatown CDC are both aware that 60% MOHCD AMI units are difficult to market to low-income seniors. Chinatown CDC’s ultimate goal is to have all units in the development at or below 50% MOHCD AMI and will seek operating subsidies or financing other than MOHCD to achieve a senior development with all units at or below 50% MOHCD AMI. See Sections 7.1, 7.4, and 9.3.

5) **Waiver Request Related to Reviewing Only One Predevelopment Per Project:** While this loan request will increase the existing predevelopment loan, the increase is being made to cover two distinct actions: pay off Chinatown CDC’s 758 Pacific acquisition and acquisition loan interest and increase the predevelopment loan to cover relocation activities related to 758 Pacific only. Since there are two new distinct activities related to the purchase of 758 Pacific, staff approves the waiver to review and evaluate an additional predevelopment loan for specific scope related to acquisition and relocation of acquired property.

SOURCES AND USES SUMMARY

Acquisition Sources	Amount	Terms	Status
MOHCD	\$2,131,526	0%; 5 years and considered satisfied in consideration of the land transfer to City and the Acquisition Note will be cancelled.	This Request
Total	\$2,131,526		

Acquisition Uses	Amount	Per Unit	Per SF
Land Purchase	\$2,000,000	N/A – land acquisition is not part of overall Project’s TDC	\$536
Acquisition Loan Interest	\$79,688	Same as above.	\$21
Legal & Closing Cost	\$36,838	Same as above.	\$10
Transfer Tax	\$15,000	Same as above.	\$4
Total	\$2,131,526	\$0	\$572

Predevelopment Sources	Amount	Terms	Status
MOHCD	\$4,100,000	3 yrs @ 3% Res Rec	Awarded
MOHCD	\$936,205	3 yrs @ 3% Res Rec to be concurrent with initial predevelopment loan term.	This Request
Total	\$5,036,205		

Predevelopment Uses	Amount	Per Unit	Per SF
Hard Cost	\$1,206,079	\$6,892	\$10
Architecture & Engineering	\$1,201,125	\$6,864	\$10
Relocation	\$851,075	\$4,863	\$7
Other Soft Costs	\$1,227,926	\$7,017	\$10
Developer Fee	\$550,000	\$3,143	\$4
Total	\$5,036,205	\$28,778	\$41

Permanent Sources	Amount	Terms	Status
MOHCD*	\$49,000,000	57 yrs @ 3% / Res Rec	Not Committed
MOHCD Accrued Deferred Interest	\$1,225,875	N/A	N/A
HCD-MHP	\$38,147,754	55 yrs @ 3.0% / 0.42% & Res Rec	Not Committed
HCD-IIG	\$5,000,000	55 yrs @ 3.0% / 0.42% & Res Rec	Not Committed
AHP	\$1,000,000	55 yrs @ 0% / Deferred	Not Committed
Tax Credit Equity	\$76,868,701	\$0.970 per credit	Not Committed
General Partner Equity	\$500,000		Not Committed
Total	\$171,772,330		

Permanent Uses	Amount	Per Unit	Per SF
Hard Costs	\$126,902,100	\$725,155	\$1,032
Soft Costs	\$40,109,950	\$229,200	\$326
Reserves	\$804,405	\$4,597	\$7
Developer Fee	\$2,700,000	\$15,429	\$22
MOHCD Accrued Deferred Interest	\$1,255,875	\$7,176	\$10
Total	\$171,772,330*	\$981,556	\$1,397

* Includes predevelopment, but not acquisition costs.

1. BACKGROUND

1.1. Project History Leading to This Request.

772 Pacific Avenue (Block 0161 Lot 015) is located on the northern side of Pacific Avenue between Grant Avenue and Stockton Street in San Francisco's Chinatown neighborhood. The Site is a rectangular shaped lot of 9,219 sf and is currently improved with the New Asia Restaurant with a mezzanine floor commercial building of 13,271 square feet (sf) constructed in 1919. There is no basement beneath the structure. The building was renovated circa 1971 into the current restaurant from a former garage facility. The building occupies the majority of the parcel, with the exception of a paved municipal sidewalk on the south side along Pacific Avenue.

The City purchased the Site in June 2017, with the expectation to develop approximately 60 units of affordable housing. Upon purchase, MOHCD acknowledged the presence of an underground storage tank ("UST"), a recognized environmental condition ("REC"), and the cost of removal is included in the permanent development budget of this request.

In March 2015, the Board of Supervisors created the San Francisco Legacy Business Registry—open to businesses that are 30 years or older that have proven significant impact on the history or culture of their neighborhood. For its cultural importance to the dim sum and banquet hall culture in Chinatown, the New Asia Restaurant is registered as a Legacy Business with the San Francisco Office of Small Business.

In November 2020, the Loan Committee approved \$4.1 million in predevelopment funding for the 772 Pacific Avenue site. Since the award Chinatown CDC has completed the following:

- Removed Catholic Charities from as a service provider of the Plus Housing units after understanding that the residents in Plus Housing units do not require additional services similar to residents in Local Operating Subsidy Program ("LOSP") units. Also, Chinatown CDC is a Department of Homelessness and Supportive Housing ("HSH") service provider and able to provide supportive services to residents in LOSP units. Chinatown CDC is the service provider for the non-LOSP units and the supportive services provider of the LOSP units. LOSP supportive services will be provided under a separate contract with HSH and will not be in the operating budget of the Project.
- In Spring 2021, completed analysis along with MOHCD to consider developing the project as design-build. While there were several factors that design-build was not the best approach for the Project, the following reasons were the key factors: (a) Time savings from a reduced design and permitting schedule will not be realized if there are delays to the financing timeline as it relates to bonds and tax credits; (b) soft cost and construction contingencies were larger than what occurs in a typical MOHCD affordable development to mitigate against increased risk and liability for design error and omissions, and (c) at the time there was no precedent for an affordable housing development project in the Bay Area or California that had realized time and budget savings from utilizing the design-build delivery method.
- Completed environmental testing (asbestos, lead-based paint, to be updated in Phase II) of 772 Pacific in preparation for site demolition.
- Conducted an extensive listening tour of Chinatown community including key leaders of the community, arts and culture, and business and restaurant owners. The listening tour concluded in 2022 after Chinatown CDC's development team

conducted surveys of approximately 1,000 seniors. The survey resulted in Chinatown CDC requesting that the initial project (86 units 8 floors) become as dense as possible since during the listening tour to accommodate the historic use business and the housing, Chinatown CDC realized some units and ground floor square footage would be lost. It was during this time that Chinatown CDC approached the owner of the adjacent property at 758 Pacific Avenue with interest in purchasing the property.

- Assisted the New Asia Restaurant, at the request of MOHCD, to apply and receive a change of use permit from a restaurant to a grocery store. During the coronavirus pandemic at the beginning of the Shelter-In-Place ordinance by the City in March 2020, New Asia Restaurant changed its uses from a restaurant to a grocery store. New Asia continues to operate as a grocery store and plans to do so until relocated from the Site, which is estimated to be four to six months before the start of construction.
- Meet with San Francisco Planning Department (“Planning”) to discuss combining 772 Pacific with the adjacent 758 Pacific parcel. The revised Project will nearly double in scale, going from 8 stories to 15 stories, and Planning determined the Project will need to be re-zoned via a Special Use District (“SUD”) and will require an Environmental Impact Report (“EIR”) under the California Environmental Quality Act (“CEQA”) for the rezoning.
- Acquired 758 Pacific Avenue on August 8, 2023. The addition of 1,950 square feet (sf), 758 Pacific footprint, would not only support the needed ground floor spaces for the residential building systems and the historic banquet hall business space and storage requirements, but allowed more units to be added in a taller building.

The Predevelopment Loan Evaluation dated October 15, 2021 (“Predev Loan Eval”) loan request was based on a conceptual design. During the predevelopment period and prior to this loan request, the conceptual design was determined to be infeasible to construct. The conceptual design did not include space and storage requirements to create a marketable banquet hall along with the programming elements for the new senior housing, such as a lobby, electrical and trash rooms, and other required support spaces. The inclusion of the residential programming elements meant the banquet hall space could not be maintained and the space created was not marketable for New Asia or any other potential banquet businesses. In addition, the conceptual drawings did not include site set-back requirements. To provide the same number of units as in the Predev Loan Eval and include a marketable banquet hall, the building had to become a high-rise. Since the conceptual project’s height would increase, Chinatown CDC looked at ways to increase the unit count and create a marketable banquet hall and that exploration included considering purchasing adjacent sites. The conceptual drawing in this request has a project that is a high-rise with 89 additional affordable housing units and a marketable banquet hall.

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

Through the Multi-site RFQ issued on November 30, 2020, Chinatown CDC was selected to develop the Site, with Catholic Charities to provide the services for the Plus Housing units. The Sponsor met the minimum threshold eligibility requirements and as the only team to submit qualifications for the Site, was selected as the highest scoring team from the competitive RFQ process. The table below demonstrates the scoring from the selection panel and ranking criteria for selection.

Category	Possible Points	Chinatown CDC/Catholic Charities
Experience	50	35
Vision	50	53
Total Points	100	88

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.

Chinatown CDC created New Asia Housing, L.P., which will be the ultimate borrower and is the borrower on the predevelopment loan agreement dated August 10, 2022. New Asia Housing, L.P. will also be the borrower of the this acquisition and additional predevelopment loan request, if approved.

1.3.2. Demographics of Board of Directors and Staff.

Chinatown CDC's Board of Directors consists of 23 individuals with a breadth of experience including affordable housing development, supportive housing, real estate, law, and accounting. The Sponsor's Board of Directors is over 80% people of color with a close 50/50 split between male and female representation. Further, the Housing Development Division is a racially diverse team with over 70% people of color, including the Director of Housing Development.

1.3.3. Racial Equity Vision.

Chinatown CDC is a BIPOC-led organization with a 46-year history of advocacy on behalf of low-income residents in Chinatown. Understanding all organizations have room to grow in addressing institutionalized racism, Chinatown CDC has approached this with intention, by modifying organizational policies and procedures to lower barriers of entry to housing, becoming trauma-informed in its services provision, being intentional about hiring bilingual staff that reflects the communities they serve, providing opportunities for BIPOC residents to engage with the neighborhood planning process, and working to heal historic divides between Asian Americans and other BIPOC and Caucasian communities.

At the building level, Chinatown CDC's racial equity strategy promotes access to quality and stable housing, social and economic mobility, education, health, and housing assistance to support intergenerational wealth building in BIPOC communities. Chinatown CDC uses a Community Building and Engagement (CB&E) model of resident service provision, which posits that being socially connected and active in one's community not only enhances one's quality of life but is a housing retention strategy, as it reduces feelings like isolation that can lead to behavioral issues. The CB&E model prioritizes residents' experiences, ideas, and skills in the creation of programming.

1.3.4. Relevant Experience.

Chinatown CDC began developing affordable housing nearly four decades ago and has built or rehabilitated 36 properties across San Francisco. Totaling 3,194 units, this portfolio includes 874 units for seniors and 314 supportive housing units. Another 576 are former public housing units with deeply supportive service provision in Chinatown (including 92 apartments for seniors) and through the HUD RAD program these units received \$150 million in renovations. About half

of Chinatown CDC's buildings are Type I construction, and an additional five buildings are either Type III/I or Type V/I.

Twenty years ago, Chinatown CDC developed the 105 apartments for seniors at International Hotel, Chinatown's last new affordable housing project. And in 2017, Chinatown CDC launched their Small Sites and SRO Programs to acquire and complete critical life-safety repairs in Chinatown buildings with vulnerable residents at risk of eviction. Since then, Chinatown CDC has preserved 130 units, primarily serving seniors, as permanent affordable housing.

1.3.5. Project Management Capacity.

Bo Han started in Chinatown CDC's Housing Division in 2019 and has acquired, developed, or substantially renovated 380 apartments and performed green retrofits benefitting an additional 88 units throughout San Francisco. Han will devote 40% of her time to the Project.

Tony Li, who is bilingual in Cantonese and managed relocation for all RAD properties, will support Bo Han as the Assistant Project Manager with 40% of his time towards the development of the Project.

Sharon Christen, Associate Director of Housing Development, will support the overall Project with 10% of her time.

1.3.6. Past Performance.

1.3.6.1. City audits/performance plans.

The Community Development ("CD") division of MOHCD has contracts with Chinatown CDC. Chinatown CDC is in good standing with their contractors. They have strong relationships with CD and the communities they serve. Chinatown CDC has strong operating and fiscal systems to support their property operations. Chinatown CDC hires competent staff, provides consistent training and supervision and takes pride in delivering quality housing for their low-income communities. MOHCD's Director of Residential and Community Services has a relationship with Chinatown CDC as a property manager and noted that "Chinatown CDC has stepped up at times and taken on large amounts of work that stretched their agency and created some challenges. Even in those circumstances Chinatown CDC has been a thoughtful partner who has learned from mistakes and taken responsibility to course correct." CD supports Chinatown CDC's loan request.

1.3.6.2. Marketing/lease-up/operations.

Chinatown CDC and another San Francisco based nonprofit developer, MEDA, worked the lease up of 2060 Folsom – Casa Adelante in 2021. Together the two agencies worked on early creative marketing outreach in District 9. During this development lease up, all of Chinatown CDC's lease-up staff left the agency after they were trained by MOHCD in DAHLIA Partners. Because all the Chinatown CDC staff brought into lease-up thereafter were new, MOHCD staff spent considerable time training new staff and monitoring the lease up. Once Chinatown CDC's

staffing stabilized, the lease-up that occurred during the coronavirus pandemic was successful.

MOHCD’s Below Market Rate (“MOHCD BMR”) team members did participate in the Multisite RFQ interviews. MOHCD BMR requested that this loan request note that Chinatown CDC promised in the Multisite RFQ to work with Black, Brown and non-Asian organizations to market 772 Pacific. During the Multisite RFQ interview, Chinatown CDC named MEDA, TNDC, La Cocina, Community Vision and Bayview Hunters Point Multipurpose Senior Services as organizations Chinatown CDC would work with to market 772 Pacific and now the combined 772 and 758 Pacific to non-Asian and non-Chinatown households.

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

Site Description	
Zoning:	CRNC – Chinatown-Residential-Neighborhood Commercial
Maximum units allowed by current zoning (N/A if rehab):	N/A
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Seismic Hazard Zone - Liquefaction
Soil type:	A Phase One Environmental Site Assessment (“ESA”) was conducted on November 21, 2016 by EBI Consulting (“EBI”). The report stated the Site is located within the Pacific Border physiographic province, which is characterized by steep rolling hills and mountains and consists of severely folded, faulted, and commonly metamorphosed marine and continental sediments. The soil type beneath the Site is classified as Urban Land which reportedly exhibits very slow infiltration rates. Estimation of local subsurface parameters such as permeability, moisture content, and organic fraction is not feasible without site-specific testing data. No current or historic oil and gas activity was identified at the Site.
Environmental Review:	<p>Environmental Site Assessment (“ESA”) found no evidence of recognized, historical, or controlled environmental conditions. However, EBI made the following recommendations:</p> <ul style="list-style-type: none"> • Conduct a Ground Penetrating Radar (“GPR”) survey and Phase II Assessment to evaluate potential presence and impact from gasoline Underground Storage Tank (“UST”) installed in 1953. • Develop and implement an Asbestos Operations and Maintenance (O&M) Plan. • Conduct a limited subsurface investigation to characterize subsurface conditions at this location. <p>TR&A Inc. also conducted a Phase II site assessment in March 2017 which confirmed the presence of an abandoned UST. An updated Phase I Environmental report was prepared on 6/2/2023. In addition, the cost of removal is included as part of the Project’s development budget.</p> <ul style="list-style-type: none"> • Presence of contaminated fill material (~13 ft of undocumented fill has heavy metals including lead.)

	<ul style="list-style-type: none"> Regional Petroleum Hydrocarbon contamination (potentially attributed to historical presence of gasoline service station and automotive repair shops since 1920s.) Regional Chlorinated Solvents Contamination. (possibly attributable to dry cleaners discharges nearby as early as 1930s.)
Adjacent uses (North):	Chung Chou City Inc. Grocery Store
Adjacent uses (South):	Central Ping Yuen Public Housing
Adjacent uses (East):	750-754 Pacific Avenue, a 3-story mixed use building with 2 stories of SROs over ground floor commercial spaces of LJ Salon and a decorative pottery pop-up store.
Adjacent uses (West):	Gum Sing Market
Neighborhood Amenities within 0.5 miles:	<p><u>Medical Services</u> Chinese Hospital- 845 Jackson St,</p> <p><u>Grocery Stores & Supermarkets</u> Trader Joe's – 401 Bay St Long Hua's Grocery Store – 906 Stockton St Mel's Groceries Inc. – 1037 Stockton St Charming Sun Market Inc. – 49 Walter U Lum Pl. C&Z Grocery- 1002A Jackson St Kiki Supermarket- 1165 Powell St May Sun Market- 1101 Grant Ave Lien Hing Supermarket- 1121 Stockton St J & L Vegi Supermarket- 1221 Stockton St Powell Grocery- 1301 Powell St Golden Mountain Market- 844 Jackson St Pang Kee Bargain Market- 1308 Stockton St S&S Grocery- 1461 Grant Ave Grant & Green Market- 1401 Grant Ave ABC Supermarket Inc. – 641 Broadway V J Grocery – 1199 Clay St Safeway- 350 Bay St Sheng Hing Market Inc. – 1107 Stockton St J&W Market- 723 Pine St Jamie Food Co- 1135 Stockton St, #2 Hop Hing Market -1211 Stockton St Tian Tian Market Inc. -1117 Stockton St</p> <p><u>Places of Worship</u> Presbyterian Church-Chinatown – 925 Stockton St Saint Peter and Paul Church- 666 Filbert St Old Saint Mary's Cathedral – 660 California St Chinese United Methodist Church- 920 Washington St Buddha's Universal Church- 720 Washington St Chinese Independent Baptist Church – 981 Washington St</p> <p><u>Libraries</u> Chinatown Branch Library- 1135 Powell St North Beach Branch Library – 850 Columbus Ave</p> <p><u>Schools & Colleges</u> City College of San Francisco, Chinatown/North Beach Branch - 808 Kearny St Garfield Elementary School-420 Filbert St</p>

	Jean Parker Elementary School- 840 Broadway Francisco Middle School – 2190 Powell St <u>Restaurants</u> Man Sung Co – 1116 Grant Ave Kin Tat Co- 1248 Stockton St Wing Sun Co- 1201 Stockton St Sun Kau Shing Co- 1352 Stockton St
Public Transportation within 0.5 miles:	Cable Car lines: Powell/Hyde & Powell/Mason (Stops on Washington/Mason, Jackson/Mason). Muni bus lines: 12, 10, 1, 8, 30, 45, 41, 8AX, 8BX.
Article 34:	Article 34 exemption was obtained in December 2021. With the expansion of the Project that now includes 758 Pacific Avenue, the Sponsors will seek an updated exemption prior to the Mayor’s execution. However, the project intends to use state funding as part of its financing and is exempt from Article 34. Due to SB469, which takes effect on January 1, 2024, Project <u>does not</u> require an updated exemption letter.
Article 38:	Not exempt. The Project is within the Air Pollutant Exposure Zone (2020).
Accessibility:	TCAC and California Building Code (CBC) 11B requires 10% of total units to be accessible for mobility impaired and 4% of total units accessible for hearing and visually impaired.
Green Building:	Project will meet the minimum TCAC Green Building requirements and the City’s Green Building Code.
Recycled Water:	Exempt.
Storm Water Management:	Applicable. The Storm Water Management (SWM) Ordinance is applicable to the Project and will need to submit a SWM Plan with the site permit submittal during the predevelopment phase.

2.1. Description.

The new Site that includes 772 Pacific and 758 Pacific is an infill development. Located at an elevation of approximately 85 feet above mean sea level (msl), the Site slopes down to the east along the front sidewalk. Located at 772 Pacific, New Asia Restaurant was once one of the last banquet halls in the Chinatown neighborhood. During the coronavirus pandemic and Shelter-In-Place ordinance, in March 2020, New Asia changed its use from a restaurant to a market. Discussions on the Restaurant’s relocation and return to the Site will be determined during the Project’s predevelopment phase. See Section 4.10 Relocation and Sections 4.6 and 4.7 for interim plan and long-term plan for New Asia Restaurant.

2.2. Zoning.

The Project is eligible for approval using the State Density Bonus Program for 100% Affordable Housing (also known as AB 1763), which provides three additional stories, form-based density, and up to four incentives/concessions. The Project may also be eligible for approval under the local Affordable Housing Density Bonus Program (AHBP), as long as the Project is compliant with all objective standards of the Planning Code plus the allowable Zoning Modifications provided by the AHBP in Planning Code Section 206.4(c)(5). The AHBP also provides three additional stories of height and form-based density.

The Project will request re-zoning to achieve higher density of 15-stories by creating a Special Use District (“SUD”) through Planning. A lot merger would be part of the SUD

review. According to Planning, there are certain planning code requirements about minimum lot sizes and dimensions, and in some areas, there are prohibitions on lot mergers resulting in lots of a certain size. During the SUD process Planning will determine whether these controls apply to the merger of 772 and 758 Pacific and then those could be incorporated into the SUD.

Also, the lot merger would require a separate legislative approval process; the merger would be submitted through San Francisco Department of Public Works's Bureau of Street Use & Mapping ("DPW-BSM") and this division would send a referral to Planning that Planning could sign off on when the Project with the 758 Pacific is approved.

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

2.4. Local/Federal Environmental Review.

As the Project is requesting a SUD, the Project is no longer exempt from CEQA, and will go through an EIR process. It is expected to take 21 months to complete.

Due to the inclusion of CDBG money for acquisition, the Sponsor has initiated a NEPA review on October 6, 2023, and will be completed by February 2024. Chinatown CDC intends to apply for federal Housing and Urban Development Section 202 Supportive Housing for Elderly Program (HUD 202) in 2024.

See Section 6.5.1 regarding a discussion of HUD 202 financing.

2.5. Environmental Issues.

- Phase I/II Site Assessment Status and Results.

Information about the Phase I and Phase II is in the chart above. Additional information based on updated Phase I on the hazardous materials is provided.

- Potential/Known Hazards.

TR&A Inc. also conducted a Phase II Site assessment in March 2017 which confirmed the presence of an abandoned UST. An updated Phase I Environmental report based on actual test borings was prepared during predevelopment. The removal of the UST has been incorporated into the Project's permanent sources and uses budget and is estimated at \$150K for removal.

In regard to asbestos, the federal government banned most spray-applied asbestos product in 1973, following a full ban in 1989. Lead-containing paints were also banned a few years later in 1978. Given, the double height commercial building of 772 and 758 Pacific and 772 Pacific was constructed in 1919 and 758 Pacific was constructed in 1926, the Sponsor expects to find both lead and asbestos in both existing buildings. Further environmental testing will be conducted prior to demolition of 772 and 758 Pacific, and the cost of additional testing is in the permanent sources and uses budget.

2.6. Green Building.

Per the City's Green Building Code, the Sponsor is required to achieve an all-electric building. Green features will be determined during predevelopment and expected to meet the minimum TCAC Green Building Requirements. Chinatown CDC will build on their development experience with all-electric buildings and will pursue a LEED rating for the Project for achieving Net Zero Energy. Net Zero Energy will also allow Chinatown CDC to receive more points in a HUD 202 competitive application if the Project applies. However, the decision for Net Zero Energy certification will depend on

whether Net Zero Energy certification helps with financing.

3. COMMUNITY SUPPORT

3.1. Prior Outreach.

The Sponsor did not engage other Project stakeholders or neighborhood groups prior to being selected for the Multisite RFQ.

Community organizers from Chinatown CDC's Planning team, alongside business consultant Linda Esposito, spoke with the owner of New Asia, the existing business located at 772 Pacific, in person to gauge interest in working with the development team should they be selected to develop the Site. A discussion about New Asia and tenancy in Project that includes 758 Pacific is discussed in Section 4.4 – Commercial Leasing Plan.

The Sponsor's Phase 1 community outreach process started in May 2022 and ended in January 2023. Phase 1 included 1-on-1 informational interviews with key community and project stakeholders. Phase I is complete as described below.

- 1) **Listening tours** were conducted in May 2022 – January 2023 with key community leaders, community organizations, business owners, and restaurateurs. These stakeholders have a sense of community history, experience, and perspective; with a deep understanding of the community economics around restaurants, banquet halls, and the dim sum “yum cha” culture and traditions that will shape the future of Chinatown. The listening tour informed Chinatown CDC's initial concept design and commercial programming for the Project, and concluded with Chinatown CDC strongly recommending the densifying of the initial proposed project and if possible, the purchase of an additional site.

Phase 2 – 2023 Phase 2 involved meeting with a focused and also the broader community to inform the scale of the project and the ground floor commercial program—specifically around the Project's building height and whether to provide more affordable housing units as a high-rise building.

- 1) **A series of individual meetings (November – December 2023)** will be organized with translation. Chinatown CDC will reach out to neighborhood associations in the adjacent communities of North Beach, and Nob Hill, The Sponsor will send meeting notices ahead of time in multiple primary languages. The stakeholder outreach list will include: the Chinatown Tenants Association, Community Youth Center, Chinatown organizations serving working class monolingual residents and people of color, and the Sponsor's building portfolio in the Chinatown neighborhood. Feedback from the public meetings will inform a final schematic design that will be shared with the community in early 2024.
- 2) **Commercial programming will be identified, and acceptable building height will be determined (December 2023).** MOHCD will approve the commercial space program and final building height prior to submission of the Project's EIR application in early 2024.

The Sponsor has provided a community outreach plan for the period of 2022 to 2027. The plan identified key community stakeholders outreached to and described the team's overall community outreach strategy and timeline.

3.2. Future Outreach.

As initially described in the approved Predevelopment Loan Evaluation dated October

15, 2021 (“Predev Loan Eval”), outreach for this Project will occur in multiple waves and build on the 4+ decades of existing community organizing and relationship-building that Chinatown CDC has conducted.

Chinatown CDC has deployed the same team that led community engagement for Central Subway Chinatown Station to implement the community engagement plan for 772 and 758 Pacific. This process was linguistically appropriate through either the Sponsor’s staff’s language capacity or translation/interpretation from Cyber Specialist, as needed, and in compliance with the City’s Language Access Ordinance.

The Sponsor intends to continue communication with stakeholders throughout the predevelopment period.

3.3. Proposition I – Neighborhood Notification.

Chapter 79 of the City’s Administrative Code requires public noticing (Prop I) for any new City construction project. Chinatown CDC completed Prop I notification on November 15, 2021 for 772 Pacific. Prop I Noticing for 758 Pacific will be completed prior to Mayor signing the predevelopment loan amendment that includes acquisition financing and additional predevelopment funds for 758 relocation.

4. DEVELOPMENT PLAN

4.1. Site Control.

772 Pacific Avenue has been owned by the City since June 2017 and currently houses the New Asia Restaurant. Chinatown CDC acquired 758 Pacific Avenue on August 8, 2023. In April 2024, Chinatown CDC will transfer ownership to New Asia Housing, L.P., a limited partnership formed by Chinatown CDC and whose initial investor and general partners are Chinatown CDC affiliates. New Asia Housing, LP is also the borrower of the predevelopment loan that will be amended with this transaction.

758 Pacific Avenue is a two-story multiuse building constructed in 1926 with a small dim sum restaurant named Yummy Yummy on the ground floor, and a 2-bedroom (converted to 3-bedroom by the current occupant) residential unit above occupied by Yummy Yummy restaurant operator’s family.

4.1.1. Proposed Property Ownership Structure

After the transfer of 758 Pacific to New Asia Housing LP from Chinatown CDC, New Asia Housing L.P. will own 758 Pacific until the close of construction. During the entitlement period, SF Planning will determine if 772 and 758 Pacific will be merged, which is the preference of MOHCD staff and Chinatown CDC. If the parcel can be merged, New Asia Housing L.P. will transfer 758 Pacific to the City prior to the closing of the construction financing. With the transfer of 758 Pacific to the City, the 758 Pacific-acquisition note of the predevelopment loan amendment will terminate. Immediately upon transfer, the City will merge the parcels. The City will ground lease the merged parcel to the limited partnership and the City will be fee owner of the merged parcel. The merged parcel ground lease will have a 75-year initial term (with an option to extend up to 99-years).

If the two parcels cannot be merged due to Chinatown specific planning codes, New Asia Housing L.P. will own 758 Pacific until the close of construction. Prior to the close of the construction financing, New Asia Housing LP will transfer 758 Pacific to the City. With the transfer of 758 Pacific to the City, the 758 Pacific-

acquisition note of the predevelopment loan amendment will terminate. The City will have a ground lease for 758 Pacific and 772 Pacific. The City will ground lease each parcel to New Asia Housing L.P and the City will be the fee owner of each parcel. Each parcel will have an initial ground lease term of 75-year (with an option to extend up to 99-years).

Whether there are one or two ground leases for the parcels or sites, the City’s execution of a long-term ground lease(s) for 758 and 772 Pacific, is subject to approval by the City’s Board of Supervisors at construction closing (please confirm).

- Annual rent shall be set at 10% of the fair market appraised value of the combined parcel, re-determined on the 15th anniversary date of ground lease and every 15 years thereafter.
- Payment shall consist of an annual Base Rent of \$15,000, collected annually regardless of cash flow and considered a project expense.
- Residual Rent of 10% of the appraised unrestricted value of the Site will only be collected to the extent that cash flow is available and does not accrue.

4.2. Proposed Design.

The Sponsor seeks to maximize density within a modern building that responds to its context while attracting residents and visitors alike. The building will be secured by an elevator lobby with front desk coverage on the ground floor and an entrance to the commercial space. The upper stories will likely be a L- or T-shape given the narrow site and adjacent properties. The second floor will be primarily occupied with amenities for residents, including property management and resident services offices. The main community room with a kitchen for residential programming and family events may be on the top floor for a great view. Resources permitting, the Project may have a roof deck to maximize open space and take advantage of views and a multipurpose room with exercise, mental health support, and other programming all year round.

Avg Unit SF by Type (net):	Studio avg sf - 375 sf 1-br avg sf- 500 sf		
Do all units meet TCAC minimum SF?	Yes, all units exceed the TCAC minimum SF.		
	Unit Type	TCAC Minimum SF as written in 6/16/2021 TCAC Regulations 10325(g)(1)(B)	772+758 Pacific unit type percentage greater than TCAC minimums
	Studios	200	87%
	1-BDR	450	11%
Property Management & Resident Services Offices	To Be Determined (“TBD”) during predevelopment.		
Common Area SF:	TBD during predevelopment.		
Circulation SF:	TBD during predevelopment.		

Bicycle Parking:	TBD during predevelopment.
Parking SF:	N/A and not planned.
Residential SF:	108,000
Commercial SF – Banquet Hall:	15,000
Building Total SF:	123,000

4.3. Construction Supervisor/Construction Representative’s Evaluation

While 772 Pacific considered for several months MOHCD’s request for a General Contractor Design-Build led-approach with the goals for an efficient building design and coordinated integration of building systems, Chinatown CDC and MOHCD decided to not proceed in this direction and Chinatown CDC will proceed with the standard project delivery model of design by architect and then construction by General Contractor.

With the acquisition of the adjacent 758 Pacific parcel/building, a larger parcel will be achieved. The Project Sponsors have identified a half-inch discrepancy between the two properties, called “Title Gap” that will be rectified via “Quiet Title Action”. Quiet Title Action must occur prior to submission of the Special Use District (“SUD”) application by the Supervisor. If the Quiet Title Action is in process, the Supervisor on behalf of Chinatown CDC may be able to submit the SUD with the Quiet Title Action completed prior to the SUD entitlement approval.

Given no other new affordable housing projects are currently being considered in Chinatown, the initial community feedback to Chinatown CDC has been to maximize the amount of affordable senior housing with a high-rise building of 15 stories as well as provide a new banquet-sized restaurant (similar to the previous New Asia Restaurant) at the ground floor.

Construction of a high-rise building does not conform to the current zoning and therefore, the project is not eligible for SB423’s streamlined ministerial approval process.

The entitlement process for the high-rise building is expected to take several years to rezone the parcels via a SUD with Planning Commission hearings, complete an Environmental Impact Report and deal with possible appeals and/or litigation.

Chinatown CDC’s design and construction team have conducted workshops on net-zero energy and plan to incorporate net-zero energy into the high-rise building. If the revised Project becomes eligible for HUD Section 202 Supportive Housing for the Elderly Program (“HUD 202”), net-zero energy would garner additional points in the HUD 202 application.

Due to the restaurant’s large spatial requirement for dining, kitchen and storage, many of the building’s essential functions (primary power, electrical room, trash room, mechanical room, restaurant storage, bike room, etc.) will need to be located in a basement. To be verified with SFPUC and PG&E is whether primary power and

electrical room can be located in the basement. A request for a Preapplication Meeting with SFPUC and PG&E has been initiated.

Construction issues are as follows:

- 1) Permanent power: If SFPUC and/or PG&E do not allow primary, secondary and/or electrical room in the basement, then the ground floor restaurant will be correspondingly smaller and the restaurant's viability and economic feasibility may be jeopardized.
 - Should SFPUC and/or PG&E not allow basement usage, another option (if acceptable to SFPUC and PG&E) would be to locate primary power across the street at the front courtyard of the Ping Yuen Central property owned by Chinatown CDC.
 - An ongoing concern will be the trenching cost to PG&E's designated point of connection within the existing power grid, which could be over a city block away and add over \$300K to \$400K to the construction cost.
- 2) Traffic control: 772 + 758 Pacific's location in the heart of Chinatown will complicate construction logistics due to the normally high automobile and pedestrian flow and certain construction activities like concrete foundation pour, etc. may be restricted to be performed overnight with special night noise permits and overtime coordination, which will add to the total construction costs.
- 3) Neighbor Agreements: 772 + 758 Pacific is bounded by 5 separate properties to the west, 3 properties to the north and 1 property to the east. Neighbor Agreements will need to be achieved for the following:
 - Document existing interior and exterior conditions at neighboring properties to minimize damage claims due to vibration and/or settlement associated with the construction.
 - Potential access to neighbors' roofs as needed to facilitate and perform construction activities.
 - Potential overhang onto neighbors' properties as needed for scaffolding to complete the exterior building envelope.
 - Provide and install flashing cover between properties to reduce rainwater infiltration between properties.
- 4) Seabird Preschool's outdoor playground space: The preschool outdoor playground is located to the north of 772 + 758 Pacific. Chinatown CDC must confirm that there are no legal restrictions related to the proposed high-rise building casting building shadows at the preschool's outdoor playground.
- 5) Design: SB35 allowed for ministerial reductions for rear yard, open space and unit exposure for natural light and air. City Planning needs to confirm if the rezoning will incorporate these reductions or whether conditional uses and/or Planning Code variances will be required.
 - Inclusion of a basement could result in substantial increases in construction cost due to the following:
 - a) Shoring and/or underpinning of adjacent properties.
 - b) Off-haul of soils (with a significantly higher cost for soils identified as hazardous).
 - c) High-water table resulting in dewatering measures to install foundation.
 - d) Archeological findings that require excavation and delay construction.
 - e) Unforeseen underground utilities or storage tanks requiring removal.
 - f) Unforeseen foundations and/or conditions from previous developments will need to be removed.

- 6) Construction staging: Chinatown CDC and its general contractor need to determine staging requirements and whether Chinatown CDC's Ping Yuen Central building, which is located across Pacific Avenue from the Project, may be considered a construction staging area.
- 7) Construction Cost: At this time, it is unknown whether the projected percentages for escalation and contingencies will be sufficient and whether future supply-chain issues (like for Electrical Switchgear Equipment) will materially affect the total construction cost and project schedule.
- 8) Warm Shell Restaurant improvements: The MOHCD budget submitted with this loan request includes cold shell costs only and some soft costs associated with the cold shell improvements. Chinatown CDC and MOHCD must negotiate whether the previous historic use of New Asia may be considered a "community serving commercial space" and therefore eligible to receive warm shell funding under the MOHCD loan. Warm shell improvements could include the following:
 - Gas service: Chinatown CDC has indicated that gas stoves instead of electrical induction stoves will be required.
 - Extent of stub outs for mechanical (HVAC), electrical (fire alarm), plumbing (floor drains) and life-safety (fire sprinkler) work.
 - Vertical fire-rated shafts at the upper floors with specialized commercial-rated ductwork associated with the commercial kitchen's range hood and fire suppression system.
- 9) Neighbor/community opposition: Should opposition develop and if the current City appeals process does not change, further delay with corresponding additional cost could result.

4.4. Commercial Space.

- Space Description.

As initially described in the approved Predev Loan Eval, Chinatown CDC's goal for the ground floor commercial program is to honor the social and economic diversity of Chinatown by preserving a historic use of a banquet hall while pursuing innovative compatible uses. Preliminary conversations with community leaders suggest that preserving banquet culture—which COVID-19 has pushed to the verge of extinction—is a major priority for the neighborhood. Banquet halls are critical economic engines for Chinatown because they employ newly arrived immigrants and source ingredients from the many small markets along Stockton Street. The Sponsor is also open to other commercial uses if a different program emerges from the community engagement process that is of similar significance to the community.

The Sponsor is amenable to mimicking the current direct lease model that the City has in place with New Asia. The Sponsor is also open to subdividing the commercial space from the residential space, which may be beneficial for certain type of financing, for example New Market Tax Credits. The affordable housing project will not be dependent on commercial space income.

The below scenarios will be refined through the community engagement process, but provide examples of how Chinatown CDC seeks to balance the physical and economic needs of a banquet hall with compatible uses that are accessible to all community members.

Scenario 1 – New Asia Returns. The current restaurateur turned grocery store at 772 Pacific is owned and operated by Mr. So. He has operated New Asia for the past 20 years and the restaurant is registered as a Legacy Business in San Francisco. During the coronavirus pandemic at the beginning of the Shelter-In-Place ordinance by the City in March 2020, New Asia Restaurant changed its uses from a restaurant to a grocery store. In March 2023, Chinatown CDC, at the request of MOHCD, assisted Mr. So with receiving a Change of Use Permit from Planning to allow New Asia to continue operating as a grocery store. Mr. So plans to continue operating New Asia as a grocery store until the business relocates from the Site prior to the construction of the Project. This relocation is anticipated to occur over four to six months before the start of construction.

The City, acting through MOHCD, has a month-to-month lease with New Asia. MOHCD is in negotiations with Mr. So to reduce the monthly rent, execute a new lease, and negotiate rent not paid during the pandemic. Negotiation of rent not paid during the pandemic requires Board of Supervisors approval.

Mr. So and/or his family members may be interested in returning to operate the restaurant. Chinatown CDC will make every effort to accommodate New Asia if they chose to return to the new Project. Prior to the pandemic, evening banquets were New Asia's primary revenue stream, and the restaurant served dim sum during the day and provided steady employment for servers and chefs. The dim sum restaurant pairs well with the residential program, providing affordable meals to seniors who struggle with food security.

If Mr. So decides to retire and his family does not want to continue New Asia as a banquet hall, with the inclusion of 758 Pacific, the banquet hall in the Project is marketable for another operator. Chinatown CDC is well-positioned to find another operator with both dim sum and banquet hall experience.

Scenario 2 – Flexible Multi-Use Space. An alternate vision for the ground floor program if a banquet hall business is not secured would be a business combining social equity and cultural place-keeping. For example, a food hall celebrating cuisine from the Chinese diaspora that could also support a workforce development program or cultivate restaurant entrepreneurs, all while attracting tourists. Another example and vibrant model is 41 Ross Alley, a gallery with rotating exhibitions that doubles as a community events space. These uses would all require a non-profit operator selected via a request for proposals. The Sponsor would collaborate with the City College of San Francisco's Culinary Arts program and the Angel Island Immigration Station Foundation.

- Commercial Leasing Plan.

The Sponsor's primary goal is to preserve the banquet hall tradition in Chinatown. Chinatown CDC plans to work with Mr. So to bring the banquet hall back and operating in the Project. If Mr. So decides to retire and his family does not want to continue New Asia as a banquet hall in the Project, Chinatown CDC will identify another banquet hall operator; and will work with a business consultant to help identify a flexible commercial program that can operate as a restaurant in the evening and community event space, culinary program training dim sum master chefs, and/or affordable commercial kitchen space for food entrepreneurs to rent during the day.

The Sponsor will formalize a relationship with the commercial tenant at or shortly after construction loan closing. The Sponsor's leasing strategy advances racial equity goals by supporting immigrant entrepreneurs to become economically self-sufficient while providing a community benefit that will actively preserve Chinese-American culture in Chinatown.

- Operating Pro Forma.
Given the early stage of development, the commercial space financing has not yet been underwritten. For feasibility purposes, the commercial operating proforma reflects standard commercial underwriting standards and an assumption of \$2 rent/sf/month for a community serving commercial space. Chinatown CDC will explore subdividing the commercial space as a condominium—allowing the Sponsor to collect an additional \$100K in commercial developer fee (totaling \$300K). Also, since HCD's MHP is an assumed permanent source, MOHCD strongly encourages the Sponsor to consider subdividing the commercial space, especially if any City funds are assumed to be used to construct the cold or warm shell or tenant improvements. Since the City is financing all of the cold and warm shell any excess funds from the commercial space if the property is subdivided is split with MOHCD only. If the property is not subdivided and excess proceeds from the commercial space flow into the residential property budget, MOHCD has to share the excess process on a prorated share with HCD.
- Tenant Improvement Build Out.
Chinatown CDC's role will be to engage partners with the expertise to ensure the financial and market feasibility of the banquet hall model: Linda Esposito—behind La Cocina's Municipal Marketplace—will advise on both the business plan for the restaurant and the financing plan for the build-out. The Project development budget includes \$60K for consulting. With the potential exception of the Project's warm shell development, the Sponsor acknowledges that MOHCD will not pay for future tenant improvements.

A potential source to build out the commercial space is the Legacy Business Historic Preservation Fund that provides grants to both Legacy Business owners and property owners who agree to lease extensions with Legacy Business tenants, pending viability of funds. The Project's commercial programming will be informed by the Sponsor's community engagement and outreach. However, once Phase 2 of community outreach continues, the banquet hall may be reduced or shared with another commercial use.

As written in the project milestones in Attachment A, Chinatown CDC will submit the commercial space plan in May 2026.

4.5 Service Space.

Chinatown CDC anticipates one service space, but depending on spatial constraints a flex room for residential community use could be included. Currently, the Project anticipates office spaces for two individual Resident Services Coordinators, three for Intensive Case Management (3rd office to be shared by part-time service providers), two for Assistant Property Managers, one for Property Manager, and a Facility Manager's office along with a maintenance workshop.

4.6 Interim Use for 772 Pacific

As previously mentioned, New Asia stopped operating as a restaurant in March 2020 at the beginning of Shelter-In-Place ordinance and pivoted to operating as a grocery store. New Asia will continue to operate as a grocery store until the start of construction.

As part of the Site acquisition in June 2017, the City was assigned the existing lease for the New Asia Restaurant for \$22,500 per month which expired on December 31, 2021. New Asia is a holdover tenant leasing the property on a month-to-month basis. Currently MOHCD is working with New Asia to enter into a new month-to-month lease at a reduced rent of \$5,000/ month. The lease term is planned to end 4 to 6 months prior to construction of the Project.

New Asia received Rent Forgiveness approved by the Board of Supervisors for the months of April to December 2020 totaling \$202,500. New Asia expected to receive additional rent forgiveness for the months of January to June 2021 for an additional \$202,500. However, it is MOHCD's understanding that the Department of Real Estate, who managed the property at the time, pulled the legislation due to concerns from the BLA related to the grocery store operating without a Conditional Use Permit ("CUP") or Temporary Use Authorization ("TUA"). Rent forgiveness along with a requested lower monthly rent has been requested by New Asia. However, at this time, staff believe rent forgiveness will not be approved by the Board. Staff are in the process of negotiating a new month-to-month lease and a separate rent repayment agreement with New Asia owner. MOHCD staff's goal is to have a new lease and rent repayment plan executed by the end of Q1 2024.

4.7 Interim Use for 758 Pacific

Chinatown CDC or a third-party provider hired by Chinatown CDC will manage the operations and rental units at 758 Pacific until the construction of the Project. 758 Pacific is a two story 3,582sf building. The first floor contains 1,950 sf of the business, Yummy Yummy, a restaurant; the second floor includes a 1,632 sf two-bedroom converted to a three-bedroom residential unit. Both the business and residential structures are eligible for relocation. Please see Section 4.12 – Relocation.

4.8 Infrastructure. N/A.

4.9 Communications Wiring and Internet Access.

As stated in the MOHCD Underwriting Guidelines ("MOHCD UG"), the Sponsors are to request the most recent MOHCD Communications Systems Standards from the Project's MOHCD Construction Representative. Prior to execution of the Amendment to the Predevelopment Loan, which will include this loan request amount, MOHCD will provide Chinatown CDC with the MOHCD Communication Systems Standards dated September 16, 2021.

4.10 Public Art Component.

The Project's public art requirement calculation is based off 1% of estimated construction hard cost at predevelopment loan request multiplied by the percent of Project funded by MOHCD. In the previous Predevelopment Loan Evaluation, the public art was based on a fewer units and 7-stories and totaled \$194,561, rounded up to \$200,000. The public art component based on the revised larger project is \$370,011 and the calculation is shown in the chart below and represents an increase

of \$170,011 from the permanent budget in the Predev Loan Eval. MOHCD staff will allow the public art requirement to increase because (1) a similar Multisite RFQ development increased the number of units and height and increased its public art requirement, and; (2) the public art requirement on the Project is below public art requirements on other 15-story buildings (1064 Mission, 600 7th Street, and 1939 Market).

MOHCD Estimated Commitment	\$49,000,000
TDC	\$171,772,330
Total Hard Cost	\$126,902,100
Public Art Requirement Calculation	
1% of Construction Cost for Project inclusive of 758 Pacific	\$1,269,021
Percent funded by MOHCD (MOHCD Committed / TDC)	28.53%
<i>Public Art Requirement</i>	<i>\$362,003</i>
Public Art in MOHCD Permanent Sources & Use	\$370,011

4.11 Marketing, Occupancy, and Lease-Up.

MOHCD’s marketing policies and procedures will be applied to all units. Marketing and occupancy outreach for the Project will be conducted in accordance with all applicable fair housing laws.

Chinatown CDC will conduct outreach to neighborhood-based, non-profit housing corporations, agencies and other low-income housing advocacy organizations that maintain waiting lists. Units that are not Plus Housing or subsidized by LOSP or SOS, will be entered in a lottery and subject to San Francisco preferences. Among all eligible applicants, additional preference will be observed in the following order:

1. San Francisco Redevelopment Agency Certificate of Preference Holders,
2. Displaced Tenant Housing Preference (Ellis Act/OMI) Certificate Holders,
3. Neighborhood Resident Preference (25% of lottery units given the expected HCD-MHP funding to the Project), and
4. Live or Work in San Francisco.

Marketing materials will be printed in Chinese, English, Spanish and Tagalog, and published in a variety of publications that represent a broad range of non-English speaking populations.

The Sponsor expects to engage with subcontractors like Young Community Developers (“YCD”), Cathy Davis, and the Black Women’s Social Circle comprised of Black residents at Ping Yuen and Ping Yuen North public housing across from the Project, to focus on non-Asian homeless seniors for marketing outreach. The following is a carry-over loan condition from the Predev Loan Eval: Chinatown CDC will provide a clear marketing plan strategy targeting Black/African American households for the Project’s marketing and lease up.

4.12 Relocation.

Chinatown CDC’s in-house community organizing, and relocation staff will work closely with New Asia, commercial tenant of 772 Pacific, prior to construction to relocate to an appropriate temporary or permanent space. The Sponsor is required to following

California Relocation Laws for 772 Pacific. Chinatown CDC’s in-house community organizing, and relocation staff will also work with Yummy Yummy, the commercial tenant of 758 Pacific Avenue, and the 758 Pacific residential tenant. Both will be relocated to an appropriate temporary or permanent space. The City attorneys have confirmed that since the Project is defined as containing both 772 and 758 Pacific, each parcel whether merged or not will be subject to federal and California Relocation laws since CDBG funds were used for acquisition financing for 758 Pacific.

The Project’s development budget has \$800K for New Asia relocation and \$800K for 758 Pacific relocation of the small restaurant and the residential unit above. As a loan condition prior to requesting a preliminary gap letter for a financial application and/or with the pricing exercise due at schematic design and whichever is the earlier event, Sponsor must provide a breakdown of relocation cost in an updated and revised MOHCD proforma.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	Herman Coliver Locus Architecture + Stan Teng Architecture	LBE	N
Landscape Architect	TBD		
General Contractor	Cahill/Pilot JV	JV SBE	N
Owner’s Rep/Construction Manager	Armando Vasquez	SBE	N
Financial Consultant	California Housing Partnership	N	N
Legal	Gubb & Barshay	N	N
Services Provider	Chinatown CDC (all units)	N	N

5.1. Procurement Plan.

The Contract Monitoring Division (CMD) has established the professional services goals for the Project at 20%.

5.2. Opportunities for BIPOC-Led Organizations

Chinatown CDC has actively pursued joint ventures with other community development organizations including Mission Economic Development Agency (“MEDA”) and Young Community Developers (“YCD”) to build their development capacity such that they are able to administer projects without a development partner. The Sponsor will continue building diverse development teams at the Project by working with consultants that are BIPOC owned and led.

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: The Sponsors executed a Predevelopment Loan Agreement dated August 10, 2022 for 772 Pacific in the amount of \$4.1M. As of August 23, 2023, the Sponsors have expended \$531,427.93 of the predevelopment loan amount and \$3,568,572.07 are unexpended funds of the loan amount.

Loan Type/ Program	Loan Date	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Outstanding Principal Balance	Accrued Interest to Date
Predevelopment Loan	8/10/2022	\$4,100,000	3.00%	8/10/2025	Residual Receipts, if Project becomes a permanent loan	\$4,100,000	\$11,598.62 (as of 12/15/2023)

6.2. Disbursement Status. Since the Chinatown CDC acquired the 758 Pacific on August 8, 2023, any invoices submitted to escrow for the acquisition financing and dated before the date of this loan request but no earlier than August 8, 2023, may be reimbursed with the approved loan evaluation. Any and all invoices related to the additional predevelopment loan for 758 Pacific relocation must be dated the date of this loan evaluation request and used for 758 Pacific relocation. Funds related to the acquisition will be reimbursed after approval of NEPA in February 2024.

6.3. Fulfillment of Loan Conditions. Below is the status of Loan Conditions since this project was last at Loan Committee for Predevelopment Loan Request on October 15, 2021:

During Predevelopment:

- Sponsor must work with MOHCD staff to determine the proper services for the Plus Housing units and if applicable, the source to pay for the service program **Status:** Completed. Chinatown CDC will be the sole service provider. The following new loan condition will replace this condition: prior to requesting a preliminary gap letter for a financial application and/or with the pricing exercise due at schematic design and/or with the submission of the SUD application that includes EIR process or whichever is the earliest event, Sponsor will have determined the proper services for Plus Housing and the source to pay for the service program.

By April 30, 2022:

- Sponsor must provide a community outreach plan for the period of July 2021 through construction completion. The plan should identify key community stakeholders that they will reach out to, describe the team’s community outreach strategy, and overall timeline. **Status:** Completed.
- Sponsor must provide the Architect RFQ for MOHCD review and approval. **Status:** Completed.
- Sponsor must provide the Subconsultants RFQ for MOHCD review and approval. **Status:** Completed.
- Sponsor must provide the construction manager RFQ for MOHCD review and approval. **Status:** Completed.
- Sponsor must provide the general contractor RFQ for MOHCD review and approval. **Status:** Completed.
- Sponsor must provide the contract for Construction Management for MOHCD review and approval. **Status:** Completed.

By July 31, 2024 (100% Schematic Design & prior to Site Permit Submittal):

- Sponsor must submit application to the Planning Department for SB35 and Site Permit review. **Status:** N/A as the project will pursue re-zoning and will conduct an EIR.

6.4 Proposed Predevelopment Financing

6.4.1 Predevelopment Sources Evaluation Narrative.

- 1) **MOHCD/City Predevelopment Loan (\$4,100,000)** - The Sponsors executed a Predevelopment Loan Agreement for 772 Pacific in the amount of \$4.1M. These funds will also be used for the combined development that includes 758 Pacific, the Project. The predevelopment loan was sized to take the Project for a single parcel, 772 Pacific, through construction closing. The Sponsors are to use the increased predevelopment loan -- one of the largest predevelopment loans awarded for the Multisite RFQ projects -- to get the new Project contracting 772 and 758 Pacific through construction closing for the larger site. If the Sponsor requires additional predevelopment funds, they are to look at a third-party lender, with all terms to be approved by MOHCD.
- 2) **MOHCD/City Acquisition & Relocation Loan (\$3,067,731)** - The loan request for acquisition and additional predevelopment funds is sized to pay off Chinatown CDC's acquisition loan for 758 Pacific with interest and cover relocation of the commercial business and residents that will need to occur prior to the construction loan closing and start of construction on the Project.
- 3) **TBD Predevelopment Loan (\$3,150,000)** – An additional third-party predevelopment loan may be necessary to cover the cost to increase due to upsizing of the building. It's assumed that such a loan will be at 5% interest for 1 year prior to the construction loan closing.

6.4.2 Predevelopment Uses Evaluation:

Predevelopment Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Acquisition Cost is based on appraisal	Y	Not included for 772 Pacific. 772 Pacific is currently owned by the City. Since the City owns 772 Pacific there are no property taxes or other holding cost associated with the site. With this request, the City will purchase 758 Pacific from the limited partnership. Since the City will own the land and for tax credit purposes, the land purchase cost is not associated with the total development cost of the site. The purchase price is based on an appraisal of \$2 million.
Holding costs are reasonable	Y	Holding cost are estimated at \$79,688 for 758 Pacific and assumes 8.5% interest for use of Chinatown CDC's line of credit carried for 9 months.
Architecture and Engineering Fees are within standards	Y	Total Predev Architectural and Engineering fees are \$2,733,075 and is \$1,531,950 more than approved at the Predev Loan Eval. The new total architecture is within the Underwriting Guidelines

		(“UG”) for a high-rise. Of the \$2,733,075, MOHCD is covering \$1,201,125 and if needed the additional \$1,531,950 will be paid by a to-be-determine predevelopment lender.
Consultant and legal fees are reasonable	Y	\$65K for legal fees and \$85K for financial consultant fees are reasonable and has not changed since the predevelopment request.
Entitlement fees are accurately estimated	Y	\$180,169 for entitlement/permit fees is reasonable and has not changed since the predevelopment request, even though the Sponsors believe due to the upsizing they will require an additional \$320K. If needed the additional funds will be covered by a third-party predevelopment lender.
Construction Management Fees are within standards	Y	CM fee sized at \$126,000 (\$4,200/month) for the estimated 30-month predevelopment period does comply with underwriting guidelines.
Developer Fee is within standards	Y	Total Dev Fee during predevelopment of \$550,000 complies with MOHCD Developer Fee Policy.
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 8.3%. But MOHCD staff will allow since the City predevelopment, and acquisition are only covering 74% of the total predevelopment and acquisition needed to get to the construction loan closing.

6.5 Proposed Permanent Financing.

The permanent financing being presented to demonstrate the Project’s overall feasibility but not intended to be presented for the approval at this time.

6.5.1 Permanent Sources Evaluation Narrative:

The Borrower proposes to use the following sources to permanently finance the Project:

- 1) **MOHCD Loan (\$49,000,000)** - The estimated amount for MOHCD’s gap loan on this Project is \$49,000,000 or \$280,000 per unit, which exceeds the targeted \$250K per unit stated presented in the Multisite RFQ response but does not exceed the maximum per unit allowed per MOHCD under the Multisite RFQ. This amount does not include the acquisition costs but includes predevelopment and this additional predevelopment ask. It’s anticipated that MOHCD will bridge the Project’s \$1M AHP loan. MOHCD’s \$4.1MM predevelopment loan and the proposed additional predevelopment loan of \$933,136 will be rolled into MOHCD’s final gap loan amount for 57-

year term with a current interest rate of 3.00% simple, and a residual receipts payment. At this time the MOHCD predevelopment loan interest, that will be paid at the construction closing, is not shown in the MOHCD permanent sources and uses budget. The key contributing cost increase items include additional design and engineering fees, EIR process for a larger building on two parcels and relocation costs for 758 Pacific.

- 2) **HCD MHP (\$38,147,754)** – MHP prioritizes providing permanent financing to extremely low-income units at or below 60% TCAC AMI. HCD has been updating their guidelines for MHP as well as 5 other programs (including VHHP, TOD and IIG) as part of HCD’s “Super-NOFA” published annually in the spring. MHP is expected to be extremely competitive and will award the highest scoring projects with the lowest tiebreakers based on a project’s average AMI of MHP Assisted units. Preliminary scoring based on the 2023 MHP guidelines (out for public comment) forecast the Project achieving 105 out of 113 points with a tiebreaker of 1.558 by further restricting LOSP and SOS units to 20% TCAC AMI, which is approximately 25% MOHCD AMI depending on household size, in the MHP application assuming frail elderly as the special needs population. See Section 7.1 Income Restrictions for All Sources for more information.

Unfortunately for MHP, 105 is not a great score unless it is some special category like emerging or community-based developer. Currently, a score below 110 is not guaranteed to receive an award.

- 3) **HCD IIG (\$5,000,000)** – Infill Infrastructure Grant may be applied for alone or as part of Super NOFA application. The potential advantage of applying for IIG separately from MHP is that one could get the IIG award without getting the MHP award.

If either HCD MHP or HCD IIG is not awarded, the Project may be placed on hold until available financing is available.

- 4) **Federal Home Loan Bank of San Francisco (FHLBSF) Affordable Housing Program (AHP) (\$1,000,000)** –The Project will be competitive based on the senior population and timing of submitting the application to maximize Project readiness points, for a request of \$1M. The Sponsor will apply for AHP financing in 2028 following the start of construction and if not awarded, will apply again in 2029. The Sponsor will identify the bank sponsor closer to the application date, with a successful award to be disbursed at closing or during construction.
- 5) **General Partner Equity (\$500,000)** – The amount meets the minimum \$500K GP Equity requirement under MOHCD’s Developer Fee policy. Chinatown CDC is not including the maximum allowed developer fee allowed by TCAC to be competitive for a CDLAC bond request.
- 6) **4% Tax Credit Equity (\$76,868,701)** - Chinatown CDC is assuming \$0.97 per federal credit pricing, which is consistent with the current credit market. If

the market improves, the increase in tax-credit equity will reduce MOHCD’s gap loan to the Project.

As a loan condition from the Predev Loan Eval, the Sponsor was required to consider applying for a HUD 202, which would allow the Project to decrease the MHP request while adding PRAC subsidies, which would allow households to pay 30% of their income toward rent. While the Sponsor has shared with staff proformas showing a potential HUD 202 and has been working with a consultant to assess the Project’s competitiveness for a HUD 202, there are two challenges hindering a HUD 202 as a financing source for the Project:

- 1) The Project is in an “Elderly Minority Concentration Map”: Per HUD FY2022 Section 202 Supportive Housing for the Elderly Program published on 01/25/2023, if a Project is located on HUD 202’s Elderly Minority Concentration Map, it is disqualified and cannot apply. Political advocacy is needed to allow Chinatown CDC to apply for HUD 202 . Chinatown CDC has begun conversation with Congresswoman Nancy Pelosi to change the mapping.
- 2) Low Operating Cost Per Unit: Due to the low operating costs of \$11,035 per unit, the non-HUD 202 units without PRAC must assist with making the Project cash flow. Also, HUD does not allow the HUD 202 units with PRAC to cross subsidize non-HUD 202 units without PRAC per HUD FY2022 Section 202 Supportive Housing for the Elderly Program published on 01/25/2023. Therefore, Chinatown CDC has to either increase the rents on non-HUD 202 units or find other non-City operating subsidies. Because of the low operating limits, no applications in Region 9, which includes California, received awards in 2022. The last San Francisco project to receive a HUD 202 award was Willie B Kennedy owned by TNDC (2011).

6.5.2 CDLAC Tax-Exempt Bond Application:

- o Construction Loan (\$85,617,661,000): While not a permanent source, the proposed construction loan has a 41-month term, with a 8.31% interest rate. The Project cannot support a permanent mortgage. A taxable construction loan of \$19,900,769 will be needed. The self-score of 199 and tiebreaker of 147.25% are competitive to receive bonds.

The Project will be competing in the ELI/VLI set-aside within the New Construction pool and the Bay Area’s geographic set-aside.

CDLAC Self-Score		
Opportunity Map Resource Level	Moderate Resource Area	
TCAC Housing Type (new construction only)	Senior	
Bond Allocation Request Amount	\$85,617,661	
Total Self-Score (out of 120 points)	119	
Tiebreaker Score	2021 Tiebreaker – 147.25%	
	State Controller’s Tiebreaker	
	Total Public Benefit /	64,324,236
	Total State Investment	43,683,194
	-	
	147.25%	

The Project will apply to CDLAC-TCAC either in September 2026 for a December 2026 allocation or February 2027 with May 2027 allocation, scoring 119 out of 120 total points, with a tiebreaker of 147.25% (based off the 2023 tiebreaker calculation).

6.5.3 HOME Funds Narrative:
 N/A

6.5.4 Commercial Space Sources and Uses Narrative:

A potential source to complete the tenant improvements of the commercial space is the Legacy Business Historic Preservation Fund (“LBHPF”). LBHPF is a provides grants to Legacy Business owners and property owners who agree to lease extensions with Legacy Business tenants, pending viability of funds. Chinatown CDC will leverage the expertise of Linda Esposito to advise the Sponsor on both the business plan for the banquet hall/restaurant and the financing plan for the commercial space build out.

The overall development budget includes costs to build out a warm shell and \$200K in commercial developer fee, as permitted under MOHCD’s Commercial Space Underwriting Guidelines for a community serving space. By October 2024, Chinatown CDC will determine whether the commercial space will be subdivided as a condominium, which will allow the Sponsor to request an additional \$100K in commercial developer fee (totaling \$300K).

6.6 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit are within standards	Y	<p>\$725,155/unit. On a cost per units, the Project is lower than all comparable developments. However, the cost comparable chart includes most recent developments 9-stories and above because if mid-rise buildings were excluded, there are only 3 high-rise buildings on the cost comparable chart.</p> <p>In comparing the Project to 3 high-rises in predevelopment it is below the average cost per unit of those developments. The Project compared to the senior high-rise developments in predevelopment is the highest cost per unit and 3% more, approximately \$18K more, than the next highest development. However, despite these costs, staff recommends the project as proposed since Chinatown has had no new developments since 2005.</p>

Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5%
Architecture and Engineering Fees are within standards	Y	Total Architectural & Design fees is \$4,400,000 which is within underwriting guidelines and is a \$756,800 increase over the Architectural & Design fees presented in the approved October 2021 predevelopment loan evaluation. This increase is due to increasing to a high-rise.
Construction Management Fees are within standards	Y	CM is sized at \$250,000 (30 months for predevelopment and 20 months for construction) and meets underwriting guidelines for predevelopment (\$4,200/month) and construction (\$6K/month) periods.
Developer Fee is within standards, see also disbursement chart below	Y	PM Fee: \$1,100,000 At Risk: \$1,100,000 Commercial Developer Fee: None requested, which is a 100% reduction from the approved October 2021 predevelopment loan evaluation. Deferred Developer Fee: \$0, which is a 100% reduction from the approved October 2021 predevelopment loan evaluation. GP Equity: \$500,000 Total Developer Fee: \$2,700,000
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10.0%.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve of \$719,405 is a minimum of 3 months of operating expenses including reserves and HCD debt service.

6.7 Developer Fee Evaluation:

Below is the breakdown of the total development fee in the Project, which meets MOHCD's Developer Fee Policy. If the Project continues to permanent/gap financing the chart below will be included in a Development Fee Agreement.

Total Developer Fee:	\$2,700,000	
Project Management Fee Paid to Date:	\$ 165,000	
Amount of Remaining Project Management Fee:	\$ 935,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,100,000	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	\$ 0	
Amount of Fee Deferred (the "Deferred Fee"):	\$ 0	

Amount of General Partner Equity Contribution (the "GP Equity"):	\$ 500,000	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Predevelopment milestone #1 - Close of predevelopment financing [PAID]	\$165,000	15%
Predevelopment milestone #2 – Submitted evidence of receipt of site permit	\$125,000	11%
Predevelopment milestone #3 - Submission of HCD funding application	\$130,000	12%
Predevelopment milestone #4 - Submission of CDLAC and TCAC Application	\$130,000	12%
Construction milestone #1: At the construction closing	\$220,000	20%
Construction milestone #2: Disbursed during construction	\$220,000	20%
Project close-out	\$110,000	10%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		Percentage At Risk Fee
100% lease up and draft cost certification	\$220,000	20%
Permanent conversion	\$550,000	50%
Project close-out	\$330,000	30%

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

7.1. Annual Operating Budget

Please note that the annual operating budget presented is to demonstrate the project's overall feasibility, but not intended for Loan Committee approval at this time.

Chinatown CDC's operating budget is generally compliant with MOHCD policies. Rental income is based on the following:

- Tenant Rents from non-LOSP and SOS units is \$1,935,006 annually.
- SOS contract rents are \$73,611 monthly or \$883,332 annually for 70 units that will be designated for seniors aged 62 and older and supported with a 15-year SOS contract.
- LOSP contract rents are estimated \$761,527 annually for 40 units that will be designated for homeless seniors aged 62 and older and supported with a 15-year LOSP contract.

7.2. Annual Operating Expenses Evaluation.

Property insurance, staffing including front desk clerks and resident services, and utilities are the operating expenses that most influence the overall operating budget.

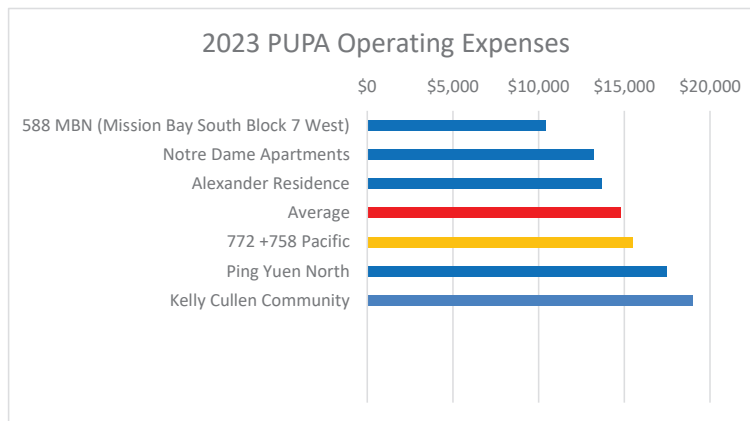
Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes

<p>Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17</p>	<p>N</p>	<p>The Project is not supporting permanent debt, the DSCR is 1.239 in Year 1 and stays above 1.0 through Year 15. At Year 16, the DSCR is 0.997 and steadily goes negative and at Year 20 the DSCR is 0.876.</p> <p>TCAC regulations dated May 10, 2023, require at least a 1.15 DSCR in at least one of the project's first 3 years following stabilized occupancy. The DSCR in Year 3 is 1.18.</p>
<p>Vacancy meets TCAC Standards</p>	<p>Y</p>	<p>Vacancy is 5.0%.</p>
<p>Annual Income Growth is increased at 2.5% per year</p>	<p>Y</p>	<p>Income escalation factor is 2.5%. SOS escalation factor at 4.0%, per program requirements.</p>
<p>Annual Operating Expenses are increased at 3.5% per year</p>	<p>Y</p>	<p>Expenses escalation factor is 3.5%</p>
<p>Base year operating expenses per unit are reasonable per comparables</p>	<p>N</p>	<p>Total Operating Expenses are \$14,928/unit for 2030 (Year 1), which are high due to the 24-hour desk clerk, with 75% of the desk clerk paid by the 40 LOSP units. During the predevelopment phase, MOHCD and HSH will continue to engage with the Sponsor to determine the appropriate supportive services budget for the Project. See comments below chart.</p>
<p>Property Management Fee is at allowable HUD Maximum</p>	<p>Y</p>	<p>Total Property Management Fee is \$142,800 or \$68 PUPM.</p>
<p>Property Management staffing level is reasonable per comparables</p>	<p>Y</p>	<p>See below staffing chart in Section 7.3 Staffing Summary, which includes 3.25 FTE property management staff and 4.20 FTE front desk clerk.</p>
<p>Asset Management ("AM Fee") and Partnership Management Fees ("PM Fee") meet standards</p>	<p>Y</p>	<p>Annual AM Fee is \$24,280/yr (\$11.56 PUPM) and the AM Fee is taken before debt payments. The Sponsor in Year 2030 may take more AM Fee, however, allowable amount MOHCD AM Fee will make the DSCR go below 1 in Year 12. For this reason, the Annual PM Fee is \$33,440/yr for the first operating year of 2030 and meets the underwriting guidelines.</p>

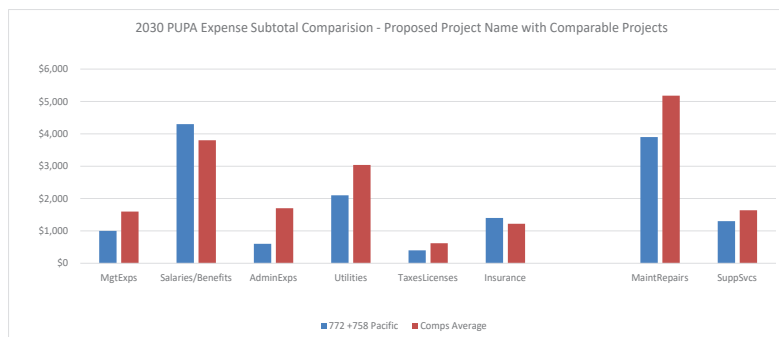
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$500 PUPA, per HCD standard.
Limited Partnership Asset Management Fee meets standards	Y	\$5,000/yr with no escalation and meets MOHCD underwriting guidelines.

Base Year Operating Expense Comparison: The Project has the highest operating expense of new construction developments of similar size in operations and were the operating per unit per annual (“PUPA”) has been inflated to 2023. However, the project is lower than similar size rehabilitation developments.

Project Name	PUPA, 2023 (Rounded)	Number of Units	Type of Project
588 MBN (Mission Bay South Block 7 West)	\$10,400	200	New Construction
Notre Dame Apartments	\$13,200	204	New Construction
Alexander Residence	\$13,700	179	New Construction
Average	\$14,800	189	
772 +758 Pacific	\$15,500	175	New Construction
Ping Yuen North	\$17,500	200	Rehab
Kelly Cullen Community	\$19,000	174	Rehab



Factors contributing to the higher operating costs are salaries and insurance. See chart below.



For insurance, the cost of residential property insurance has been rising in the market since spring 2020 and the estimated insurance comparable with insurance on recent projects. Chinatown CDC salaries and staffing will need to be revisited and updated with the 100% schematic design pricing exercise.

7.3. Staffing Summary.

The staffing plan is also subject to further review by MOHCD, the Department of Homelessness and Supportive Housing (HSH) and the DDAS.

Title	FTE allocated to Project	Expenses allocated to Project	Total Fringe (FICA, WC, Health, 403B)
Office Salaries			
<i>Assistant Property Manager</i>	2.25	\$149,386	\$68,553
<i>Admin Assistant</i>	1.00	\$54,080	\$24,817
<i>Desk Clerk</i>	4.20	\$210,496	\$96,597
Subtotal	7.45	\$413,962	\$189,967
Manager Salaries			
<i>Property Manager</i>	1.0	\$76,960	\$35,317
Subtotal	1.0	\$76,960	\$35,317
Janitorial			
<i>Janitor</i>	0.50	\$191,593	
Subtotal	0.50	\$95,797	
Maintenance			
<i>Technician</i>	0.50	\$204,421	\$22,208
Subtotal	0.50	\$102,211	\$22,208
Resident Services			
<i>Chinatown CDC Resident Services Coordinator</i>	2.00	\$128,000	\$38,400
<i>Chinatown CDC Resident Services Supervisor</i>	0.50	\$19,250	\$11,550
<i>Chinatown CDC Intensive Case Manager</i>	2.50	\$172,500	\$51,750
Subtotal	5.00	\$339,000	\$101,700
Total FTEs and Expenses	14.45	\$1,027,930	\$349,192

7.4. Income Restrictions for All Sources.

This request assumes 58 units without operating subsidy to be restricted at 60% MOHCD AMI. MOHCD and Chinatown CDC are both aware that 60% MOHCD AMI units are difficult to market to low-income seniors. Chinatown CDC's ultimate goal is to have all units in the development at or below 50% MOHCD AMI and will seek operating subsidies or financing other than MOHCD to achieve a senior development with all units at or below 50% MOHCD AMI.

UNIT SIZE		MAXIMUM INCOME LEVEL		
NON-LOTTERY	No. of Units	MOHCD	TCAC	HCD
Studio – LOSP	20	50% MOHCD AMI	20% TCAC AMI	MHP – 20% TCAC AMI / 25% MOHCD AMI
1 BR - LOSP	20	50% MOHCD AMI	20% TCAC AMI	MHP – 20% TCAC AMI/ 25% MOHCD AMI
LOSP Sub-Total	40			
Studio - Plus Housing	3	50% MOHCD AMI	40% TCAC AMI	MHP - 40% TCAC AMI
1 BR - Plus Housing	2	50% MOHCD AMI	40% TCAC AMI	MHP - 40% TCAC AMI
Plus Housing Sub-Total	5			
LOTTERY				
Studio – SOS (15% MOHCD AMI)	20	60% MOHCD AMI	20% TCAC AMI	MHP – 20% TCAC / 25% MOHCD
Studio – SOS (25% MOHCD AMI)	20	60% MOHCD AMI	20% TCAC AMI	MHP 20% TCAC / 25% MOHCD
1 BR – SOS (15% MOHCD AMI)	15	60% MOHCD AMI	20% TCAC AMI	MHP 20% TCAC / 25% MOHCD
1 BR – SOS (25% MOHCD AMI)	15	60% MOHCD AMI	20% TCAC AMI	MHP 20% TCAC / 25% MOHCD
SOS Sub-Total	70			
Studio	48	60% MOHCD AMI	40% TCAC AMI	MHP - 40% TCAC AMI
1 BR	10	60% MOHCD AMI	40% TCAC AMI	MHP - 40% TCAC AMI
Sub-Total	58			
STAFF UNITS				
2-BR	2	N/A	N/A	
TOTAL	175			
PROJECT AVERAGE (ALL UNITS)		57.40%	27.28%	
PROJECT AVERAGE FOR LOTTERY UNITS ONLY		60.00%	29.06%	

7.5. MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level	Rental Subsidy
0 BR	3	50% of Median Income	Plus Housing
0 BR	20	50% of Median Income	LOSP
0 BR	40	60% of Median Income	SOS
0 BR	48	50% of Median Income	
Total 0 BR	111		
1 BR	2	50% of Median Income	Plus Housing
1 BR	20	50% of Median Income	LOSP
1 BR	30	60% of Median Income	SOS
1 BR	10	60% of Median Income	
Total 1 BR	62		
2 BR	2	Unrestricted Manager's Unit	
Total 2 BR	2		
	175		

All Units must be rented at all times to tenants who are seniors aged 62 and older. Forty (40) units must be made available to the chronically homeless or those at risk of homelessness during the period in which the City's Local Operating Subsidy program is in operation and the City provide such subsidy to the project under LOSP. Seventy (70) units must be made available to Senior Households with a maximum income of 15% and 25% of Median Income during the period in which the City's Senior Operating Subsidy program is available.

8. **SUPPORT SERVICES**

8.1. Services Plan.

Chinatown CDC will be the service provider for all units. The Sponsor will enter into a services contract funded by HSH. Chinatown CDC is proposing the following on-site support services staff:

Staff Position	Employed	FTE	Residents Served	Staff to Resident Ratio	Funding Source
Resident Services Coordinator	Chinatown CDC	2.0 FTE	133 senior households	1:83	Operating Budget
Resident Services Supervisor	Chinatown CDC	0.25 FTE	133 senior households	1:	Operating Budget
Intensive Case Manager	Chinatown CDC	2.5 FTE	40 formerly homeless households	1:20	HSH

Chinatown CDC's Resident Services works individually and collaboratively with all residents, in an integrated partnership with Property Management and third-party services providers, to tailor trauma-informed services according to each household's specific needs, goals, and cultural context. Foundational to the Sponsor's approach for services provision is the employment of Trauma-Informed Care (TIC) in all aspects of interacting with residents, including property management functions. Services staff are trained on an on-going basis in both TIC and cultural competency to tailor services to the individual and avoid re-traumatization. A TIC model necessitates that Chinatown CDC maintains an environment for staff that addresses secondary traumatic stress.

Their team also recognizes that access to culturally competent clinical mental health care is key to stability for formerly homeless households. With the resident’s permission, the ICM coordinates care with the resident’s mental health and primary care providers.

8.2. Service Budget.

The Project’s preliminary services budget below to demonstrate Project feasibility, and not intended for Loan Committee approval. The Sponsor’s proposed services budget does not meet MOHCD’s standard policy of 1 resident services coordinator to 100-unit ratio. MOHCD will continue to work with Chinatown CDC during predevelopment to determine the final service staffing plan to be within MOHCD’s policy.

The table provides a breakdown of services cost for the proposed total HSH services budget of \$310,431 (in yellow column) and \$221,425 services budget paid through the operating budget (in green column).

Position	Salary	FTE	FTE Amount	SF HSH Budget	Operating Budget	Total
Intensive Case Manager (CCDC)	\$69,000	250%	\$172,500	\$172,500	\$0	\$172,500
Resident Services Coordinator (CCDC)	\$64,000	200%	\$128,000	\$0	\$128,000	\$128,000
Resident Services Supervisor (CCDC)	\$77,000	25%	\$38,500	\$0	\$19,250	\$19,250
Plus Housing Coordinator (CC)	\$0	0.00%	\$0	\$0	\$0	\$0
Fringe @ 30%	\$0	0.00%	\$101,700	\$51,750	\$41,391	\$93,141
Personnel Subtotal	\$210,000	475%	\$440,700	\$224,250	\$188,641	\$412,891

Operating Expenses	SF HSH Budget	Operating Budget	Total
Job posting fees	\$0	\$375	\$375
Staff retreat/orientation	\$660	\$0	\$660
Rental of Property	\$0	\$0	\$0
Utilities: phone	\$5,000	\$0	\$5,000
Utilities: electrical	\$0	\$1,200	\$1,200
Utilities: garbage	\$0	\$600	\$600
Office Supplies	\$3,500	\$0	\$3,500
Building Maintenance Supplies and Repair	\$0	\$0	\$0
Printing and Reproduction	\$1,200	\$400	\$1,600
Insurance	\$0	\$0	\$0
Staff Training	\$3,000	\$0	\$3,000
Staff Travel	\$2,800	\$0	\$2,800
Rental of Equipment	\$0	\$0	\$0
Clinical consultation fees	\$3,500	\$0	\$3,500
Dues/data management subscription	\$1,300	\$0	\$1,300
Meeting Expenses	\$600	\$0	\$600
IT expenses	\$0	\$1,000	\$1,000
Janitorial	\$0	\$1,000	\$1,000
Miscellaneous Admin	\$0	\$100	\$100
Tenant Activities and Supplies (\$5 PUPM)	\$2,400	\$7,980	\$10,380
Community meals & events (\$25 PUPM)	\$12,000	\$0	\$12,000
Food vouchers (\$25 PUPM)	\$12,000	\$0	\$12,000
Move-in allowance (\$250 PU)	\$10,000	\$0	\$10,000
Operating Subtotal	\$57,960	\$12,655	\$70,615
Subtotal of Personnel and Operating Subtotals	\$282,210	\$201,296	\$483,506
Indirect Cost @ 10%	\$28,221	\$20,129	\$48,351
Total Expenditures	\$310,431	\$221,425	\$531,857

Approval of overall services budget will be a condition of Site Permit milestone approval by MOHCD. The services plan for the LOSP units will need to be reviewed and approved by the HSH and MOHCD. Also, MOHCD staff believe the per unit per month service cap is \$550. At \$310,431 the Sponsor’s early estimate is over that cap by \$46,431. SOS does not come with services funds and Sponsors may not make up resident services

funding gap by increasing the services budget supported by the property without sufficient backup and approval by MOHCD.

8.3. HSH Assessment of Service Plan and Budget.

Three HSH staff were part of the developer RFQ selection panel. HSH will review and approve the services plan and budget for the seniors experiencing homelessness along with MOHCD. MOHCD will review the overall services plan and budget at every development update and prior to submission of any application to the state for an affordable housing funding application. An approval of an overall services budget is required as a condition to receive Site Permit.

Final service plan and budget approval will be required prior to receiving LOSP financing. If the supportive services line item on the MOHCD first year operating budget increases by more than 15% of the supportive services line item at the construction closing, MOHCD reserves the right to withhold an equal portion from the increase over the supportive services line item from the At-Risk Developer Fee.

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms.

Financial Description of Proposed Acquisition Loan	
Loan Amount:	\$2,131,526
Loan Term:	5 years and may be extended with MOHCD Director approval.
Loan Maturity Date:	January 1, 2028
Loan Repayment Type:	Acquisition Note terminated with transfer to City.
Loan Interest Rate:	0%
Date Loan Committee approves prior expenses can be paid:	January 5, 2024

Financial Description of Additional Predevelopment Loan	
Loan Amount:	\$5,036,205 (\$4.1M original Predev Loan amount and \$936,205 for 758 Pacific relocation)
Loan Term:	3 years (rolled into 57-year loan at construction closing)
Loan Maturity Date:	2027
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3% at a rate that may be adjusted at the discretion of the MOHCD Director to attain financial feasibility for the Project (pending true debt analysis).
Date Loan Committee approves prior expenses can be paid:	January 5, 2024

9.2. Recommended disbursement conditions/schedule.
None.

9.3. Recommended Loan Conditions with this Loan Request

New Loan Conditions

- 1) Sponsor must seek additional operating subsidy to lower the units without operating subsidy to at or below 50% MOHCD AMI. Sponsor will not be allowed to achieve 50% MOHCD AMI rents in units without operating subsidy by increasing LOSP splits on the operating budget, thereby having LOSP subsidize the operating costs of the units without operating and/or rental subsidy.
- 2) Sponsor to explore and provide to MOHCD predevelopment term sheets from a third-party lender along with an updated MOHCD budget and proforma, prior to securing additional predevelopment loan funds and/or requesting additional financing from MOHCD.
- 3) Prior to requesting a preliminary gap letter for a financial application and/or with the pricing exercise due at schematic design and/or with the submission of the SUD application that includes the EIR process or whichever is the earliest event, Sponsor will have determined the proper services for Plus Housing and the source to pay for the service program.
- 4) Prior to requesting a preliminary gap letter for a financial application and/or with the pricing exercise due at schematic design and whichever is the earlier event, Sponsor must provide a breakdown of relocation cost with updated and revised MOHCD proforma.
- 5) With the pricing exercise due at schematic design and/or prior to requesting a preliminary gap letter for a financial application and/or with the submission of the SUD application that includes EIR process or whichever is the earliest event, Sponsor must provide evidence to MOHCD that IIG has been explored for this Project, evidence includes, and is not limited to an updated MOHCD proforma, IIG scoring for competitiveness.
- 6) HSH will review and approve the services plan and budget for the seniors experiencing homelessness and/or formally homeless along with MOHCD. MOHCD will review the overall services plan and budget at every development update and prior to submission of any application to the state for an affordable housing funding application. An approval of an overall services budget is required as a condition to receive Site Permit. Sponsor have been made aware that SOS does not come with services funds. Sponsors may not make up resident services funding gap by increasing the services budget supported by the property without sufficient backup and approval by MOHCD.
- 7) MOHCD will approve the final service plan and budget prior to receiving LOSP financing after Temporary Certificate of Occupancy ("TCO"). If Sponsor's supportive services line item on MOHCD first operating budget increases by more than 15% of the supportive services line item presented and approved by MOHCD at the construction closing, MOHCD reserves the right to withhold an

amount equal to the increase amount of supportive services line item from the At-Risk Developer Fee.

- 8) Relocation plan Sponsor must provide a breakdown of relocation cost and assumptions in each updated and revised MOHCD proforma that is to be submitted with each pricing exercise related to design milestone shown in Attachment A. In addition, 6 months prior to apply for state financing, Sponsor must provide a relocation plan from a third-party relocation consultant and report must outline the applicable relocation laws and relocation cost associated with the business in 752 and 758 Pacific and the 758 residential unit.
- 9) Sponsor to provide a detailed schedule and written plan regarding the EIR, as well as the community outreach plan and proposed meeting schedule with SF Planning and key community members as it relates to the EIR. Sponsor may attach this written plan and schedule as an attachment or exhibit to the Communication Plan, which is intended to be a living constantly updated document.

Previous conditions that are in progress or are unmet with new delivery dates.

During Predevelopment and Ongoing:

- 10) Sponsor must provide MOHCD with detailed monthly updates on Community Outreach completed, outcomes achieved related to racial equity goals, and commercial-use programming (this may be included in the standard MOHCD monthly report form).
- 11) Sponsor must track new federal funding initiatives under the Biden Administration, including the potential release of a HUD 202 NOFA, which would allow the project to support permanent debt and work with Community Vision to explore New Market Tax Credits for the commercial build-out. .
- 12) With each pricing exercise at design milestones listed in Attachment A, Sponsor must the MOHCD proforma including the Permanent Sources & Uses Budget, 1st year operating budget and 20-year cash flow and with this update include updates and breakdowns of the supportive services budget.
- 13) Sponsor to work with MOHCD and Department of Homelessness and Supportive Housing (“HSH”) to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
- 14) Sponsor to implement cost containment strategies to reduce overall project costs and maximize efficiencies to MOHCD gap loan, while meeting the RFQ goal of the total hard costs to be less than \$600K per unit. Sponsor must identify and implement cost containment strategies for construction and present them at the various cost estimates with narrative analysis of the pricing from the general contractor.

By July 31, 2024 (100% Schematic Design & prior to Site Permit Submittal):

- 15) Sponsor must provide analysis of different construction types like the Pueblo Structural System, which could potentially provide cost savings and provide overall analysis to MOHCD for review.

- 16) Sponsor must submit a preliminary comprehensive services plan and budget covering all units included in the comprehensive service plan and budget is a carve out for the formerly homeless households. The comprehensive plan with carve-out for formerly homeless households must be reviewed with written approval from both HSH and MOHCD.
- 17) Sponsor must research alternate funding sources, such as Infill Infrastructure Grant ("IIG") and provide analysis to MOHCD for review to reduce MOHCD's gap.
- 18) Sponsor must submit a preliminary commercial space plan, commercial financial assumptions, and commercial development timeline for MOHCD review and approval.

By April 20, 2025 (100% Design Development):

- 19) Sponsor must submit an updated commercial space plan, commercial financial assumptions, and commercial development timeline for MOHCD review and approval.
- 20) Sponsor must submit a tenant improvement plan for MOHCD review and approval, and submit with the commercial space plan, commercial financing assumptions and commercial timeline by August 2024.

Prior to Preliminary Gap Request for the Project's MHP and CDLAC-TCAC Application:

- 21) At least 90 days prior to submission of an MHP application or CDLAC-TCAC application or whatever is earliest, Sponsor must receive approval from Department of Disability and Aging Services (DDAS) on the income restrictions and service plan for the SOS units.
- 22) At least 90 days prior to submission of an MHP application or CDLAC-TCAC application or whatever is earliest, Sponsor must receive written approval from HSH on restricting the LOSP units to 20% TCAC AMI, which is approximately 25% MOHCD AMI.

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, Executive Director
Office of Community Investment and Infrastructure

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

Date: _____

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

REQUEST FOR ACQUISITION FINANCING FOR 758 PACIFIC AVENUE AND ADDITIONAL PREDEVELOPMENT FINANCING FOR 772 & 758 PACIFIC AVENUE

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

Fri 1/5/2024 11:43 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

772 Pacific Avenue and 758 Pacific Avenue

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

Tue 1/16/2024 3:02 PM

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

I support New Asia Housing, L.P request of \$2,131,526 Avenue and \$936,205 in additional predevelopment financing for the acquisition of 758 Pacific. 772 Pacific Avenue and 758 Pacific Avenue parcels will be combined to become a 175-unit new construction affordable housing development.

Best,

salvador



Salvador Menjivar
Director of Housing
Pronouns: He/Him

San Francisco Department of Homelessness and Supportive Housing
salvador.menjivar1@sfgov.org | 415-308-2843

Learn: [dhsh.sfgov.org]hsh.sfgov.org | **Follow:** [@SF_HSH](#) | **Like:** [@SanFranciscoHSH](#)

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Request for Acquisition Financing for 758 Pacific Avenue and Additional Predevelopment Financing for 772 & 758 Pacific Avenue

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

Fri 1/5/2024 11:55 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.sfcii.org

Re: REQUEST FOR ACQUISITION FINANCING FOR 758 PACIFIC AVENUE & ADDITIONAL PREDEVELOPMENT FINANCING FOR 772 & 758 PACIFIC AVENUE

Trivedi, Vishal (CON) <vishal.trivedi@sfgov.org>

Fri 1/5/2024 11:40 AM

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

Cc:Shaw, Eric (MYR) <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

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Dates in Attachment A Predev Loan Eval dated 10/15/2021	Current Proposed Change 12/01/2023	Comments
A.	Prop I Noticing (if applicable)	<u>10/15/2021</u>		COMPLETED
1	Acquisition/Predev Financing Commitment for 772 Pacific	<u>10/15/2021</u>		COMPLETED
2.	Site Acquisition for 758 Pacific by Chinatown CDC	<u>N/A</u>	<u>8/8/2023</u>	
3.	Development Team Selection			
a.	Architect	<u>1/31/2022</u>		COMPLETED
b.	General Contractor	<u>1/31/2022</u>		COMPLETED
c.	Owner's Representative	<u>12/01/2022</u>		COMPLETED
d.	Property Manager	<u>N/A</u>		
e.	Service Provider	<u>N/A</u>		
4.	Design			
a.	Submittal of Schematic Design & Cost Estimate	<u>5/01/2022</u>	<u>8/15/2024</u>	
b.	Submittal of Design Development & Cost Estimate	<u>11/01/2022</u>	<u>4/28/2025</u>	
c.	Submittal of 50% CD Set & Cost Estimate			
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>05/01/2023</u>	<u>10/30/2026</u>	
5.	Commercial Space			
a.	Commercial Space Plan Submission		<u>05/1/2026</u>	
b.	Updated Commercial Space Plan and Tenant Improvement Plan		<u>10/28/2026</u>	
b.	LOI/s Executed, commercial development budget, a tenant improvement proforma		<u>12/20/2027</u>	
6.	Environ Review/Land-Use Entitlements			
a.	SB 35 Application Submission at Predev	<u>5/01/2022</u>	<u>4/15/2024</u>	Request Re-zoning - Special Use District (SUD)
b.	CEQA Environ Review Submission	<u>N/A</u>		
c.	NEPA Environ Review Submission	<u>N/A</u>	<u>2/1/2024</u>	Submission to HUD for future

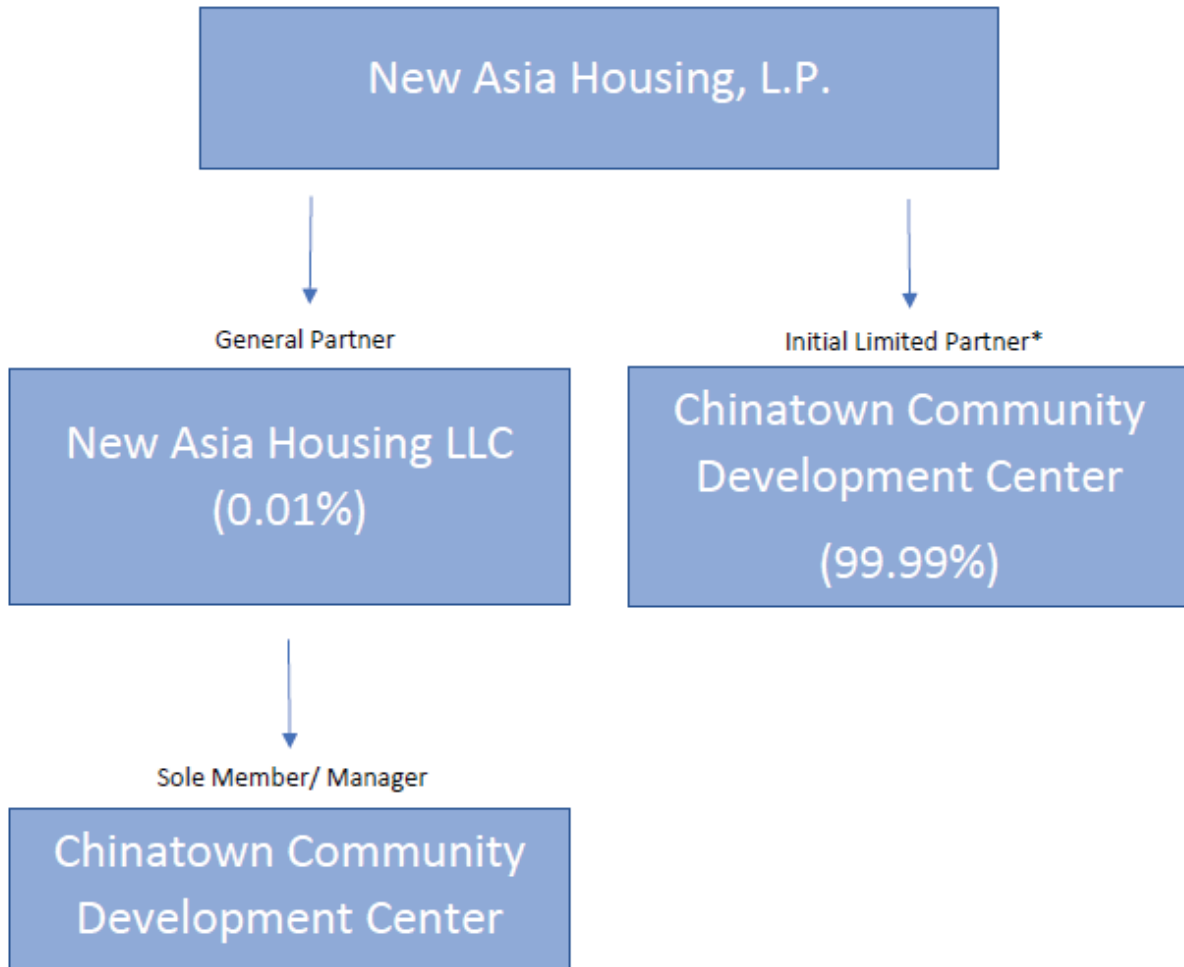
				HUD202 application
d.	CUP/PUD/Variances Submission	<u>N/A</u>		
e.	Special Use District includes EIR		<u>1/15/2026</u>	
7.	PUC/PG&E			
a.	Temp Power Application Submission	<u>05/01/2023</u>	<u>6/1/2027</u>	
b.	Perm Power Application Submission	<u>07/01/2023</u>	<u>8/30/2027</u>	
8.	Permits			
a.	Building / Site Permit Application Submitted (Storm Water Management will be included).	<u>05/01/2022</u>	<u>8/30/2026</u>	
b.	Addendum #1 Submitted	<u>11/01/2022</u>		
c.	Addendum #2 Submitted	<u>02/01/2023</u>		
g.	Request for Bids Issued	<u>08/01/2023</u>	<u>8/1/2026</u>	
10.	Service Plan Submission			
a.	Preliminary	<u>05/01/2022</u>		
b.	Final	<u>12/01/2023</u>		
11.	Additional City Financing			
a.	Acquisition Financing with additional predevelopment financing for 758 Pacific		<u>12/15/2023</u> ⁶	
b.	Preliminary Gap Financing Application	<u>02/01/2023</u>	<u>2/20/2025 or 12/1/2024 (HUD 202)</u>	If applying for HUD 202, need prelim gap approval prior to application likely due 1/2025
c.	Gap Financing Application	<u>02/01/2024</u>	<u>3/20/2026</u>	
12.	Other Financing			
a.	HCD Application	<u>03/01/2023</u>	<u>6/2026</u>	TBD
b.	Construction Financing RFP	<u>08/01/2023</u>	<u>5/20/2027</u>	TBD
c.	AHP Application	<u>03/01/2023</u>	<u>2/2028</u>	TBD
d.	CDLAC Application	<u>08/15/2023</u>	<u>9/2026 or 2/2027</u>	TBD
e.	TCAC Application	<u>08/15/2023</u>	<u>9/2026 or 2/2027</u>	TBD
f.	Other Financing Application (HUD 202)	<u>_____</u>	<u>1/2025</u>	TBD

g.	LOSP Funding Request	<u>02/01/2024</u>	<u>1/2026</u>	
13.	Relocation			
a.	Commercial & Residential Relocation		<u>2/1/2027 or</u> <u>7/1/2027</u>	
14.	Closing			
a.	Construction Loan Closing	<u>04/02/2024</u>	<u>6/1/2027</u>	
b.	Conversion of Construction Loan to Permanent Financing	<u>04/01/2026</u>	<u>6/1/2031</u>	
15.	Construction			
a.	Notice to Proceed	<u>04/02/2024</u>	<u>11/4/2027</u>	
b.	TCO / Cert of Occupancy	<u>10/01/2025</u>	<u>11/30/2030</u>	<u>(30 month construction with 11 months to convert on the construction loan)</u>
16.	Marketing/Rent-up			
a.	Marketing Plan Submission	<u>05/01/2025</u>	<u>3/1/2029</u>	
b.	Commence Marketing	<u>06/01/2025</u>	<u>10/1/2029</u>	
c.	95% Occupancy	<u>01/01/2026</u>	<u>10/1/2030</u>	
17.	Cost Certification/8609	<u>10/01/2026</u>	<u>9/1/2031</u>	
18.	Close Out MOH/OCII Loan(s)	<u>04/01/2026</u>	<u>1/30/2032</u>	

Attachment B: Borrower Org Chart

ORGANIZATIONAL CHART

New Asia Housing, L.P.



*Upon admission of the LIHTC investor, Chinatown Community Development Center will withdraw as Initial Limited Partner to be replaced by the investor.

Attachment C: Developer Resume

Chinatown CDC has developed over 2,730 units of affordable housing over the course of its 40-year history and has another 765 units in the development pipeline (see below). In addition, San Francisco will release approximately 4 projects under RFPs every year; we plan to submit proposals for many if not all. We are also actively seeking small sites (5- to 25-unit buildings) currently housing low-income residents at risk of displacement to acquire, rehabilitate and maintain as affordable housing to help stabilize households and neighborhoods facing evictions and gentrification.

Development Pipeline:

- Swiss American - 534 Broadway; soft-story only (\$6.2MM rehab); in process of securing funding
- Notre Dame – 1590 Broadway; (\$27.8MM rehab); in process of securing funding
- Hamlin - 385 Eddy St (\$13.6MM rehab); construction started beginning of 2020
- Larkin Pine (estimated \$11.1MM refinancing/rehab)
- Golden Gate Apartments (estimated \$22MM refinancing/rehab)
- Small Sites (4 buildings rehab projects)
 - 1535 Jackson – \$4M rehab, in construction; 99% complete
 - 1201 Powell/900 Jackson – \$2M rehab, in construction; 64% complete.
 - 289 9th/800-810 Clement, \$1M rehab, in construction; 28% complete.
- 937 Clay – \$1.5M rehab, in construction; 44% complete
- 1005 Powell - \$7.2M rehab, in pre-acquisition with acquisition target date of Nov 30, 2021 & construction to start Jan. 2021.
- 1590 Broadway – under renovation
- Maceo May; construction loan closed April 2020
- Throughline (777 Broadway, 1204 Mason, 1525-1529 Grant Ave.) major rehab permitting completed for 777 Broadway & 1204 Mason, and waiting on 1525 Grant Avenue.
- 730 Stanyan; predevelopment
- Transbay Block 2 Senior; predevelopment

Attachment D: Asset Management Evaluation of Project Sponsor

- **# of projects and avg. # of units/project currently in sponsor's asset management portfolio**
33 Projects, 84 average units per project
- **Sponsor's current asset management staffing – job titles, FTEs, org chart and status of each**
The Asset Management Department (AM) is comprised of 4.625 FTE:
 - Director of Asset Management
 - Senior Asset Manager
 - Asset Manager
 - Asset Management Coordinator
 - Asset Management Assistant (25 hours per week)Their duties are outlined in the job descriptions included at the end of the document. All positions are filled.
- **Description of scope and range of duties of sponsor's asset management team**
AM monitors the financial and physical health of the portfolio. They produce financial projections for each building in order to monitor the long-term viability of the property. They commission capital needs analyses for each building every five years and monitor the process of getting all called for repairs and replacements done. They collaborate with the Housing Development Department to develop work-out plans for troubled properties. With the Property Management Department, they set rents at each building according to the various programs and funding sources in place. They are the main point of contact between Chinatown CDC ("CCDC") and the lenders, partners, and regulators of the portfolio. This includes all periodic reporting.
- **Description of sponsor's coordination between asset management and other functional teams, including property management, accounting, compliance, facilities management, etc.**
AM meets twice-monthly with the Housing Development, Property Management, and Fiscal departments to discuss cross-department topics and coordinate the organization's approach to property and portfolio issues. The Director of Property Management, Compliance Managers, and Property Supervisors, and Fiscal Department are located in the same building as AM, which allows for easy communication and an awareness of each other's roles and challenges.
- **Sponsor's budget for asset management team – shown as cost center for projects in SF**
CCDC does not maintain a separate budget for the Asset Management team since it is part of their Fiscal Department.
- **# of projects expected to be in sponsor's AM portfolio in 5 years and, if applicable, plans to augment staffing to manage growing portfolio**
With respect to the number of projects the Sponsor expects to have in its asset management portfolio in the coming five years, CCDC has provided its Real Estate Owned schedule ("REO schedule." In the next five years, CCDC will add the following projects to the portfolio:
 - 2060 Folsom (127 units)
 - 1150 3rd Street a.k.a. Mission Bay Block 3E (101 units)
 - Treasure Island, with Sword to Plowshares (100 units)
 - 730 Stanyan with TNDC (150+units to be determined)

A number of other projects are under consideration and may be added to the portfolio. In addition, through the Small Sites program we expect to add 15 to 20 new properties totaling between 60 and 400 units.

AM is a relatively new department and has spent considerable time in the past two years developing and implementing policies and procedures that are improving the quality and efficiency of our work. We expect to be able to add these projects without increasing staffing. The asset management activity that creates spikes in our regular work flow is refinancing. If these should prove too great a strain on staffing, we have relationships with very competent consultants who can perform the work for us and charge their time to the project.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

MINIMUM EXPERIENCE AND CAPACITY REQUIREMENTS

Respondents must meet the following minimum development team characteristics, experience, and capacity requirements in order to qualify to be scored and ranked under this RFQ. For Minimum Qualifications for respondents applying for 100% housing for homeless adults please refer to Sections III.D and IV.C.

Racial Equity Capacity: The proposed Development team must document its capacity to successfully plan, design, and develop racial equity strategies that will lower barriers to obtaining quality affordable housing for communities of color through employment of staff with appropriate experience and capacity, contracted services, and/or collaboration with other organizations. Respondents should submit demographic data of the Boards of Directors of member organizations of the Development Team and of the staff of the various organizations that make up the respondent team.

Minimum Development Team Characteristics

The proposed development team must include members able to work with MOHCD to create developments that are responsive to populations disproportionately impacted by systemic racism; implement a culturally competent approach throughout the development process; align the development program with City policies on anti-displacement, racially inclusive communities, and creation of stable housing for vulnerable populations; and create opportunities for Black- and Brown-led developers to be competitive within the RFQ process.

The proposed Development Team must include:

- At least one San Francisco-based non-profit development entity whose mission includes the development of affordable housing in low-income communities with experience developing housing for the identified priority populations (such as Certificate of Preference Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, Plus Housing waitlist households and/or formerly homeless households) acting either as sole developer or as a partner in a joint venture, or joint-venture partner, defined as a nonprofit organization;
- A property owner entity with experience owning housing for low-income communities, including for priority populations (such as COP Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, Plus Housing waitlist households and/or formerly homeless households);
- A property management entity with experience managing housing for low-income communities, including for priority populations (such as COP Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, Plus Housing waitlist households and/or formerly homeless households);
- At least one services-providing entity with experience providing services appropriate for the intended target population(s) of each site.

Letters of Intent or Memoranda of Understanding from service providers and property management entities that are not affiliated with the developer must be submitted with the application.

Minimum Development Team Experience

Minimum experience must be demonstrated by identifying specific **Qualifying Projects** in which team members have participated, as further described below. The proposed Development Team must submit **Attachment 4 - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.)

To demonstrate the minimum required development team experience, each team should submit one project for each experience category. When appropriate, teams may submit the same project as

evidence of experience across multiple experience categories or may use different projects to demonstrate experience across categories. In all cases, no more than four (4) total Qualifying Projects should be submitted. **Qualifying Projects will not be scored but are used to determine if the proposed Development Team meets the minimum development team experience required to develop the Site.**

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

- New construction in either a Type V over I or Type III over I construction type (not a requirement for Minimum Property Manager and Service Provision Experience)
- At least 75 units in size
- Majority multiple-bedrooms, *only for family projects*
- Mixed-use including residential (not a requirement for Minimum Service Provision Experience)
- Affordable to low- and very low-income households¹, formerly homeless residents, families and/or seniors
- Financed with Low-Income Housing Tax Credits.

a. Minimum Development Experience:

The proposed Developer must have completed within the past ten years at least **one** Qualifying Project located in San Francisco. “Completed” means the Project must have received its Temporary Certificate of Occupancy by the date of the issuance of the RFQ.

For joint venture Developer teams, the experience of the lead entity may suffice for the joint-venture partnership. A signed Memorandum of Understanding or Term Sheet between joint-venture Development partners that outlines roles and responsibilities, proposed ownership structure, etc. must be submitted with the application. Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Finally, the requirement to have served formerly homeless residents may be satisfied in a non- Type V over I or Type III over I building. In such a case, the proposed Developer must provide evidence of having completed a partially Type V over I or Type III over I affordable housing building, and separately, an affordable housing building that serves formerly homeless residents.

b. Minimum Ownership Experience: The proposed Owner must have owned at least **one** Qualifying Project for at least four years prior to the Submittal Deadline of this RFQ. For purposes of this requirement, the member of the general partner of the tax credit partnership that will own the completed project is the proposed “Owner.”

c. Minimum Property Management Experience: The proposed Property Manager must have managed at least **one** Qualifying Project for at least 24 months.

d. Minimum Service Provision Experience: The proposed service provider(s) must have at least 36 months experience providing services to low-income family residents, communities of color, homeless persons and/or senior citizens within a Qualifying Project.

Note Regarding Experience: For any Respondent team member, the experience of key staff members may be substituted for the experience of the organization as a whole as long as the staff members’ experience in other firms was substantive and involved responsibilities similar to those that they are anticipated to perform during the proposed development of the site. Any substitution should be clearly identified in Attachment 4, Qualifying Project Form.

Minimum Developer and Owner Capacity Requirements

¹ “Low Income” is defined as 60% MOHCD AMI and below. “Extremely Low Income” is defined as 30% MOHCD AMI and below.

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

- a. **Financial Capacity:** The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit **Attachment 5 – Financing Terms for Developer’s Qualifying Project** documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.
- b. **Staffing Capacity:** The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. To document this, the proposed Developer must submit a written narrative **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. The proposed Developer must also submit **Attachment 6 – Projected Staffing Workload Form** to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.
- c. **Asset Management Capacity:** The proposed Owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions. To document this, the proposed Owner must submit a recent Real Estate Owned (REO) schedule, stating the number of projects and average number of units/project currently in Owner’s asset management portfolio, proposed Owner’s current asset management staffing noting job titles, FTEs, and status of each position (filled/vacant) and proposed Owner’s organizational chart.
- d. **Racial Equity Capacity:** The proposed Developer must document its capacity to successfully plan, design, and develop racial equity strategy that will lower barriers to obtaining quality affordable housing for communities of color through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. Documentation should include information evidencing the Developer’s capacity to achieve the goals of this RFQ (see especially pages 4-5).
 - Select partners that are able to work with MOHCD to deploy city resources, tools and expertise to create developments that are responsive to populations disproportionately impacted by systemic racism;
 - Ensure that development teams are working within a culturally competent approach through the development process;
 - Align each Project with the implementation of City policies on anti-displacement, racially inclusive communities, and creating stable housing for vulnerable populations;
 - Create opportunities for growth of smaller and Black, Indigenous and people of color, (BIPOC)-led organizations in development role or as member of development team
 - Submit demographic data for the Boards of Directors of each Development Team member and for the staff of each organization represented on the Team.

**MINIMUM EXPERIENCE AND CAPACITY REQUIREMENTS FOR
RESPONDENTS APPLYING FOR 100% SUPPORTIVE HOUSING FOR
HOMELESS ADULTS**

Team Member Specific Minimum Requirements

- a. **Minimum Developer Requirements** - Lead Developer itself or in partnership with other co-developers must provide evidence of the following experience:
- New construction of at least two affordable housing developments that are both high-density infill sites, with an aggregate unit count of approximately 75 units or more
 - Development of at least one supportive affordable housing development for formerly homeless adults and/or formerly homeless seniors (may be new construction or substantial rehabilitation of an existing building)
 - Use of Low-Income Housing Tax Credit financing

For joint-venture Development partners, the experience of either entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture Development partners must be submitted with the application.

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

- b. **Minimum Ownership Experience** - The proposed Owner of the Project must have owned at least one supportive formerly homeless project in San Francisco for at least 5 years prior to the Submittal Deadline of this RFQ. In addition, each proposed Owner must provide evidence of experience with owning housing financed with Low Income Housing Tax credits. This experience does not have to be on the same project that satisfies the 5-year ownership requirement. If the Selected Developer entity is not the same entity as the proposed Owner, MOHCD reserves the right to require that certain members of the Selected Developer remain active in the ownership for whatever length of time MOHCD deems necessary to ensure operating and financial stability.

For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed "Owner".

- c. **Minimum Property Manager Requirements** - The proposed property manager for the Project must have managed at least three supportive formerly homeless or supportive senior rental projects, including at least one in San Francisco, each for at least 36 months. In addition, the Property Manager for the Project must provide evidence of experience with managing housing financed with Low Income Housing Tax credits.
- d. **Minimum Service Provision Requirements** - The proposed service provider(s) must have at least 36 months' experience providing supportive services to formerly homeless adults and/or formerly homeless seniors including case management and comprehensive services for homeless households in a residential setting in San Francisco. The proposed service provider(s) must have the infrastructure to supervise and train the onsite staff and their supervisors. The service provider must also have experience with and capacity to bill Medi-Cal.
- e. **Other Consultants** – For any Respondent team, the experience of key staff members or "other consultants" may be substituted for the experience of the organization as a whole as long as the staff member's or consultant's experience in other firms was substantive and involved

responsibilities similar to what they are anticipated to perform as a member of the Respondent's team.

SELECTION CRITERIA AND SCORING

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

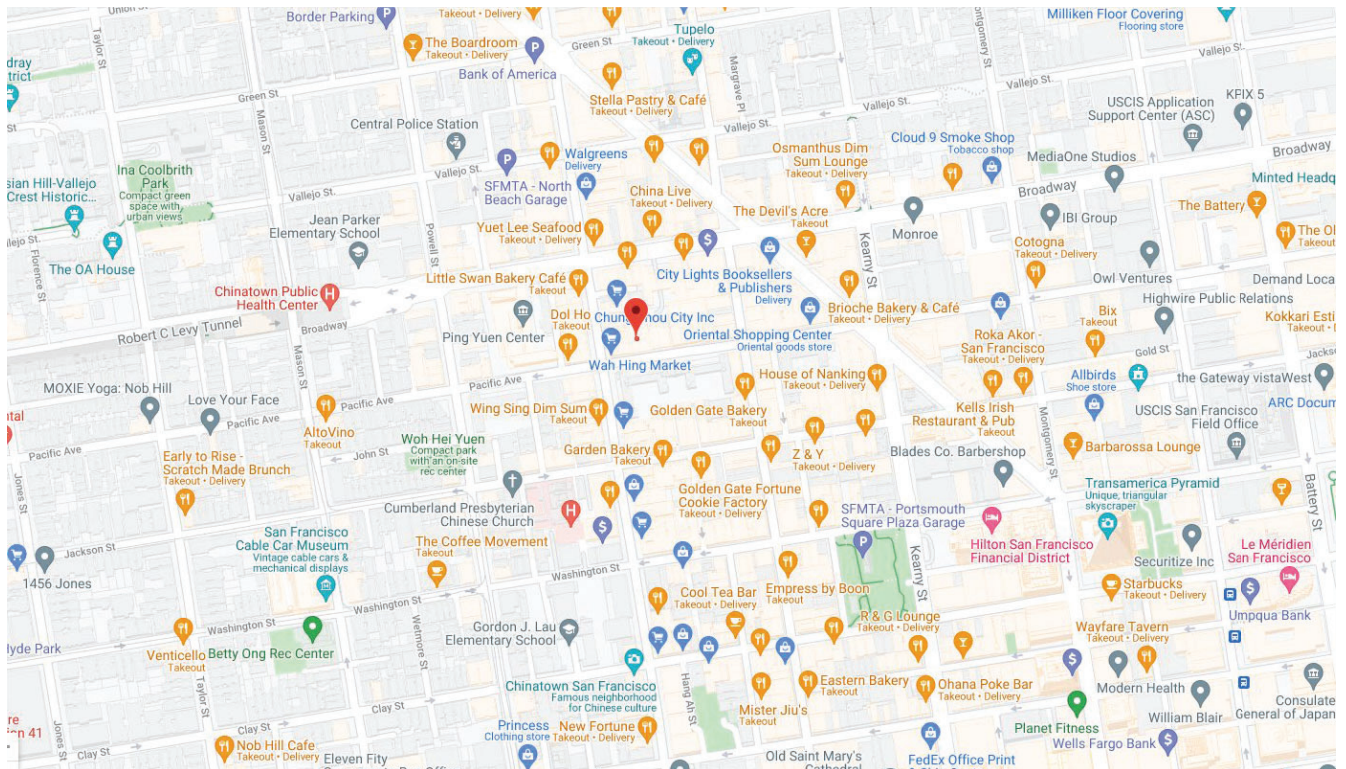
	Category	Points
A.	EXPERIENCE:	40
i.	Developer (12 pts) <ul style="list-style-type: none"> ➤ Experience with the following: <ul style="list-style-type: none"> ○ Completing projects on time and on budget ○ Obtaining competitive financing terms ○ Developing Type V/I or III/I construction ○ Developing housing for low-income families, seniors, or the homeless ➤ Building community support through outreach ➤ Current staff capacity and experience to take on this project type 	
ii.	Owner (4 pts) <ul style="list-style-type: none"> ➤ Track record successfully owning housing financed with Low-Income Housing Tax Credits <ul style="list-style-type: none"> ○ Experience owning affordable housing for low-income families, seniors and/or the homeless ➤ Current asset management structure, staffing, and portfolio ➤ Capacity for assuming asset management of an expanded portfolio once the development is complete 	
iii.	Property Manager (8 pts) <ul style="list-style-type: none"> ➤ Experience managing property for target populations ➤ Experience achieving high rates of housing retention ➤ Implements low barrier tenant selection policies ➤ 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 delivering services to target populations ➤ 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 ➤ Discusses barriers to communities of color accessing quality health care services, employment and educational opportunities 	
v.	Racial Equity Strategy (8 pts) <ul style="list-style-type: none"> ➤ Describes level of racial equity awareness 	

	<ul style="list-style-type: none"> ➤ Experience providing housing to COP and neighborhood preference holders ➤ Uses innovative approaches to engagement with COP and neighborhood preference holders ➤ Demonstrates commitment to racially diverse project development teams <p>Proposes a substantive partnership that increases opportunity/capacity for growth of smaller and Black, Indigenous and people of color, (BIPOC)-led organizations</p> <ul style="list-style-type: none"> ➤ Demonstrates experience with serving historically excluded communities of color ➤ Describes approaches to overcoming historical obstacles to communities of color obtaining high quality affordable housing ➤ Describes experience providing access and implementing service delivery strategies to historically excluded communities of color 	
B.	VISION:	60
i.	<p>Program Concept (20 pts)</p> <ul style="list-style-type: none"> ➤ 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; ○ Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood. ➤ Indicates particular groups served by the programs and spaces (tots, children, teens, homeless people, young adults, adults, elderly, disabled etc.). ➤ Describes how the program will contribute to lowering barriers to persons of color seeking and retaining quality housing. 	
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, including monolingual non-English speaking members of the community; ○ 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 Team’s approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. ➤ Indicate how particular community engagement strategy will address the historical exclusion of communities of color from 	

	<p>quality housing, including but not limited to marketing to attract target populations.</p>	
<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 any anticipated 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. 	
<p>iv.</p>	<p>Finance & Cost Containment Approach (10 pts)</p> <ul style="list-style-type: none"> ➤ Narration that describes the Development Team’s financing approach to the project. ➤ Includes the Team’s process for structuring the project and controlling development costs. ➤ Includes innovative strategies intended to minimize MOHCD’s projected capital gap financing. ➤ Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. ➤ Do not include proforma financials. 	
<p>v.</p>	<p>Racial Equity Strategy (10 pts)</p> <ul style="list-style-type: none"> ➤ Describes proposed resident services program, including the activities or types of services, how they will be provided, and the approach (such as timeline, hours and days of operation, examples, and best practices). ➤ Explain how the Development Team’s model removes barriers to intergenerational wealth, self-sufficiency and resiliency for persons of color, particularly COP holders, African American households and/or households in historically African American neighborhoods. 	

	➤ Explain how the strategy aligns with the four primary goals of this RFQ set forth in the Introduction.	
TOTAL POSSIBLE POINTS		100

Attachment F: Site Map with amenities



Grocery Stores-

- Long Hua's Grocery Store- 906 Stockton St
- S & S Grocery- 1461 Grant Ave
- Powell Grocery- 1301 Powell St
- ABC Supermarket Inc- 641 Broadway St
- The Nature Stop- 1336 Grant Ave
- Grant and Green Market- 1401 Grant Ave
- VJ Grocery- 1199 Clay St
- Union Street Produce Co- 801 Union Street
- Grant and Green Market- 1401 Grant Ave
- Sheng Hing Market Inc.- 1107 Stockton St
- Tian Tian Market Inc- 1117 Stockton
- Sun Sand Market- 1205 Stockton St

Schools-

- Gordon J Lau Elementary school- 950 Clay St
- Jean Parker Elementary School- 840 Broadway St
- John Yehall Chin Elementary School- 650 Broadway Street
- Chinese Central High School- 829 Stockton St
- Francisco Middle School- 2190 Powell St
- Sterne School- 838 Kearney St
- City College of San Francisco- 808 Kearny St
- Garfield Elementary School- 420 Filbert St
- Miami Ad School San Francisco- 500 Sansome St
- Saints Peter and Paul School- 660 Filbert

Health Care-

Chinese Hospital- 845 Jackson St
Chinese Hospital Outpatient Services- 829 Pacific Ave
San Francisco Outreach Clinic- 1520 Stockton St
Dignity Health- GoHealth Urgent Care- 170 Columbus Ave Ste 110
One Medical- 559 Clay St 1st and 2nd floor
North East Medical Services- 1520 Stockton St
Clay Medical Center- 929 Clay St
Chiro-Medical Express- One Embarcadero Center, Lobby Level

Places of Worship-

San Francisco Evangelical Free Church- 756 Union St
Cumberland Presbyterian Chinese Church- 865 Jackson St
Chinese Congregation Church- 21 Walter U Lum Pl
Chinese United Methodist Church- 920 Washington St
Revive San Francisco- 1630 Stockton St
Saint Peter and Paul Church- 666 Filbert St
True Sunshine Episcopal Church- 1430 Mason St
Presbyterian Church- Chinatown- 925 Stockton St
Chinese Independent Baptist Church- 981 Washington St
First Chinese Baptist Church- 15 Waverly Pl
National Shrine of St. Francis of Assisi- 610 Vallejo St
Gold Mountain Monastery- 800 Sacramento St

Bank/ATM-

Wells Fargo- 1160 Grant Ave
Bank of America- 1455 Stockton St
Chase Bank- 1318 Stockton St
HSBC Bank- 933 Grant Ave
Citibank- 845 Grant Ave
CTBC Bank- 1143 Grant Ave
Bank of the West- 480 Columbus Ave
U.S. Bank Branch- 1435 Stockton St
First Republic Bank- 1088 Stockton St
Umpqua Bank- 450 Sansome St Suite 120
Metropolitan Bank- 1355 Stockton St
East West Bank 555 Montgomery St
First Bank 460 Montgomery St

Library-

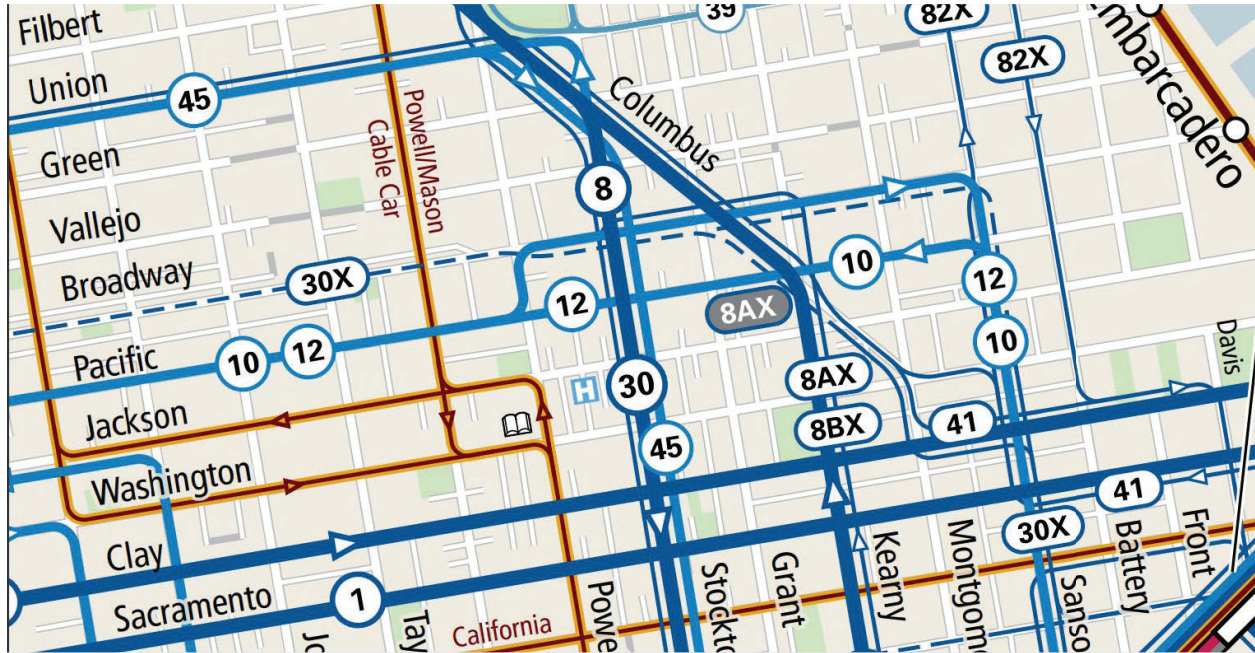
Chinatown Branch Library- 1135 Powell St
North Beach Library- 850 Columbus Ave

Parks and Playgrounds

Huntington Park- California St and Taylor St
Willie "Woo Woo" Wong Playground- 830 Sacramento St
Betty Ong Rec Center- 1199 Mason St
Portsmouth Square- 745 Kearny St
Washington Square- Filbert and Stockton St
Joe DiMaggio Playground- 651 Lombard St

Public transportation routes around 772 Pacific Ave:

8, 30, 45, 10, 12, 1, 41, 82X, 39 and cable cars



Adjacent uses and neighborhood amenities.

The residents who will be occupying 772 Pacific Development will have access to a variety of green grocers and markets on Stockton St known for their fresh fruits, vegetables, fish and poultry. When hungry, there is a plethora of restaurants, dim sum shops, and bakeries near the site to choose from. Nearby are several playgrounds and recreation centers where seniors can exercise and take their daily walks. Available activities are ping pong, basketball, tennis, badminton, swimming, and much more. The Chinatown neighborhood has many commercial retail shops and community serving organizations ready to serve our residents. The Senior population that is being proposed for the building will be able to take advantage of the resources available in the local neighborhood. The site is also surrounded by accessible, walkable transit stops for residents to travel throughout the city.

Attachment G: Elevations and Floor Plans

N/A

Attachment H: Comparison of City Investment in Other Housing Developments

See attached.

Affordable Multifamily Housing New Construction Cost Comparison - San Francisco

Updated 10/31/2023

Acquisition costs by Unit/RSF	Construction by Unit/RSF				Soft Costs by Unit/RSF				Total Development Cost (Not Including Land)				Subsidy	
	Acq/Unit	Acq/lot sqft	Const/Unit	Const/RSF	Const/lot sqft	Soft/Unit	Soft/RSF	Soft/lot sqft	TDC/Unit	TDC/RSF	TDC/lot sqft	Subsidy/Unit		Levaging ?
Delta of Subject and Comparable Projects	\$ (248)	(166)	-1,699,081,101	\$ 18,996	\$ 2,471,971	\$ 181	\$ 88,018	\$ 142,118	\$ 143	\$ 106,766	\$ 389,823	\$ 324	\$ (14,892)	114.0%
Delta Percentage	-100%	-100%	-100%	3%	82%	26%	82%	82%	87%	12%	67%	38%	-5%	172%
772 Pacific + 788 Pacific	\$ -	\$ -	\$ -	\$ 729,185	\$ 721,035	\$ 670	\$ 286,407	\$ 264,944	\$ 308	\$ 891,656	\$ 975,879	\$ 1,178	\$ 380,000	71.5%
Comparable Projects	\$ 248	\$ 166	\$ 1,699,081,101	\$ 706,759	\$ 473,164	\$ 689	\$ 168,384	\$ 172,826	\$ 164	\$ 874,790	\$ 586,756	\$ 654	\$ 294,992	66.3%
Average:														

Costs lower than comparable average (within 10%)

Costs higher than comparable average (within 10%)

Building Square Footage	Res. 2		Total sq. ft.	Acq. Cost		Const. Cost		Soft Cost		Total Dev. Cost w/out costs		Local Subsidy
	Res. 2	# of Units		Res. 2	# of Units	Res. 2	# of Units	Res. 2	# of Units	Res. 2	# of Units	
ALL PROJECTS	129,974	136	140,185	\$10,211	140,185	\$95,308,337	\$23,374,169	\$110,506,059	\$39,176,047	\$170,682,106	\$39,176,047	
Comparable Projects Completed (filtered)	131,970	138	155,037	\$86,674	155,037	\$97,873,365	\$18,605,820	\$116,479,185	\$36,823,119	\$153,302,304	\$36,823,119	
Comparable Projects Under Construction (Filtered)	109,401	101	107,424	\$5,000	107,424	\$65,062,463	\$20,392,830	\$85,455,293	\$21,676,100	\$107,131,393	\$21,676,100	
Comparable Projects In Predevelopment (Filtered)	131,623	152	137,441	\$5,818	137,441	\$118,692,428	\$26,713,017	\$145,405,445	\$56,817,674	\$202,223,119	\$56,817,674	
Total Comparable Projects	121,331	130	133,301	\$32,225	133,301	\$97,859,481	\$21,903,822	\$119,763,303	\$38,372,297	\$158,135,599	\$38,372,297	
772 Pacific + 788 Pacific	89,022	175	148,872	\$ -	148,872	\$128,902,100	\$44,870,230	\$173,772,330	\$49,000,000	\$222,772,330	\$49,000,000	
Delta of Subject and Comp Project Averages	\$-32,309	45	12,671	(\$32,225)	12,671	\$35,042,619	\$22,966,308	\$57,976,702	\$10,627,703	\$68,603,404	\$10,627,703	
Delta Percentage	-37%	35%	9%	-100%	9%	38%	105%	51%	28%	28%		

Notes on Financing (e.g., 4.0% TCAC)

Building Type (e.g., Type I)

Stories

Comments including date of last update

PROJECTS COMPLETED

Project Name	Address	Lot sq ft	Comp. Date	# of Units	Building Square Footage		Total Project Costs		Local Subsidy	Notes on Financing	Building Type	Stories	Comments
					Res. 2	Non-Res.	Acq. Cost	Const. Cost					
1930 Mission Street	1930 Mission Street	30,260	Nov-21	157	113,432	46,142	159,574	\$108,899,877	\$15,171,406	\$123,728,283	46,965,740	HCD AHFC Loan	Private Dev. Area
2001 Fulton Street	2001 Fulton Street	29,275	Nov-21	137	105,656	11,810	117,466	\$72,564,021	\$20,101,172	\$92,665,193	\$1,067,110	HCD AHFC Loan	WABSC Improvements of 90MM
92 Howard	92 Howard Street	28,863	Aug-23	203	235,800	1,073	236,873	\$133,200,234	\$36,348,724	\$169,548,958	\$16,681,320	CHARMRF 9% LIRC	Not a parking structure
Completed Project (average)	Average:	28,290		154	157,899	17,793	175,692	\$102,460,182	\$27,076,559	\$129,536,741	\$39,234,369		

PROJECTS UNDER CONSTRUCTION

Project Name	Address	Lot sq ft	Comp. Date	# of Units	Building Square Footage		Total Project Costs		Local Subsidy	Notes on Financing	Building Type	Stories	Comments
					Res. 2	Non-Res.	Acq. Cost	Const. Cost					
8901/1/ Babich Park Upper Yards/Hub	2843 San Jose Ave	30,889	Sept-23	131	164,826	10,241	175,067	\$19,871,401	\$25,933,162	\$45,804,563	\$0	48.0	Ed Center, MCHCD Land national
8901/2/ Lower Street	189 Lower Street	4,653	Nov-24	70	35,168	3,204	38,372	\$9,259,498	\$5,262,708	\$14,522,206	\$1,298,847	9	Small right side, future 60% (CD est. updated in case)
Under Construction:	Average:	17,778		101	100,497	7,223	107,720	\$63,022,433	\$27,392,830	\$90,415,263	\$1,298,847		

PROJECTS IN PREDEVELOPMENT

Project Name	Address	Lot sq ft	Start Date (anticipated)	# of Units	Building Square Footage		Total Project Costs		Local Subsidy	Notes on Financing	Building Type	Stories	Comments
					Res. 2	Non-Res.	Acq. Cost	Const. Cost					
1939 Market Street	1939 Market Street	11,860	Nov-24	97	135,327	1,040	136,367	\$132,000,201	\$22,783,401	\$154,783,602	\$8,483,539	15	Indoor work space, 400 car garage
180 Fulton	180 Fulton Street	13,051	Nov-24	85	91,244	10,293	101,537	\$75,206,291	\$19,205,207	\$94,411,498	\$0	9	WABSC Improvements of 90MM
2102 13th Street	2102 13th Street	10,204	Nov-24	112	128,201	2,000	130,201	\$109,559,918	\$2,000,000	\$111,559,918	\$0	17	100% pre-lease capacity
Therapy 2 WEST - Senior Care (CDC)	200 Mission	13,091	Feb-24	152	168,710	2,668	171,378	\$101,168,890	\$3,980,944	\$105,149,834	\$4,167,306	9	100% pre-lease capacity
In Predevelopment	Average:	14,839		142	131,421	5,818	137,239	\$176,822,428	\$25,713,017	\$202,535,445	\$6,872,674		

Attachment I: Acquisition and Predevelopment Sources & Uses

See attached.

Application Date: 9/8/23 # Units: 175
 Project Name: 772 Pacific # Bedrooms: 51
 Project Address: 772+768 Pacific Ave
 Project Sponsor: Chinatown CDC # Beds:
 LOSP Project

SOURCES	4,100,000	3,067,731	3,150,000	-	-	-	Total Sources	10,317,731	Comments
		MHCD							
		Acquisition & Add'l Predev Loan							
USES		Name of Sources: MOHCD/OCIL	TBD						

ACQUISITION		2,000,000					2,000,000	
Acquisition cost or value		2,000,000					2,000,000	
Legal / Closing costs / Broker's Fee		36,838					36,838	
Holding Costs		79,688					79,688	8.5% interest on \$1.25M of LOC over 9 months
Transfer Tax		15,000					15,000	
TOTAL ACQUISITION	0	2,131,526	0	0	0	0	2,131,526	

CONSTRUCTION (HARD COSTS)		1,206,079					1,206,079	
Unit Construction/Rehab		1,206,079					1,206,079	Include FF&E
Commercial Shell Construction								
Demolition								
Environmental Remediation								
Onsite Improvements/Landscaping								
Office Improvements								
Infrastructure Improvements								HOPE SF/OCIL costs for streets etc.
Parking								
GC Bond Premium/GC Insurance/GC Taxes								0.0%
GC Overhead & Profit								0.0%
GC General Conditions								0.0%
Sub-total Construction Costs	1,206,079	0	0	0	0	0	1,206,079	
Design Contingency (remove at DD)								0% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)								0% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)								0% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Hard Cost Construction Contingencies								0% new construction / 15% rehab
Sub-total Construction Contingencies	0	0	0	0	0	0	0	
TOTAL CONSTRUCTION COSTS	1,206,079	0	0	0	0	0	1,206,079	

SOFT COSTS		1,089,125	300,000				1,389,125	
Architecture & Design		1,089,125	300,000				1,389,125	See MOHCD ASLE Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Architect design fees		1,089,125	300,000				1,389,125	
Design Subconsultants to the Architect (incl. Fees)								
Architect Construction Admin								
Reimbursables								
Additional Services								
Sub-total Architect Contract	1,089,125	0	300,000	0	0	0	1,389,125	
Other Third Party design consultants (not included under Architect contract)		112,000	1,231,950				1,343,950	Both consultants under the Architect & Owner
Total Architecture & Design	1,201,125	0	1,531,950	0	0	0	2,733,075	

Engineering & Environmental Studies		18,000	20,000				38,000	
Survey		18,000	20,000				38,000	
Geotechnical studies								
Phase I & II Reports		50,000					50,000	
CEQA / Environmental Review consultants			450,000				450,000	
NEPA / 106 Review		50,000					50,000	
CNA/PNA (rehab only)								
Other environmental consultants			100,000				100,000	Name consultants & contract amounts
Total Engineering & Environmental Studies	68,000	50,000	570,000	0	0	0	688,000	

Financing Costs			150,000				150,000	
Construction Financing Costs			150,000				150,000	\$3M of add'l predev X 5% loan interest over 1 year expected from mid-2026 - mid-2027.
Construction Loan Origination Fee								
Construction Loan Interest								
Title & Recording								
COIAC & COIAC fees								
Bond Issuer Fees								
Other Bond Cost of Issuance								
Sub-total Const. Financing Costs	0	0	150,000	0	0	0	150,000	
Permanent Financing Costs								
Permanent Loan Origination Fee								
Credit Enhance. & Appl. Fee								
Title & Recording								
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	
Total Financing Costs	0	0	150,000	0	0	0	150,000	

Legal Costs		15,000	30,000				45,000	
Borrower Legal fees		15,000	30,000				45,000	
Land Use / CEQA Attorney fees								
Tax Credit Counsel		50,000					50,000	
Bond Counsel								
Construction Lender Counsel								
Permanent Lender Counsel								
Other Legal (specify)		6,500					6,500	
Total Legal Costs	71,500	0	30,000	0	0	0	101,500	

Other Development Costs		7,000	8,000				15,000	
Appraisal		7,000	8,000				15,000	
Market Study		10,000	5,000				15,000	
Insurance								
Property Taxes								
Accounting / Audit								
Organizational Costs		20,000					20,000	
Entitlement / Permit Fees		180,169	320,000				500,169	EIR Planning fees
Marketing / Rent-up								
Furnishings								
POE / Utility Fees		300,000					300,000	\$2,000/unit. See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
COIAC App / Alloc / Monitor Fees		34,152					34,152	
Financial Consultant fees		85,000	15,000				100,000	
Construction Management fees / Owner's Rep		126,000					126,000	
Security during Construction								
Relocation		50,000	801,095	220,232			1,071,327	
Other (specify)								
Other (specify)								
Total Other Development Costs	812,321	801,095	568,232	0	0	0	2,181,648	

Soft Cost Contingency		190,975	85,110	299,818	0	0	575,903	Should be either 10% or 5% of total soft costs.
Contingency (Arch, Eng, Fin, Legal & Other Dev)		190,975	85,110	299,818	0	0	575,903	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	2,343,921	936,205	3,150,000	0	0	0	6,430,126	Total Soft Cost Contingency as % of Total Soft Costs: 8.8%

RESERVES								
Operating Reserves								
Replacement Reserves								
Tenant Improvements Reserves								
Other (specify)								
Other (specify)								
TOTAL RESERVES	0	0	0	0	0	0	0	

DEVELOPER COSTS		550,000					550,000	
Developer Fee - Cash-out Paid at Milestones		550,000					550,000	
Developer Fee - Cash-out At Risk								
Commercial Developer Fee								
Developer Fee - GP Equity (also show as source)								
Developer Fee - Deferred (also show as source)								
Development Consultant Fees								Need MOHCD approval for this cost, N/A for most projects
Other (specify)								
TOTAL DEVELOPER COSTS	550,000	0	0	0	0	0	550,000	

TOTAL DEVELOPMENT COST		4,100,000	3,067,731	3,150,000	0	0	0	10,317,731
Development Cost/Unit by Source		23,429	17,530	18,000	0	0	0	58,958
Development Cost/Unit as % of TDC by Source		39.7%	29.7%	30.5%	0.0%	0.0%	0.0%	100.0%
Acquisition Cost/Unit by Source		0	11,429	0	0	0	0	11,429
Construction Cost (inc Const Contingency)/Unit by Source		6,892	0	0	0	0	0	6,892
Construction Cost (inc Const Contingency)/SF		9.81	0.00	0.00	0.00	0.00	0.00	9.81

*Possible non-eligible GO Bond/COP Amount:	1,361,079
City Subsidy/Unit	23,429
Tax Credit Equity Pricing	0.94
Construction Bond Amount:	85,617,661
Construction Loan Term (in months):	41 months
Construction Loan Interest Rate (as %):	8.31%

Attachment J: Permanent Sources & Uses

See attached.

Application Date: 9/8/23 # Units: 175
 Project Name: 772 Pacific # Bedrooms: 177
 Project Address: 772+758 Pacific Ave
 Project Sponsor: Cheabowen CDC

LOSP Project

SOURCES	Total Sources							Comments
	49,000,000	1,255,875	38,147,754	5,000,000	1,000,000	500,000	76,868,701	
	MOHCD - accrued interest							
	HCD - MHP							
	HCD - IG							
	FHLB AHP							
	GP Equity							
	LP Equity							
USES								
Name of Sources: MOHCD/OCII								
ACQUISITION								
Acquisition cost or value								0
Legal / Closing costs / Broker's Fee								0
Holding Costs								0
Transfer Tax								0
TOTAL ACQUISITION	0	0	0	0	0	0	0	0

CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab	285,645	35,247,754		1,000,000		42,286,601		78,800,000	Include FF&E
Commercial Shell Construction	3,000,000							3,000,000	
Demolition	400,000							400,000	
Environmental Remediation	300,000							300,000	
Design/Improvement/Landscaping								0	
Offsite Improvements								0	
Infrastructure Improvements			5,000,000					5,000,000	HOPE SF/OCII costs for streets etc.
Parking								0	
GC Bond Premium/CC Insurance/CC Taxes						1,602,100		1,602,100	
GC Overhead & Profit						3,620,000		3,620,000	3.75%
GC General Conditions						3,780,000		3,780,000	3.9%
Sub-total Construction Costs	3,885,645	35,247,754	5,000,000	1,000,000	0	51,268,701	0	96,502,100	
Design Contingency (remove at DD)			2,900,000					2,900,000	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)						20,800,000		20,800,000	5% escrow over 4 years (2027 construction start)
Plan Check Contingency (remove/reduce during Plan Review)	1,900,000							1,900,000	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Direct Cost Construction Contingency	1,900,000		2,900,000	0	0	0	0	4,800,000	5% contingency
Sub-total Construction Contingencies	1,900,000	0	2,900,000	0	0	0	0	30,400,000	8.0%
TOTAL CONSTRUCTION COSTS	5,885,645	0	38,147,754	5,000,000	1,000,000	0	76,868,701	126,902,100	

SOFT COSTS									
Architecture & Design									
Architect design fees	1,500,000							1,500,000	See MOHCD A&E Fee Guidelines: http://mohcd.org/documents-reports-and-forms
Design Subcontractors to the Architect (incl. Fees)								0	
Architect Construction Admin	800,000							800,000	
Plan/As-Built								0	
Additional Services								0	
Sub-total Architect Contract	2,300,000	0	0	0	0	0	0	2,300,000	
Other Third Party design consultants (not included under Architect contract)								0	Civil, Dry Utilities, Geotech, Structural, MEP, Special Inspectors, Landscape, Code Consulting, Acoustical, Waterproofing, Energy/NZE, Tele/Data, Waste Management, Commercial Kitchen, Technology, Cost Estimating, Net Zero Energy, Architectural, etc.
Total Architecture & Design	2,100,000	0	0	0	0	0	0	2,100,000	
Total Architecture & Design	4,400,000	0	0	0	0	0	0	4,400,000	
Engineering & Environmental Studies									
Survey	50,000							50,000	
Geotechnical studies								0	
Phase I & II Reports	150,000							150,000	
CEQA / Environmental Review consultants	950,000							950,000	
NIEPA / TDR Review	50,000							50,000	For HUD 202
CMANRA (rehab only)								0	
Other environmental consultants	300,000							300,000	Energy Consultant/Commissioning/NZE
Total Engineering & Environmental Studies	1,500,000	0	0	0	0	0	0	1,500,000	
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee	577,344							577,344	
Construction Loan Interest	17,405,466							17,405,466	TEX loan + Tail
Title & Recording	80,000							80,000	
COAC & COCAC fees	34,969							34,969	
Bond Issuer Fees	365,659							365,659	
Other Bond Cost of Issuance	25,000							25,000	COI contingency
Sub-total Const Financing Costs	19,258,435	0	0	0	0	0	0	19,258,435	MOHCD Loan Fee (\$490K), Issuer Financial Advisor (\$60K), Construction Lender Expenses (\$60K), Trustee Fee (\$10K), & Additional Predev Working Capital at 5% interest from mid-2026 to mid-2027 (\$2M X 5% = \$100K)
Permanent Financing Costs									
Construction Loan Origination Fee								0	
Credit Enhance & App. Fee								0	
Title & Recording	20,000							20,000	
Sub-total Perm Financing Costs	20,000	0	0	0	0	0	0	20,000	
Total Financing Costs	19,278,435	0	0	0	0	0	0	19,278,435	
Legal Costs									
Borrower Legal fees	100,000							100,000	Construction Closing, Syndication-GP
Land Use / CEQA Attorney fees	20,000							20,000	Commercial space Subdivision
Tax Credit Counsel								0	
Bond Counsel	100,000							100,000	
Construction Lender Counsel	75,000							75,000	
Permanent Lender Counsel	10,000							10,000	Legal - Perm Closing
Total Legal Costs	305,000	0	0	0	0	0	0	305,000	
Other Development Costs									
Appraisal	20,000							20,000	
Market Study	15,000							15,000	
Insurance	2,500,000							2,500,000	
Property Taxes	10,000							10,000	
Accounting / Audit	55,000							55,000	
Organizational Costs	20,000							20,000	
Entitlement / Permit Fees	1,700,000							1,700,000	
Marketing / Rent-up	398,000							398,000	\$200K + \$10K x 5 community meetings
Furnishings	463,500							463,500	\$2,000/mo - See MOHCD U/W Guidelines on http://mohcd.org/documents-reports-and-forms
PCB / Utility Fees	700,000							700,000	
TDCAC App / Allow / Monitor Fees	152,004							152,004	
Financial Consultant fees	125,000							125,000	Syndication consulting
Construction Management fees / Owner's Rep	250,000							250,000	
Security during Construction								0	
Relocation	1,100,000							1,100,000	\$800K for New Asia & \$300K for 758 business and fees
Commercial Start-up Expenses	50,000							50,000	
SF Arts Commission	370,011							370,011	
Accrued Deferred Interest - MOHCD		1,255,875						1,255,875	
Total Other Development Costs	7,926,515	1,255,875	0	0	0	0	0	9,182,390	
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal, & Other Dev)	6,700,000							6,700,000	10% of soft costs + 3% escalation over 4 yrs
TOTAL SOFT COSTS	40,109,950	1,255,875	0	0	0	0	0	41,365,825	19.3%

RESERVES									
Operating Reserves	719,405							719,405	
Replacement Reserves								0	
Tenant Improvements Reserves								0	
Commercial Transition Reserves	85,000							85,000	
Other (specify)								0	
TOTAL RESERVES	804,405	0	0	0	0	0	0	804,405	

DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones	2,200,000							2,200,000	
Developer Fee - Cash-out At Risk								0	
Commercial Developer Fee								0	
Developer Fee - GP Equity (also show as source)					500,000			500,000	
Developer Fee - Deferred (also show as source)								0	Need MOHCD approval for this cost, N/A for most projects
Development Consultant Fees								0	
Other (specify)								0	
TOTAL DEVELOPER COSTS	2,200,000	0	0	0	500,000	0	0	2,700,000	

TOTAL DEVELOPMENT COST									
Development Cost/Unit by Source	49,000,000	1,255,875	38,147,754	5,000,000	1,000,000	500,000	76,868,701	171,772,330	
Development Cost/Unit as % of TDC by Source	28.0%	0.7%	22.2%	2.9%	0.6%	0.3%	44.8%	100.0%	
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/Unit by Source	33,632	0	217,987	28,571	5,714	0	439,250	725,155	
Construction Cost (inc Const Contingency)/SF	47.85	0.00	310.14	40.65	8.13	0.00	624.95	1,031.72	
*Possible non-eligible GO Bond/COP Amount:	9,104,550								
City Subsidy/Unit	280,000								
Tax Credit Equity Pricing:	0.97%								
Construction Bond Amount:	71,742,231								
Construction Loan Term (in months):	41								
Construction Loan Interest Rate (as %):	8.31%								

Attachment K: 1st Year Operating Budget

See attached.

Application Date:	9/8/2023	LOSP Units	Non-LOSP Units	Project Name:	772 Pacific
Total # Units:	175	40	135	Project Address:	772+758 Pacific Ave
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	2030	LOSP/Non-LOSP Allocation		Project Sponsor:	Chinatown CDC
		29%	71%		
INCOME					
Residential - Tenant Rents	100,000	1,434,312	1,534,312	Links from New Proj - Rent & Unit Mix Worksheet	Alternative LOSP Split
Residential - Tenant Assistance Payments (Non-LOSP)	0	973,068	973,068	Links from New Proj - Rent & Unit Mix Worksheet	Residential - Tenant Assistance Payments (N
Residential - LOSP - Tenant Assistance Payments	503,063	0	503,063		
Commercial Space	0	0	0	from Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%	
Residential Parking	0	0	0	Links from Utilities & Other Income Worksheet	
Miscellaneous Rent Income	0	0	0	Links from Utilities & Other Income Worksheet	Alternative LOSP Split
Supportive Services Income	0	0	0	Links from Utilities & Other Income Worksheet	Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from Utilities & Other Income Worksheet	
Laundry and Vending	2,114	7,078	9,192	Links from Utilities & Other Income Worksheet	Projected LOSP Split
Tenant Charges	0	0	0	Links from Utilities & Other Income Worksheet	Tenant Charges
Miscellaneous Residential Income	0	0	0	Links from Utilities & Other Income Worksheet	
Other Commercial Income	0	0	0	from Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%	Alternative LOSP Split
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		Withdrawal from Capitalized Reserve (deposit
Gross Potential Income	625,177	2,414,458	3,039,635		
Vacancy Loss - Residential - Tenant Rents	(6,000)	(71,715)	(77,715)	Vacancy loss is 5% of Tenant Rents	
Vacancy Loss - Residential - Tenant Assistance Payments	0	(48,053)	(48,053)	Vacancy loss is 5% of Tenant Assistance Payments.	
Vacancy Loss - Commercial	0	0	0	from Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%	
EFFECTIVE GROSS INCOME	619,177	2,294,089	2,913,266	PUPA: 16,647	
OPERATING EXPENSES					
Management Fee	32,844	109,956	142,800		Alternative LOSP Split
Asset Management Fee	5,584	18,696	24,280		Asset Management Fee
Sub-total Management Expenses	38,428	128,652	167,080	PUPA: 955	
Salaries/Benefits					
Office Salaries	46,797	156,669	203,466		Alternative LOSP Split
Manager's Salary	17,701	59,259	76,960		Manager's Salary
Health Insurance and Other Benefits	35,251	118,015	153,267	Health Insurance & Other benefits, 403b (minus desk clerk benefits)	Health Insurance and Other Benefits
Other Salaries/Benefits	70,631	236,462	307,093	247 Desk Clerk Payroll & Benefits	Other Salaries/Benefits
Administrative Rent-Free Unit	2,978	9,970	12,948		Administrative Rent-Free Unit
Sub-total Salaries/Benefits	173,358	580,375	753,734	PUPA: 4,307	
Administration					
Advertising and Marketing	605	2,097	2,702		
Office Expenses	8,705	29,144	37,849	Office Supplies, Computer Services, Telephone	
Office Rent	0	0	0		Projected LOSP Split
Legal Expense - Property	968	3,304	4,272		Legal Expense - Property
Audit Expense	5,570	18,646	24,216		
Bookkeeping/Accounting Services	4,589	15,362	19,950		Projected LOSP Split
Bad Debts	867	2,969	3,836		Bad Debts
Miscellaneous	4,984	15,347	19,931		
Sub-total Administration Expenses	25,954	86,888	112,842	PUPA: 645	
Utilities					
Electricity	30,820	103,179	133,999		Projected LOSP Split
Water	21,581	72,249	93,830		
Gas	0	0	0		
Sewer	30,687	102,725	133,412		
Sub-total Utilities	83,088	278,153	361,251	PUPA: 2,054	
Taxes and Licenses					
Real Estate Taxes	2,300	7,700	10,000		Real Estate Taxes
Payroll Taxes	12,561	42,052	54,613		Payroll Taxes
Miscellaneous Taxes, Licenses and Permits	2,896	9,694	12,590		
Sub-total Taxes and Licenses	17,757	59,446	77,203	PUPA: 441	
Insurance					
Property and Liability Insurance	49,453	165,558	215,011		
Fidelity Bond Insurance	0	0	0		Alternative LOSP Split
Workers' Compensation	5,330	17,810	23,130		Workers' Compensation
Directors & Officers' Liability Insurance	0	0	0		
Sub-total Insurance	54,772	183,368	238,141	PUPA: 1,361	
Maintenance & Repair					
Paint	44,066	147,527	191,593	Janitorial & Misc Maintenance	Alternative LOSP Split
Supplies	0	0	0		Supplies
Contractors	94,034	314,808	408,842	Painting, Repairs, Exterminating, Grounds, Elevator	Contracts
Garbage and Trash Removal	15,681	53,296	68,977		Alternative LOSP Split
Security Payroll/Contract	2,786	9,325	12,111		Security Payroll/Contract
HVAC Repairs and Maintenance	0	0	0		
Vehicles and Maintenance Equipment Operation and Repairs	0	0	0		
Miscellaneous Operating and Maintenance Expenses	0	0	0		
Sub-total Maintenance & Repair Expenses	156,566	524,157	680,723	PUPA: 3,890	
Supportive Services					
Commercial Expenses	0	221,425	221,425	Tenant Services & Activities	Supportive Services
				from Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%	
TOTAL OPERATING EXPENSES	549,924	2,062,475	2,612,399	PUPA: 14,928	
Reserves/Ground Lease Base Rent/Bond Fees					
Ground Lease Base Rent	3,450	11,550	15,000	Ground lease with MOHCD	Provide additional comments here, if needed
Bond Monitoring Fee	575	1,925	2,500		Alternative LOSP Split
Replacement Reserve Deposit	20,125	87,375	87,500	\$500 PUPY	Replacement Reserve Deposit
Operating Reserve Deposit	0	0	0		Operating Reserve Deposit
Other Required Reserve 1 Deposit	0	0	0		Other Required Reserve 1 Deposit
Other Required Reserve 2 Deposit	0	0	0		
Required Reserve Deposits, Commercial	0	0	0	from Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	24,150	80,850	105,000	PUPA: 600	
TOTAL OPERATING EXPENSES (w/ Reserves/G/L Base Rent/Bond Fees)	574,074	2,143,325	2,717,399	PUPA: 15,528	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	45,103	150,764	195,867	PUPA: 1,119	
DEBT SERVICE/MUST PAY PAYMENTS (Hard debt/amortized loans)					
Hard Debt - 1st Lender	0	0	0		Alternative LOSP Split
Hard Debt - 2nd Lender (HCD Program 0 42% ovmt, or other 2nd Lend	36,851	123,370	160,221	HCD MHP	Hard Debt - 2nd Lender
Hard Debt - 3rd Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Hard Debt - 3rd Lender (HCD Program 0
Hard Debt - 4th Lender	0	0	0		Hard Debt - 4th Lender (Other HCD Program
Commercial Hard Debt Service	0	0	0	from Commercial Op. Budget Worksheet, Commercial to Residential allocation: 100%	
TOTAL HARD DEBT SERVICE	36,851	123,370	160,221	PUPA: 916	
CASH FLOW (NOI minus DEBT SERVICE)					
Commercial Only Cash Flow	8,252	27,394	35,646		
Allocation of Commercial Surplus to LOSP(non-LOSP (residual income)	0	0	0		Allocation of Commercial Surplus to LOSP(non
AVAILABLE CASH FLOW	8,252	27,394	35,646		
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)	7,102	23,779	30,878	1st	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,150	3,615	5,000	2nd	Alternative LOSP Split
Other Payments	0	0	0		Other Payments
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	0	0	0		Non-amortizing Loan Pmt - Lender 1 (select
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)	0	0	0		Non-amortizing Loan Pmt - Lender 2 (select
Deferred Developer Fee (Enter amt or Max Fee from call 1130)	0	0	0	Def. Develop. Fee split 0%	Deferred Developer Fee (Enter amt or Max F
TOTAL PAYMENTS PRECEDING MOHCD	8,252	27,626	35,878	PUPA: 205	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)					
Residual Receipts Calculation	(0)	(232)	(232)		
Does Project have a MOHCD Residual Receipt Obligation?					
Will Project Defr Developer Fee?		Yes	Project has MOHCD ground leases?	Yes	
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:		33%			Sum of DOF from LOSP and non-LOSP.
% of Residual Receipts available for distribution to soft debt lenders in		67%			Ratio of Sum of DOF and calculated 50%.
Soft Debt Lenders with Residual Receipts Obligations					
MOHCD/DOF - Soft Debt Loans		(Select lender name/program from drop down)	Total Principal Amt		Distrib. of Soft Debt Loans
MOHCD/DOF - Ground Lease Value or Land Acq Cost		All MOHCD/DOF Loans payable from res. recs.	\$49,000,000		59.00%
HCD (soft debt loan) - Lender 3			\$150,000		0.31%
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	0	0	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	0	Earlier/overdue amount of residual receipts proposed for loan repayment		
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaym.		
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due					
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)					

Application Date: 9/8/2023
 Total # Units: 175
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2030

INCOME			
Residential - Tenant Rents		non-LOSP	Approved By (read)
Residential - Tenant Assistance Payments (Non-LOSP)	0.00%	100.00%	
Residential -LOSP- Tenant Assistance Payments			
Commercial Space			
Residential Parking			
Miscellaneous Rent Income	LOSP	non-LOSP	Approved By (read)
Supportive Services Income			
Interest Income - Project Operations			
Laundry and Vending	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Tenant Charges			
Miscellaneous Residential Income			
Other Commercial Income	LOSP	non-LOSP	Approved By (read)
Withdrawal from Capitalized Reserve (deposit to operating account)	to operating account		
Gross Potential Income			
Vacancy Loss - Residential - Tenant Rents			
Vacancy Loss - Residential - Tenant Assistance Payments			
Vacancy Loss - Commercial			
EFFECTIVE GROSS INCOME			
OPERATING EXPENSES			
Management	LOSP	non-LOSP	Approved By (read)
Management Fee			
Asset Management Fee			
Sub-total Management Expenses			
Salaries/Benefits	LOSP	non-LOSP	Approved By (read)
Office Salaries			
Manager's Salary			
Health Insurance and Other Benefits			
Other Salaries/Benefits	23.00%	77.00%	
Administrative Rent-Free Unit			
Sub-total Salaries/Benefits			
Administration			
Advertising and Marketing			
Office Expenses			
Office Rent	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense- Property	23.00%	77.00%	
Audit Expense			
Bookkeeping/Accounting Services	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Rent Debt	23.00%	77.00%	
Miscellaneous			
Sub-total Administration Expenses			
Utilities	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Electricity	23.00%	77.00%	
Water			
Gas			
sewer			
Sub-total Utilities			
Taxes and Licenses	LOSP	non-LOSP	Approved By (read)
Real Estate Taxes			
Payroll Taxes			
Miscellaneous Taxes, Licenses and Permits			
Sub-total Taxes and Licenses			
Insurance			
Property and Liability Insurance			
Fidelity Bond Insurance	LOSP	non-LOSP	Approved By (read)
Workers' Compensation			
Director's & Officers' Liability Insurance			
Sub-total Insurance			
Maintenance & Repair	LOSP	non-LOSP	Approved By (read)
Paint	23.00%	77.00%	
Supplies			LOSP-specific expenses must be tracked at entry level in project's
Contractors	23.00%	77.00%	
Garbage and Trash Removal	LOSP	non-LOSP	Approved By (read)
Security Payroll/Contract			
HVAC Repairs and Maintenance			
Vehicles and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			
Sub-total Maintenance & Repair Expenses			
Supportive Services	0.00%	100.00%	Approved By (read)
Commercial Expenses			
TOTAL OPERATING EXPENSES			
Reserves/Ground Lease Base Rent/Bond Fees			
Ground Lease Base Rent			
Bond Monitoring Fee	LOSP	non-LOSP	Approved By (read)
Replacement Reserve Deposit			
Operating Reserve Deposit			
Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit			
Required Reserve Deposits, Commercial			
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)			
NET OPERATING INCOME (INCOME minus OP EXPENSES)			
DEBT SERVICE/MUST PAY PAYMENTS (Hard debt/ amortized loans)	LOSP	non-LOSP	Approved By (read)
Hard Debt - First Lender	0.00%	100.00%	
Hard Debt - Second Lender (HCD Program 0.42% p/mt, or other 2nd Lender 42% p/mt, or other 2nd Lender 42% p/mt, or other 2nd Lender 42% p/mt, or other 2nd Lender 42% p/mt)			
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)	to-LOSP (residual income)		
AVAILABLE CASH FLOW			
USES OF CASH FLOW BELOW (This row also shows DSCR.)			
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
Below-the-line Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	LOSP	non-LOSP	Approved By (read)
Other Payments			
Non-amortizing Loan Pymt - Lender 1 (select lender in comments field)			
Non-amortizing Loan Pymt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt. or Max Fee from call 1130)	0.00%	100.00%	
TOTAL PAYMENTS PRECEDING MOHCD			
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			
Residual Receipts Calculation			
Does Project have a MOHCD Residual Receipt Obligation?			
Will Project Defeat Developer Fee?			
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:		0	
% of Residual Receipts available for distribution to soft debt lenders in	#VALUE!		
Soft Debt Lenders with Residual Receipts Obligations			
MOHCD - Soft Debt Loans			
MOHCD - Ground Lease Value or Land Acq Cost			
HCD (soft debt loan) - Lender 3			
Other Soft Debt Lender - Lender 4			
Other Soft Debt Lender - Lender 5			
MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
MOHCD Residual Receipts Amount Due			
Proposed MOHCD Residual Receipts Amount to Loan Repayment			
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
HCD Residual Receipts Amount Due			
Lender 4 Residual Receipts Due			
Lender 5 Residual Receipts Due			
Total Non-MOHCD Residual Receipts Debt Service			
REMAINDER (Should be zero unless there are distributions below)			
Owner Distributions/Incentive Management Fee			
Other Distributions/Uses			
Final Balance (should be zero)			

Attachment L: 20-year Operating Proforma

See attached.

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	Total # Units:	LOSP Units	Non-LOSP Units	Year 1 2030			Year 2 2031			Year 3 2032							
				% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		
INCOME	40	135	175	23.00%	77.00%												
Residential - Tenant Rents				1.0%	2.5%		220,000	1,434,312	1,554,312	127,200	1,670,170	1,561,370	122,412	1,599,924	1,629,336		
Residential - Tenant Assistance Payments (Non-LOSP)				n/a	4.0%	SOS	-	973,068	973,068	-	1,011,891	1,011,991	-	1,052,470	1,052,470		
Residential - LOSP Tenant Assistance Payments				n/a	n/a		503,063	503,063	512,837	-	-	-	-	531,523	531,523		
Commercial Space				n/a	2.5%		-	-	-	-	-	-	-	-	-	-	-
Residential Parking				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-
Supportive Services Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-
Laundry and Vending				2.5%	2.5%		2,114	7,078	9,192	2,167	7,255	9,422	2,221	7,436	9,657		
Tenant Charges				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-
Other Commercial Income				n/a	2.5%		-	-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a	n/a		-	-	-	-	-	-	-	-	-	-	-
Gross Potential Income							625,177	2,414,458	3,039,635	636,204	2,489,415	3,125,620	656,156	2,996,631	3,222,947		
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	Enter formula manually per relevant MOH policy annual incrementing usually not appropriate	(6,000)	(71,716)	(77,716)	(6,000)	(73,508)	(79,566)	(6,121)	(75,346)	(81,467)		
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a		-	(46,653)	(46,653)	-	(60,600)	(50,600)	-	(52,624)	(50,624)		
Vacancy Loss - Commercial				n/a	n/a		-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME							619,177	2,294,089	2,913,266	630,144	2,365,307	2,996,452	650,036	2,438,681	3,088,896		
OPERATING EXPENSES																	
Management Fee				3.5%	3.5%	1st Year to be set according to HUD schedule	32,644	109,856	142,800	33,994	113,804	147,736	35,183	117,789	152,971		
Asset Management Fee				3.0%	3.0%	per MOHCD policy	5,584	18,696	24,260	5,752	19,256	25,008	5,924	19,834	25,756		
Sub-total Management Expenses							38,228	128,552	167,060	39,746	133,061	172,800	41,108	137,623	178,730		
Salaries/Benefits				3.5%	3.5%		46,797	156,669	203,466	48,435	162,162	210,587	50,130	167,828	217,956		
Office Salaries				3.5%	3.5%		17,701	59,259	76,960	18,200	61,333	79,654	18,962	63,480	82,441		
Manager's Salary				3.5%	3.5%		35,251	118,016	153,267	36,465	122,146	158,631	37,762	126,421	164,183		
Health Insurance and Other Benefits				3.5%	3.5%		79,631	238,462	307,093	73,103	244,719	317,841	72,662	233,304	328,969		
Other Salaries/Benefits				3.5%	3.5%		2,978	9,970	12,948	3,062	10,319	13,401	3,180	10,680	13,870		
Administrative Rent-Free Unit				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits							173,359	580,375	753,734	179,426	600,688	760,115	165,706	621,712	807,419		
Administration				3.5%	3.5%		626	2,097	2,723	648	2,170	2,818	671	2,246	2,917		
Advertising and Marketing				3.5%	3.5%		8,705	29,144	37,848	9,010	30,164	39,174	9,325	31,219	40,545		
Office Expenses				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Office Rent				3.5%	3.5%		593	3,324	4,317	1,028	3,440	4,468	1,064	3,591	4,624		
Legal Expense - Property				3.5%	3.5%		5,570	18,646	24,216	5,765	19,299	25,054	5,966	19,974	25,941		
Audit Expense				3.5%	3.5%		4,359	15,362	19,900	4,749	15,999	20,948	4,915	16,456	21,371		
Bookkeeping/Accounting Services				3.5%	3.5%		887	2,969	3,856	918	3,073	3,993	950	3,181	4,131		
Bad Debts				3.5%	3.5%		4,584	15,347	19,931	4,745	15,884	20,629	4,911	16,440	21,351		
Miscellaneous				3.5%	3.5%		25,554	86,888	112,842	26,862	89,929	116,791	27,802	93,077	120,879		
Sub-total Administration Expenses							83,688	276,163	361,251	85,996	287,899	373,896	89,006	297,875	386,981		
Taxes and Licenses				3.5%	3.5%		2,900	7,700	10,000	2,981	7,970	10,350	2,464	6,246	10,712		
Real Estate Taxes				3.5%	3.5%		12,867	42,052	54,813	13,007	43,524	56,524	13,456	45,047	58,503		
Payroll Taxes				3.5%	3.5%		2,996	9,694	12,590	2,997	10,034	13,031	3,102	10,365	13,467		
Miscellaneous Taxes, Licenses and Permits				3.5%	3.5%		17,757	59,446	77,203	16,778	61,527	79,905	19,021	63,880	82,702		
Sub-total Taxes and Licenses							29,563	88,892	117,803	29,766	89,525	114,881	25,633	79,498	104,672		
Insurance				3.5%	3.5%		49,453	165,558	215,011	51,183	171,353	222,536	52,275	177,350	230,325		
Property and Liability Insurance				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Fidelity Bond Insurance				3.5%	3.5%		5,320	17,810	23,130	5,506	18,433	23,940	5,699	19,079	24,777		
Workers Compensation				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Directors & Officers' Liability Insurance				3.5%	3.5%		54,772	183,369	238,141	56,689	189,796	248,476	58,674	196,429	255,103		
Sub-total Insurance							109,225	376,737	496,142	113,378	390,782	514,972	118,574	396,849	520,205		
Maintenance & Repair				3.5%	3.5%		44,066	147,527	191,593	45,609	152,690	198,290	47,205	158,034	205,239		
Payroll				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Supplies				3.5%	3.5%		34,034	114,808	149,842	37,325	125,827	163,151	39,731	133,311	174,862		
Contracts				3.5%	3.5%		2,996	9,694	12,590	2,997	10,034	13,031	3,102	10,365	13,467		
Garbage and Trash Removal				3.5%	3.5%		2,786	9,325	12,111	2,883	9,952	12,933	2,984	9,990	12,974		
Security Payroll/Contract				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses							156,568	524,157	680,723	162,406	542,502	704,548	167,718	561,490	728,207		
Supportive Services				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Commercial Expenses				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES							549,924	2,062,475	2,612,399	569,143	2,134,568	2,703,712	589,035	2,209,192	2,798,216		
RESERVES/GROUND LEASE BASE RENT/BOND FEES																	
Ground Lease Base Rent				3.450	11,550	15,000	3,450	11,550	15,000	3,450	11,550	15,000	3,450	11,550	15,000		
Bond Monitoring Fee				575	1,925	2,500	575	1,925	2,500	575	1,925	2,500	575	1,925	2,500		
Replacement Reserve Deposit				20,125	67,375	87,500	20,125	67,375	87,500	20,125	67,375	87,500	20,125	67,375	87,500		
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							24,150	80,650	105,000	24,150	80,650	105,000	24,150	80,650	105,000		
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)							574,074	2,143,325	2,717,399	593,293	2,215,418	2,808,712	613,185	2,290,032	2,903,216		
NET OPERATING INCOME (w/ Reserves/GL Base Rent/Bond Fees)							45,103	150,764	195,867	36,851	149,889	186,740	36,851				

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	Total # Units:	LOSP Units		Non-LOSP Units		Year 10 2039			Year 11 2040			Year 12 2041		
		40	135	23.00%	77.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)										
INCOME														
Residential - Tenant Rents						131,242	1,791,599	1,922,841	132,555	1,838,031	1,988,585	133,860	1,881,842	2,015,822
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	4.0%	SOS		-	1,384,979	1,384,978	-	1,440,378	1,440,378	-	1,497,993	1,497,993
Residential - LOSP Tenant Assistance Payments		n/a	n/a			682,846	-	682,846	707,717	-	707,717	-	733,490	733,490
Commercial Space		n/a	2.5%			-	-	-	-	-	-	-	-	-
Residential Parking		2.5%	2.5%			-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income		2.5%	2.5%			-	-	-	-	-	-	-	-	-
Supportive Services Income		2.5%	2.5%			-	-	-	-	-	-	-	-	-
Health Insurance and Other Benefits		2.5%	2.5%			-	-	-	-	-	-	-	-	-
Interest Income - Project Operations		2.5%	2.5%			-	-	-	-	-	-	-	-	-
Laundry and Vending		2.5%	2.5%			2,640	8,339	11,480	2,706	8,060	11,767	2,774	8,287	12,061
Tenant Charges		2.5%	2.5%			-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income		2.5%	2.5%			-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	2.5%			-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a			-	-	-	-	-	-	-	-	-
Gross Potential Income														
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formula manually per relevant MOH policy annual increasing usually not appropriate		(6,562)	(89,563)	(96,125)	(6,628)	(91,802)	(98,430)	(6,694)	(94,097)	(100,791)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a			-	(69,249)	(69,249)	-	(72,019)	(72,019)	-	(74,900)	(74,900)
Vacancy Loss - Commercial		n/a	n/a			-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME						810,166	3,026,266	3,836,432	836,351	3,121,658	3,988,009	863,450	3,220,225	4,083,875
OPERATING EXPENSES														
Management Fee														
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule		44,783	149,859	194,622	46,330	155,104	201,434	47,891	160,532	208,484
Asset Management Fee		3.0%	3.0%	per MOHCD policy		7,296	24,394	31,690	7,506	23,726	30,630	7,730	24,679	33,026
Sub-total Management Expenses						52,049	174,252	226,312	53,835	180,229	234,064	55,681	186,412	242,093
Salaries/Benefits														
Office Salaries		3.5%	3.5%			63,780	213,624	277,303	66,012	220,997	287,009	68,322	228,732	297,054
Manager's Salary		3.5%	3.5%			24,124	80,784	104,889	24,869	83,591	109,860	25,843	86,517	112,356
Health Insurance and Other Benefits		3.5%	3.5%			48,044	160,843	208,887	49,726	166,473	216,198	51,466	172,299	223,765
Other Salaries/Benefits		3.5%	3.5%			95,293	322,773	419,530	96,633	333,152	433,356	103,120	345,627	446,346
Administrative Rent-Free Unit		3.5%	3.5%			4,059	13,688	17,847	4,201	14,054	18,264	4,348	14,556	18,904
Sub-total Salaries/Benefits						236,270	790,992	1,027,262	244,540	816,677	1,063,216	253,099	847,330	1,100,429
Administration														
Advertising and Marketing		3.5%	3.5%			854	2,838	3,711	883	2,958	3,841	914	3,061	3,975
Office Expenses		3.5%	3.5%			11,864	39,720	51,584	12,280	41,110	53,390	12,708	42,549	55,258
Office Rent		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%			1,353	4,530	5,884	1,401	4,689	6,090	1,450	4,853	6,303
Audit Expense		3.5%	3.5%			7,591	25,413	33,004	7,857	26,302	34,159	8,132	27,223	35,355
Bookkeeping/Accounting Services		3.5%	3.5%			2,254	20,336	27,180	6,733	21,669	28,141	6,699	22,427	29,126
Bad Debts		3.5%	3.5%			1,209	4,047	5,255	1,261	4,188	5,439	1,295	4,338	5,630
Miscellaneous		3.5%	3.5%			6,248	20,916	27,164	6,466	21,648	28,115	6,693	22,406	29,099
Sub-total Administration Expenses						33,372	118,420	153,792	36,610	122,565	159,175	37,992	126,654	164,746
Utilities														
Electricity		3.5%	3.5%			42,004	140,623	182,627	43,474	145,544	189,019	44,996	150,639	195,634
Water		3.5%	3.5%			29,413	98,468	127,881	30,442	101,914	132,356	31,507	105,481	136,989
Gas		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%			41,823	140,017	181,840	43,287	144,918	188,205	44,802	149,990	194,752
Sub-total Utilities						113,240	379,108	492,348	117,203	392,377	509,880	121,306	406,710	527,416
Taxes and Licenses														
Real Estate Taxes		3.5%	3.5%			3,135	10,494	13,629	3,244	10,862	14,106	3,358	11,242	14,600
Payroll Taxes		3.5%	3.5%			17,119	57,513	74,432	17,719	59,319	77,037	18,339	61,395	79,733
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%			3,947	13,912	17,159	4,085	13,676	17,759	4,291	14,153	18,381
Sub-total Taxes and Licenses						24,201	81,919	105,220	25,048	83,855	108,902	25,924	86,790	112,714
Insurance														
Property and Liability Insurance		3.5%	3.5%			67,399	225,639	293,038	69,758	233,537	303,294	72,198	241,710	313,910
Fidelity Bond Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Workers Compensation		3.5%	3.5%			7,250	24,273	31,524	7,504	25,123	32,627	7,767	26,022	33,769
Directors & Officers Liability Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Insurance						74,649	249,913	324,562	77,262	258,659	335,921	79,966	267,713	347,679
Maintenance & Repair														
Payroll		3.5%	3.5%			60,058	201,064	261,123	62,160	208,101	270,281	64,336	215,384	279,720
Supplies		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Contracts		3.5%	3.5%			128,158	429,051	557,210	132,644	444,068	576,712	137,286	459,611	596,897
Garbage and Trash Removal		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Security Payroll/Contract		3.5%	3.5%			3,795	12,710	16,508	3,929	13,154	17,084	4,067	13,615	17,682
HVAC Repairs and Maintenance		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%			-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses						213,384	714,372	927,756	220,852	730,375	960,227	228,582	765,253	993,835
Supportive Services														
Commercial Only Cash Flow		3.5%	3.5%			-	301,780	301,780	-	312,342	312,342	-	323,274	323,274
Commercial Expenses						-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES						749,165	2,809,855	3,599,020	775,350	2,908,078	3,683,428	802,449	3,009,735	3,812,185
Reserves/Ground Lease Base Rent/Bond Fees														
Ground Lease Base Rent						3,450	11,550	15,000	3,450	11,550	15,000	3,450	11,550	15,000
Bond Monitoring Fee						575	1,925	2,500	575	1,925	2,500	575	1,925	2,500
Replacement Reserve Deposit						20,125	67,375	87,500	20,125	67,375	87,500	20,125	67,375	87,500
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						24,150	80,850	105,000	24,150	80,850	105,000	24,150	80,850	105,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)						773,315	2,890,705	3,664,020	799,500	2,988,928	3,788,428	826,599	3,090,585	3,917,185
NET OPERATING INCOME (INCOME minus OP EXPENSES)														
NET OPERATING INCOME (INCOME minus OP EXPENSES)						36,851	135,561	172,411	36,851	132,730	169,581	36,851	129,640	166,491
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)														
Hard Debt - First Lender						-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% num. or other 2nd Lender)						36,851	123,370	160,221	36,851	123,370	160,221	36,851	123,370	160,221
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender						-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE						36,851	123,370	160,221	36,851	123,370	160,221	36,851	123,370	160,221
CASH FLOW (NOI minus DEBT SERVICE)														
Commercial Only Cash Flow						-	12,190	12,190	-	9,360	9,360	-	6,270	6,270
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)						-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW						-	12,190	12,190	-	9,360	9,360	-	6,270	6,270
USES OF CASH FLOW BELOW (This row also shows DSCR.)														
USES THAT PRECEED MOHCD DEBT SERVICE IN WATERFALL														
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.0%	3.0%	per MOHCD policy		-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.0%	3.0%	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 Pmt - Lender 1				Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 2				Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt = Max Fee														

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	Total # Units:	LOSP Units	Non-LOSP Units	Year 13 2042			Year 14 2043			Year 15 2044								
				% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total			
INCOME	49	178	123	23.00%	77.00%													
Residential - Tenant Rents				1.0%	2.5%		185,210	1,529,390	2,044,208	196,577	1,977,215	2,113,796	177,837	2,029,645	2,164,582			
Residential - Tenant Assistance Payments (Non-LOSP)				n/a	4.0%	SOS	-	1,557,913	1,557,913	-	1,620,230	1,620,230	-	1,685,039	1,685,039			
Residential - LOSP Tenant Assistance Payments				n/a	n/a		780,196	-	780,196	787,868	-	787,868	816,540	-	816,540			
Commercial Space				n/a	2.5%		-	-	-	-	-	-	-	-	-			
Residential Parking				2.5%	2.5%		-	-	-	-	-	-	-	-	-			
Miscellaneous Rent Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-			
Supportive Services Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-			
Interest Income - Project Operations				2.5%	2.5%		-	-	-	-	-	-	-	-	-			
Laundry and Vending				2.5%	2.5%		2,843	9,519	12,362	2,914	9,757	12,671	2,987	10,001	12,988			
Tenant Charges				2.5%	2.5%		-	-	-	-	-	-	-	-	-			
Miscellaneous Residential Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-			
Other Commercial Income				n/a	2.5%		-	-	-	-	-	-	-	-	-			
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a	n/a		-	-	-	-	-	-	-	-	-			
Gross Potential Income							898,258	3,496,422	4,394,681	927,354	3,607,202	4,534,555	957,644	3,721,685	4,679,148			
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	Enter formula manually per relevant MOH policy annual incrementing usually not appropriate	(6,761)	(96,450)	(103,210)	(6,829)	(98,861)	(105,689)	(6,897)	(101,332)	(108,229)			
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a		-	(77,996)	(77,996)	-	(81,011)	-	(84,252)	(84,252)				
Vacancy Loss - Commercial				n/a	n/a		-	-	-	-	-	-	-	-	-			
EFFECTIVE GROSS INCOME							891,497	3,322,077	4,213,676	920,525	3,427,329	4,347,864	950,967	3,536,101	4,486,668			
OPERATING EXPENSES																		
Management Fee																		
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule				49,630	186,151	215,761	51,367	171,966	223,333	53,164	177,986	231,150			
Asset Management Fee	3.0%	3.0%	per MOHCD policy				2,962	26,655	36,917	8,207	27,458	38,668	8,427	28,279	39,126			
Sub-total Management Expenses							52,592	212,807	252,678	59,574	199,424	261,999	61,591	206,264	270,276			
Salaries/Benefits																		
Office Salaries	3.5%	3.5%					70,714	238,737	307,451	73,089	248,023	318,212	75,750	253,699	329,349			
Manager's Salary	3.5%	3.5%					26,747	89,645	116,292	27,683	92,679	120,382	28,652	95,623	124,573			
Health Insurance and Other Benefits	3.5%	3.5%					53,267	178,330	231,997	55,132	184,577	239,703	57,067	191,031	249,052			
Other Salaries/Benefits	3.5%	3.5%					105,729	357,310	464,038	114,664	369,816	480,298	114,311	382,759	497,066			
Administrative Rent-Free Unit	3.5%	3.5%					4,500	15,065	19,565	4,658	15,593	20,250	4,821	16,138	20,959			
Sub-total Salaries/Benefits							261,957	876,967	1,138,944	271,126	907,681	1,178,807	280,615	939,450	1,220,065			
Administration																		
Advertising and Marketing	3.5%	3.5%					946	3,168	4,115	979	3,279	4,259	1,014	3,394	4,408			
Office Expenses	3.5%	3.5%					13,154	44,038	57,192	13,615	45,580	59,194	14,091	47,175	61,266			
Office Rent	3.5%	3.5%					-	-	-	-	-	-	-	-	-			
Legal Expense - Property	3.5%	3.5%					1,500	5,023	6,523	1,553	5,189	6,752	1,607	5,381	6,988			
Audit Expense	3.5%	3.5%					8,416	28,176	36,592	8,711	29,162	37,873	9,016	30,183	39,198			
Bookkeeping/Accounting Services	3.5%	3.5%					6,934	23,212	30,148	7,176	24,023	31,201	7,427	24,856	32,293			
Bad Debts	3.5%	3.5%					1,340	4,487	5,827	1,387	4,644	6,031	1,458	4,808	6,242			
Miscellaneous	3.5%	3.5%					6,927	23,180	30,117	7,169	24,002	31,171	7,420	24,842	32,282			
Sub-total Administration Expenses							38,218	131,294	170,812	40,390	135,890	178,480	42,011	140,646	182,657			
Utilities																		
Electricity	3.5%	3.5%					46,671	155,911	202,482	48,201	161,369	209,569	49,888	167,016	216,903			
Water	3.5%	3.5%					32,610	109,173	141,784	33,752	112,994	146,746	34,933	116,949	151,882			
Gas	3.5%	3.5%					-	-	-	-	-	-	-	-	-			
Sewer	3.5%	3.5%					46,370	155,240	201,610	47,993	160,673	208,666	49,873	166,296	215,969			
Sub-total Utilities							125,651	420,324	545,876	129,946	435,036	564,981	134,944	450,261	584,756			
Taxes and Licenses																		
Real Estate Taxes	3.5%	3.5%					3,475	11,635	15,111	3,697	12,042	15,640	3,723	12,464	16,187			
Payroll Taxes	3.5%	3.5%					18,981	63,643	82,524	19,645	65,787	85,412	20,332	69,089	88,402			
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%					2,632	8,927	11,659	2,771	9,271	12,074	2,874	9,625	12,468			
Sub-total Taxes and Licenses							14,088	48,199	63,294	15,113	49,904	65,126	16,320	52,178	67,057			
Insurance																		
Property and Liability Insurance	3.5%	3.5%					74,726	250,170	324,896	77,342	258,626	336,268	80,048	267,889	348,037			
Fidelity Bond Insurance	3.5%	3.5%					-	-	-	-	-	-	-	-	-			
Workers Compensation	3.5%	3.5%					8,039	26,912	34,951	8,320	27,854	36,174	8,611	28,829	37,440			
Directors & Officers Liability Insurance	3.5%	3.5%					-	-	-	-	-	-	-	-	-			
Sub-total Insurance							82,765	277,082	359,847	85,662	286,780	372,442	88,660	296,818	385,477			
Maintenance & Repair																		
Payroll	3.5%	3.5%					66,587	222,923	289,510	68,918	230,728	299,643	71,330	238,807	310,131			
Supplies	3.5%	3.5%					-	-	-	-	-	-	-	-	-			
Contracts	3.5%	3.5%					142,091	475,697	617,788	147,085	492,346	639,411	152,212	509,579	661,790			
Garbage and Trash Removal	3.5%	3.5%					23,695	79,325	103,029	24,524	81,103	106,628	25,362	84,975	110,568			
Security Payroll/Contract	3.5%	3.5%					4,209	14,091	18,301	4,358	14,588	18,841	4,509	15,095	19,604			
HVAC Repairs and Maintenance	3.5%	3.5%					-	-	-	-	-	-	-	-	-			
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%					-	-	-	-	-	-	-	-	-			
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%					-	-	-	-	-	-	-	-	-			
Sub-total Maintenance & Repair Expenses							238,582	792,037	1,028,619	244,863	819,758	1,064,621	253,433	848,450	1,101,813			
Supportive Services	3.5%	3.5%					-	334,588	334,588	-	346,299	346,299	-	358,419	358,419			
Commercial Expenses							-	-	-	-	-	-	-	-	-			
TOTAL OPERATING EXPENSES							830,497	3,114,946	3,945,443	859,524	3,223,836	4,083,360	889,566	3,336,533	4,226,100			
Reserves/Ground Lease Base Rent/Bond Fees																		
Ground Lease Base Rent							3,450	11,550	15,000	3,450	11,550	15,000	3,450	11,550	15,000			
Bond Monitoring Fee							575	1,925	2,500	575	1,925	2,500	575	1,925	2,500			
Replacement Reserve Deposit							20,125	67,375	87,500	20,125	67,375	87,500	20,125	67,375	87,500			
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							24,150	80,850	105,000	24,150	80,850	105,000	24,150	80,850	105,000			
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)							854,647	3,195,796	4,050,443	883,674	3,304,686	4,188,360	913,716	3,417,383	4,331,100			
NET OPERATING INCOME (INCOME minus OP EXPENSES)																		
NET OPERATING INCOME							36,851	126,281	163,132	36,851	122,643	159,484	36,851	118,718	155,568			

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	Total # Units:	LOSP Units	Non-LOSP Units	Year 16 2045			Year 17 2046			Year 18 2047							
				% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		
INCOME	49	178	123	23.00%	77.00%												
Residential - Tenant Rents				1.0%	2.5%		126,216	2,077,311	2,216,628	140,709	2,125,244	2,269,954	142,117	2,182,475	2,334,592		
Residential - Tenant Assistance Payments (Non-LOSP)				n/a	4.0%	SOS	-	1,752,440	1,752,440	-	1,822,538	1,822,538	-	1,895,440	1,895,440		
Residential - LOSP Tenant Assistance Payments				n/a	n/a		846,247	846,247	877,027	-	877,027	877,027	-	908,916	908,916		
Commercial Space				n/a	2.5%		-	-	-	-	-	-	-	-	-	-	-
Residential Parking				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-
Supportive Services Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-
Laundry and Vending				2.5%	2.5%		3,062	10,291	13,313	3,138	10,507	13,646	3,217	10,770	13,987		
Tenant Charges				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income				2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-
Other Commercial Income				n/a	2.5%		-	-	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a	n/a		-	-	-	-	-	-	-	-	-	-	-
Gross Potential Income							988,626	3,840,003	4,828,628	1,020,875	3,962,289	4,983,164	1,054,250	4,088,665	5,142,935		
Vacancy Loss - Residential - Tenant Rents				n/a	n/a		(6,966)	(103,866)	(110,831)	(7,035)	(106,452)	(113,488)	(7,106)	(109,124)	(116,230)		
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a		-	(87,622)	(87,622)	-	(91,127)	(91,127)	-	(94,772)	(94,772)		
Vacancy Loss - Commercial				n/a	n/a		-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME							981,660	3,648,515	4,630,175	1,013,839	3,764,700	4,778,640	1,047,144	3,884,789	4,931,933		
OPERATING EXPENSES																	
Management Fee				3.5%	3.5%	1st Year to be set according to HUD schedule	55,025	184,215	239,240	56,951	190,662	247,613	58,944	197,335	256,280		
Asset Management Fee				3.0%	3.0%	per MOHCD policy	8,700	29,127	37,827	8,961	30,001	38,962	9,230	30,901	40,131		
Sub-total Management Expenses							63,725	213,342	277,067	65,912	220,663	286,575	68,174	228,236	296,411		
Salaries/Benefits				3.5%	3.5%		78,402	262,475	340,877	81,146	271,662	352,807	83,998	281,170	365,155		
Office Salaries				3.5%	3.5%		29,655	99,280	128,935	30,693	102,755	133,446	31,767	106,351	138,118		
Manager's Salary				3.5%	3.5%		99,058	197,717	256,778	81,725	204,637	265,763	63,265	211,800	275,065		
Health Insurance and Other Benefits				3.5%	3.5%		7,687	25,739	33,423	7,958	26,637	34,953	8,235	27,559	35,894		
Other Salaries/Benefits				3.5%	3.5%		4,989	16,703	21,892	5,164	17,288	22,452	5,345	17,893	23,237		
Administrative Rent-Free Unit				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits							290,436	972,331	1,262,767	300,602	1,006,362	1,306,964	311,123	1,041,585	1,382,708		
Administration				3.5%	3.5%		1,049	3,513	4,562	1,096	3,636	4,722	1,124	3,763	4,887		
Advertising and Marketing				3.5%	3.5%		14,584	48,826	63,410	15,095	50,535	65,830	15,623	52,304	67,927		
Office Rent				3.5%	3.5%		1,863	5,569	7,232	1,722	5,764	7,486	1,782	5,966	7,748		
Legal Expense - Property				3.5%	3.5%		9,331	31,239	40,570	9,658	32,332	41,980	9,996	33,464	43,460		
Audit Expense				3.5%	3.5%		7,687	25,739	33,423	7,958	26,637	34,953	8,235	27,559	35,894		
Bookkeeping/Accounting Services				3.5%	3.5%		4,989	16,703	21,892	5,164	17,288	22,452	5,345	17,893	23,237		
Bad Debts				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Miscellaneous				3.5%	3.5%		7,680	25,711	33,391	7,949	26,611	34,560	8,227	27,543	35,770		
Sub-total Administration Expenses							43,481	145,568	189,090	45,003	150,663	195,666	46,578	155,936	202,515		
Utilities				3.5%	3.5%		57,634	172,861	224,495	63,441	179,911	232,352	65,311	185,173	240,485		
Electricity				3.5%	3.5%		38,158	121,042	157,198	37,421	125,279	162,700	38,721	129,664	168,394		
Water				3.5%	3.5%		51,412	172,117	223,558	53,211	178,141	231,352	55,073	184,376	239,449		
Gas				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Sewer				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Sub-total Utilities							139,201	466,021	605,221	144,073	482,331	626,404	149,116	499,213	648,328		
Taxes and Licenses				3.5%	3.5%		3,853	12,900	16,783	3,988	13,352	17,340	4,128	13,919	17,947		
Real Estate Taxes				3.5%	3.5%		21,044	70,452	91,498	21,781	72,918	94,898	22,543	75,470	98,013		
Payroll Taxes				3.5%	3.5%		4,951	16,241	21,063	5,021	16,810	21,931	5,107	17,388	22,995		
Miscellaneous Taxes, Licenses and Permits				3.5%	3.5%		29,749	99,593	129,342	30,790	103,079	133,869	31,867	106,887	138,554		
Sub-total Taxes and Licenses							35,656	120,586	158,023	36,859	123,169	166,031	38,643	127,786	174,504		
Insurance				3.5%	3.5%		82,850	277,368	360,218	85,750	287,076	372,826	88,751	297,124	385,875		
Property and Liability Insurance				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Fidelity Bond Insurance				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Workers Compensation				3.5%	3.5%		8,913	29,838	38,751	9,225	30,882	40,107	9,547	31,963	41,511		
Directors & Officers Liability Insurance				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Sub-total Insurance							91,763	307,206	398,969	94,975	317,959	412,933	98,299	329,087	427,386		
Maintenance & Repair				3.5%	3.5%		73,827	247,159	320,985	76,411	255,809	332,220	79,085	264,762	343,847		
Payroll				3.5%	3.5%		157,539	527,414	684,953	163,053	545,873	708,926	168,750	584,979	733,739		
Supplies				3.5%	3.5%		25,271	87,850	114,229	27,190	91,028	119,218	28,143	94,214	122,358		
Contracts				3.5%	3.5%		4,667	15,623	20,290	4,830	16,170	21,000	4,999	16,736	21,735		
Garbage and Trash Removal				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Security Payroll/Contract				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses				3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses							262,303	878,145	1,140,448	271,484	908,880	1,180,384	280,986	940,691	1,221,677		
Supportive Services				3.5%	3.5%		-	370,664	370,964	-	383,948	383,948	-	397,386	397,386		
Commercial Expenses							-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES							920,659	3,453,171	4,373,830	952,839	3,573,886	4,526,724	986,143	3,998,822	4,684,965		
Reserves/Ground Lease Base Rent/Bond Fees																	
Ground Lease Base Rent				3.450	11,550	15,000	3,450	11,550	15,000	3,450	11,550	15,000	3,450	11,550	15,000		
Bond Monitoring Fee				575	1,925	2,500	575	1,925	2,500	575	1,925	2,500	575	1,925	2,500		
Replacement Reserve Deposit				20,125	67,375	87,500	20,125	67,375	87,500	20,125	67,375	87,500	20,125	67,375	87,500		
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							24,150	80,850	105,000	24,150	80,850	105,000	24,150	80,85			

772 Pacific

	Total # Units:		LOSP Units		Non-LOSP Units		Year 19 2048			Year 20 2049		
	49	176	23.00%	77.00%	% annual inc LOSP	% annual increase	LOSP	Non-LOSP	Total	LOSP	Non-LOSP	Total
INCOME												
Residential - Tenant Rents							143,538	2,237,017	2,380,575	144,873	2,292,863	2,437,936
Residential - Tenant Assistance Payments (Non-LOSP)			n/a	4.0%	SOS		-	1,971,257	1,971,257	-	2,650,108	2,050,108
Residential - LOSP Tenant Assistance Payments			n/a	n/a			941,955	-	941,955	978,183	-	978,183
Commercial Space			n/a	2.5%			-	-	-	-	-	-
Residential Parking			2.5%	2.5%			-	-	-	-	-	-
Miscellaneous Rent Income			2.5%	2.5%			-	-	-	-	-	-
Supportive Services Income			2.5%	2.5%			-	-	-	-	-	-
Interest Income - Project Operations			2.5%	2.5%			-	-	-	-	-	-
Laundry and Vending			3,297	11,039	14,336	3,380	11,315	14,695				
Tenant Charges			2.5%	2.5%			-	-	-	-	-	-
Miscellaneous Residential Income			2.5%	2.5%			-	-	-	-	-	-
Other Commercial Income			n/a	2.5%			-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)			n/a	n/a			-	-	-	-	-	-
Gross Potential Income												
Vacancy Loss - Residential - Tenant Rents			n/a	n/a	Enter formula manually per relevant MOH policy annual incrementing usually not appropriate		(7,177)	(11,852)	(119,026)	(7,249)	(114,649)	(121,897)
Vacancy Loss - Residential - Tenant Assistance Payments			n/a	n/a			-	(86,563)	(86,563)	-	(102,505)	(102,505)
Vacancy Loss - Commercial			n/a	n/a			-	-	-	-	-	-
EFFECTIVE GROSS INCOME							1,081,613	4,008,919	5,090,632	1,117,287	4,137,232	5,254,619
OPERATING EXPENSES												
Management Fee												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule				61,007	204,242	265,249	63,143	211,391	274,533
Asset Management Fee	3.0%	3.0%	per MOHCD policy				9,507	31,628	41,535	9,792	32,783	42,976
Sub-total Management Expenses							70,514	236,070	306,785	72,935	244,173	317,108
Salaries/Benefits												
Office Salaries	3.5%	3.5%					86,925	291,011	377,936	89,968	301,196	391,164
Manager's Salary	3.5%	3.5%					32,879	110,073	142,952	34,030	113,626	147,656
Health Insurance and Other Benefits	3.5%	3.5%					66,479	219,213	294,892	67,771	226,885	294,656
Other Salaries/Benefits	3.5%	3.5%					111,197	439,254	570,422	128,798	454,588	590,387
Administrative Rent-Free Unit	3.5%	3.5%					5,532	18,519	24,051	5,728	19,167	24,893
Sub-total Salaries/Benefits							322,012	1,078,041	1,400,063	333,293	1,115,772	1,449,055
Administration												
Advertising and Marketing	3.5%	3.5%					1,183	3,895	5,058	1,204	4,031	5,235
Office Expenses	3.5%	3.5%					16,170	54,134	70,304	16,736	58,029	72,765
Office Rent	3.5%	3.5%					-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%					1,844	6,174	8,019	1,909	6,391	8,290
Audit Expense	3.5%	3.5%					10,346	34,635	44,981	10,708	35,848	46,555
Bookkeeping/Accounting Services	3.5%	3.5%					8,523	28,544	37,067	8,821	29,533	38,354
Bad Debts	3.5%	3.5%					1,647	5,515	7,192	1,705	5,708	7,413
Miscellaneous	3.5%	3.5%					8,515	28,507	37,022	8,813	29,504	38,317
Sub-total Administration Expenses							48,209	161,394	209,603	49,896	167,043	216,930
Utilities												
Electricity	3.5%	3.5%					57,247	191,654	248,902	59,251	198,362	257,613
Water	3.5%	3.5%					40,086	134,202	174,288	41,469	138,899	180,388
Gas	3.5%	3.5%					-	-	-	-	-	-
Sewer	3.5%	3.5%					57,001	190,829	247,830	58,996	197,508	256,504
Sub-total Utilities							154,335	516,685	671,020	159,736	534,769	694,806
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%					4,272	14,303	18,675	4,422	14,803	19,225
Payroll Taxes	3.5%	3.5%					23,332	78,171	101,443	24,149	80,945	104,994
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%					9,379	31,007	39,968	9,697	31,967	40,924
Sub-total Taxes and Licenses							32,983	110,421	143,404	34,137	114,286	148,423
Insurance												
Property and Liability Insurance	3.5%	3.5%					91,858	307,453	399,381	95,073	318,286	413,359
Fidelity Bond Insurance	3.5%	3.5%					-	-	-	-	-	-
Workers Compensation	3.5%	3.5%					8,882	33,062	42,964	10,228	34,240	44,467
Directors & Officers' Liability Insurance	3.5%	3.5%					-	-	-	-	-	-
Sub-total Insurance							101,739	340,605	442,344	105,300	352,526	457,826
Maintenance & Repair												
Payroll	3.5%	3.5%					81,853	274,029	355,882	84,718	283,620	368,338
Supplies	3.5%	3.5%					-	-	-	-	-	-
Contracts	3.5%	3.5%					174,667	584,783	759,420	180,780	605,219	785,999
Garbage and Trash Removal	3.5%	3.5%					29,127	97,511	126,638	30,148	100,924	131,070
Security Payroll/Contract	3.5%	3.5%					5,174	17,322	22,496	5,355	17,528	23,283
HVAC Repairs and Maintenance	3.5%	3.5%					-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%					-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%					-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses							290,820	973,615	1,284,436	300,999	1,007,692	1,308,611
Supportive Services												
Commercial Expenses	3.5%	3.5%					-	411,295	411,295	-	426,690	426,690
TOTAL OPERATING EXPENSES							1,020,612	3,828,126	4,848,738	1,056,286	3,961,951	5,018,237
RESERVES/GROUND LEASE BASE RENT/BOND FEES												
Ground Lease Base Rent							3,450	11,550	15,000	3,450	11,550	15,000
Bond Monitoring Fee							578	1,925	2,500	578	1,925	2,500
Replacement Reserve Deposit							20,128	67,375	87,500	20,128	67,375	87,500
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							24,156	80,850	105,000	24,156	80,850	105,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)							1,044,762	3,908,976	4,953,738	1,080,436	4,042,801	5,123,237
NET OPERATING INCOME (INCOME minus OP EXPENSES)												
DEBT SERVICE (MUST PAY PAYMENTS ("hard debt"/amortized loans))							36,851	99,943	136,793	36,851	94,431	131,282
Hard Debt - First Lender							-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% num/ or other 2nd Lender)							36,851	123,370	160,221	36,851	123,370	160,221
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)							-	-	-	-	-	-
Hard Debt - Fourth Lender							-	-	-	-	-	-
Commercial Hard Debt Service							-	-	-	-	-	-
TOTAL HARD DEBT SERVICE							36,851	123,370	160,221	36,851	123,370	160,221
CASH FLOW (NOI minus DEBT SERVICE)												
Commercial Only Cash Flow							0	(23,428)	(23,428)	0	(28,939)	(28,939)
Allocation of Commercial Surplus to LOSP/Non-LOSP (residual income)							-	-	-	-	-	-
AVAILABLE CASH FLOW							0	(23,428)	(23,428)	0	(28,939)	(28,939)
USES OF CASH FLOW BELOW (This row also shows DSCR.)												
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
Below-the-line Asset Mgt fee (uncommon in new projects, see policy)	3.0%	3.0%	per MOHCD policy				-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.0%	3.0%	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 Pmt - Lender 1			Enter comments re: annual increase, etc.				-	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 2			Enter comments re: annual increase, etc.				-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			per MOHCD policy no annual increase				-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD							-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)							0	(23,428)	(23,428)	0	(28,939)	(28,939)
Does Project have a MOHCD Residual Receipt Obligation? Yes												
Will Project Defer Developer Fee? No												
Residual Receipts split for all years - Lender/Owner 67% / 33%												
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due			100.00%				-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment							-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease							-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due			0.00%				-	-	-	-	-	-
Lender 4 Residual Receipts Due			0.00%				-	-	-	-	-	-
Lender 5 Residual Receipts Due			0.00%				-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service							-	-	-	-	-	-
REMAINDER (Should be zero unless there are distributions below)												
Owner Distributions/Incentive Management Fee							-	-	-	-	-	-
Other Distributions/Incentives							-	-	-	-	-	-
Final Balance (should be zero)												
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance							-	-	-	-	-	-
Replacement Reserve Deposits							-	-	-	1,675,000	-	1,675,000
Replacement Reserve Withdrawals (ideally tied to CNA)							-	-	-	87,500	-	87,500
Replacement Reserve Interest							-	-	-	-	-	-
RR Running Balance										1,667,500		1,667,500
OPERATING RESERVE - RUNNING BALANCE										83,500		83,500
Operating Reserve Starting Balance							-	-	-	-	-	-
Operating Reserve Deposits							-	-	-	-	-	-
Operating Reserve Withdrawals							-	-	-	-	-	-
Operating Reserve Interest							-	-	-	-	-	-
OR Running Balance										-		-
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance												

Attachment M: 20-year Commercial Operating Proforma

See attached.

Application Date: 9/8/23 # Commercial Spaces: 1
 Project Name: 772 Pacific
 Project Address: 772-738 Pacific Ave
 Project Sponsor: Chinatown CDC

COMMERCIAL SPACE	Commercial Use - Description	Space 1	Space 2	Space 3	Space 4	Space 5	%age Total Building Costs in Commercial Budget
	Barquet Hall	15000					15,000
	Gross SF						Total Commercial SF

SOURCES	Name of Sources	5,973,880	-	-	-	-	5,973,880	Comments
	MOHCD Loan							

USES	ACQUISITION						
	Acquisition cost or value						0
	Legal / Closing costs / Broker's Fee						0
	Holding Costs						0
	Transfer Tax						0
	TOTAL ACQUISITION	0	0	0	0	0	0

CONSTRUCTION (HARD COSTS)								
	Unit Construction/Rehab						0	
	Commercial Warm Shell Construction						0	See MOHCD Commercial Underwriting Guidelines: http://sfmohcd.org/documents-reports-and-forms
	Commercial Cold Shell Construction	3,000,000					3,000,000	
	Demolition	13,823					13,823	Portion of Demo attributed to commercial space
	Environmental Remediation	10,369					10,369	Portion of Environmental Remediation attributed to commercial space
	Onsite Improvements/Landscaping						0	
	Office Improvements						0	
	Infrastructure Improvements						0	
	Parking						0	
	GC Bond Premium/GC Insurance/GC Taxes	55,372					55,372	Portion of GC Bond from PermS&U attributed to commercial space
	GC Overhead & Profit	125,115					125,115	Portion of GC O&P from PermS&U attributed to commercial space
	CG General Conditions	130,845					130,845	Portion of GC Gen'l Con. from PermS&U attributed to commercial space
	Sub-total Construction Costs	3,335,326	0	0	0	0	3,335,326	
	Design Contingency (remove at DD)						0	
	Bid Contingency (remove at bid)	65,668					65,668	commercial space
	Plan Check Contingency (remove/reduce during Plan Review)						0	
	Hard Cost Construction Contingency	165,899					165,899	Portion of Hard Cost Contingency from PermS&U attributed to commercial space
	Sub-total Construction Contingences	231,567	0	0	0	0	231,567	
	TOTAL CONSTRUCTION COSTS	3,566,893	0	0	0	0	3,566,893	

SOFT COSTS								
	Architecture & Design							
	Architect design fees for Schematic Drawings for tenant-paid tenant improvements	51,843					51,843	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
	Design Subconsultants to the Architect (incl. Fees)						0	
	Architect Construction Admin	27,650					27,650	
	Reimbursables						0	
	Additional Services						0	
	Sub-total Architect Contract	79,493	0	0	0	0	79,493	
	Other Third Party design consultants (not included under Architect contract)	72,581					72,581	
	Total Architecture & Design	152,074	0	0	0	0	152,074	
	Engineering & Environmental Studies							
	Survey	1,728					1,728	
	Geotechnical studies						0	
	Phase I & II Reports	5,184					5,184	
	CEQA / Environmental Review consultants	34,562					34,562	
	NEPA / Title Review						0	
	CMA/PNA (rehab only)						0	
	Other environmental consultants	10,369					10,369	Name consultants & contract amounts
	Total Engineering & Environmental Studies	51,843	0	0	0	0	51,843	
	Financing Costs							
	Construction Financing Costs							
	Construction Loan Origination Fee	19,954					19,954	
	Construction Loan Interest	601,571					601,571	
	Title & Recording	2,765					2,765	
	CD/LAC & CD/JAC fees	0					0	
	Bond Issuer Fees	0					0	
	Other Bond Cost of Issuance	864					864	
	Other Lender Costs (specify)	24,539					24,539	
	Sub-total Const. Financing Costs	649,693	0	0	0	0	649,693	
	Permanent Financing Costs							
	Permanent Loan Origination Fee	0					0	
	Credit Enhance. & Appl. Fee						0	
	Title & Recording	691					691	
	Commercial Loan Origination Fee						0	
	Sub-total Perm. Financing Costs	691	0	0	0	0	691	
	Total Financing Costs	650,384	0	0	0	0	650,384	
	Legal Costs							
	Borrower Legal fees	3,456					3,456	
	Lend Use / CEQA Attorney fees	691					691	Commercial Space Subdivision
	Tax Credit Counsel	0					0	
	Bond Counsel	0					0	
	Construction Lender Counsel	2,592					2,592	
	Permanent Lender Counsel	346					346	
	Total Legal Costs	7,085	0	0	0	0	7,085	
	Other Development Costs							
	Appraisal	691					691	
	Market Study	0					0	
	Insurance	86,406					86,406	
	Property Taxes	346					346	
	Accounting / Audit	0					0	
	Organizational Costs	0					0	
	Entitlement / Permit Fees	58,756					58,756	
	Marketing / Lease-up	0					0	
	Furnishings	0					0	
	PGE / Utility Fees	24,194					24,194	
	TCAC App / Alloc / Monitor Fees	0					0	
	Financial Consultant fees	0					0	
	Construction Management fees / Owner's Rep	8,641					8,641	
	Security during Construction	0					0	
	Relocation	1,000,000					1,000,000	
	Commercial Start-up Expenses	50,000					50,000	
	Other (specify)	0					0	
	Other (specify)	0					0	
	Total Other Development Costs	1,229,034	0	0	0	0	1,229,034	
	Soft Cost Contingency							
	Contingency (Arch, Eng, Fin, Legal & Other Dev)	231,567					231,567	10% + 3% escalation over 4 years
	TOTAL SOFT COSTS	2,321,987	0	0	0	0	2,321,987	11.1%

RESERVES							
	Operating Reserves						0
	Replacement Reserves						0
	Tenant Improvements Reserves						0
	Commercial Lease-Up Reserves	85,000					85,000
	TOTAL RESERVES	85,000	0	0	0	0	85,000

DEVELOPER COSTS							
	Commercial Developer Fee - Cash-out Paid at Milestones						0
	Other (specify)						0
	Other (specify)						0
	TOTAL DEVELOPER COSTS	0	0	0	0	0	0

TOTAL DEVELOPMENT COST							
	Development Cost/SF by Source	5,973,880	0	0	0	0	5,973,880
	Development Cost/Unit as % of TDC by Source	398					
	Acquisition Cost/SF by Source	0					0
	Construction Cost (inc Const Contingency)/SF By Source	238					
	Construction Cost (inc Const Contingency)/SF	237.75					29.00

Commercial Loan Amount: 5,973,880
 Commercial Loan Term (in years): 41 months
 Commercial Interest Rate (as %): 8.31%