

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

MEMORANDUM

DATE: January 5, 2024
TO: CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE
FROM: ANNE ROMERO, SENIOR PROJECT MANAGER
RE: **78 HAIGHT STREET (AKA Octavia Parcel U) – ADDITIONAL GAP REQUEST**

Project Description

Sources and Amounts of New Funds Recommended:	Up to \$8,559,766
	<ul style="list-style-type: none"> • \$5,000,000 2019 GO Bonds • \$3,559,766 in Housing Trust Fund
Sources and Amounts of Previous Gap City Funds Closed:	\$4,000,000 2019 GO Bonds \$10,500,000 AHF Includ. Market Octavia Fund \$5,466,228 AHF Inclusionary \$4,780,239 No Place Like Home \$2,000,000 ERAF Housing Fund
Previously Committed Total:	\$26,746,467 (includes \$945,000 as AHP Bridge)
Proposed Total Funds:	\$35,306,233

Construction Type:	Type I	Project Type:	New Construction
Number of Stories:	7	Lot Size (acres and sf):	0.128 acres / 5,581 sf
Number of Units:	63	Architect:	Paulett Taggart Architects
Total Residential Area:	44,185 sf	General Contractor:	Guzman Suffolk Joint Venture
Total Commercial Area:	3,216 sf	Property Manager:	Tenderloin Neighborhood Development Corporation
Total Building Area:	47,401 sf	Supervisor and District:	Sup. Preston - D5
Land Owner:	City of San Francisco		

1. Summary of Request

On behalf of Octavia RSU Associates, LP, Tenderloin Neighborhood Development Corporation (TNDC) requests additional MOHCD gap financing in the amount of up to \$8,559,766 to support the restart of 78 Haight which has been on hold since May 2022, a month after the initial start of construction. The development will provide 63 units of affordable housing on a very small infill site, including 32 units for Transition Age Youth (TAY) who are homeless or at risk of homelessness (Project). TNDC was awarded predevelopment funding after a responding to the Octavia Boulevard Parcels R, S, & U Request for Proposals (RFP) that was issued on June 19, 2017. After multiple attempts at securing State Multifamily Housing Program (MHP) and bond financing, the project applied for and received a 9% tax credit allocation in 2021 under the Special Needs Set Aside and closed on permanent gap financing in April 2022. Among the Central Freeway housing parcels, this site has long been identified for TAY housing under City housing plans given the small site and limited density, which is ideal for TAY housing, and the dynamism, safety and amenities of the surrounding neighborhood.

The Sponsor paused construction in May 2022 due to unforeseen conditions of the adjacent Mount Trinity Baptist Church (MTBC), which is at risk of collapse if construction on the new Project proceeds. This request includes an increase in hard costs to cover MTBC's building structural repairs, escalation in Project cost due to increased construction costs, increases in construction loan interest due to the new interest rate environment, increase in associated soft costs and an increase in the capitalized operating subsidy reserve (COSR) due to increased operating cost projections. TNDC is contributing their full at-risk developer fee as GP equity to reduce the gap financing need and will endeavor to raise additional capital and operating funds to reduce MOHCD's additional gap as well as to reclaim a portion of at-risk developer fee. The Project needs to restart construction by March 2024 to ensure that it reaches its extended completion Temporary Certificate of Occupancy (TCO) / Placed-In-Service (PIS) deadline of December 31, 2025.

Principal Development Issues

- MTBC Building's Improvements:
 - MTBC and TNDC agreed in the 2023 Neighbor Agreement that the Project would pay up to \$1M for the work related to the structural repair of the church. Based on MTBC's structural engineer's plans, the structural repair construction cost is \$1.75M, and includes around \$500K in work that expands beyond the foundation and adjacent wall of the Project but is necessary for overall structural integrity.
 - MTBC's structural engineer has designed the entire building structural scope, and has asserted that the full scope of work is needed to sufficiently protect the building. The structural work is required to remove a Notice of Violation (NOV) imposed by the Department of Building Inspection (DBI), which has displaced the church occupancy until repairs are made.

- The structural repair permit triggers accessibility upgrades which have not yet been designed nor costed out; DBI has agreed to a deferred submittal for the accessibility drawings, with the accessibility checklist to be submitted in late December. The full accessibility scope will need to be funded by MTBC. If MTBC does not identify a funding source and/or does not complete the additional upgrades, the Project will proceed nonetheless, which is understood and agreed to by MTBC.
- **Timeline:** The Project must restart by March 2024 or the Project will risk not meeting the revised tax credit Placed in Service deadline of December 31, 2025. With the planned late February restart, the Project will reach TCO by mid-September 2025, providing a three-month buffer. TNDC is also looking at Project acceleration options if needed. If there are delays beyond December 2025, it would be catastrophic for the Project and TNDC, resulting in a loss of the TCAC 9% allocation, and TNDC's guaranties would require that they cover the \$27 million in federal and state tax credit equity. Please see Section 2 Background.
- **Commercial Space:** The ground floor childcare is no longer viable due to an error in the licensing application and this space will be redesigned as additional units or community serving commercial, still to be determined. Please see Section 3 Commercial Space and proposed loan condition.

2. Background

The Project site is located next to the Mt. Trinity Baptist Church (MTBC), a three-story building that is more than 120 years old. An historic Black church, MTBC opened in 1975 and maintained ownership of its building during the redevelopment era even when most of its congregation was displaced. The Church still has strong ties within the community and has provided many resources over the years including food drives, youth services, childcare, and workforce opportunities.

In 2016, MTBC's leader, Rev. Willie Williams, Sr., passed away. Prior to his passing, Rev. Williams had been trying to raise funds to conduct much-needed repairs to the church building. The congregation had been struggling to appoint new leadership and address these deferred maintenance concerns when the COVID-19 pandemic began.

The Project site is extremely small at a little over 5,000 SF, and is maximizing the housing density at 7.5 stories, occupying the entire site, in very close proximity to the MTBC building, which also extends to its property line. The precarious condition of the MTBC building was not known by TNDC nor the City prior to the start of development, and its stabilization is ultimately required for any development on the Central Freeway housing site to move forward.

On May 5, 2022, one month after construction loan closing, MOHCD staff facilitated a meeting with MTBC and TNDC to allow TNDC's structural engineer, KPFF, to perform a structural observation of the northern half of the basement at the MTBC building at 68 Haight Street. Following this site meeting, TNDC shared the structural engineer's report which showed

dangerous conditions with MTBC and requested immediate access to the MTBC building to install temporary shoring and bracing as recommended by the structural engineer's report. TNDC offered to reconstruct the western basement wall and advised that if temporary shoring and bracing were not installed immediately, the MTBC building was inherently dangerous in its current condition regardless of the new construction Project. KPFF noted in the report that failure to rectify this issue would require KPFF, by law and professional obligation, to report the findings to DBI due to the unsafe conditions. In June 2022, both TNDC and MTBC agreed to sign an access agreement drafted by MTBC and revised by TNDC. MTBC never countersigned the agreement, and informed TNDC that MTBC intended to engage in their own soils studies and would not be able to meet until soils reports were complete. The project had a placed-in-service deadline of Dec 31, 2023 at the time and did not have a time buffer to afford lengthy due diligence on the part of MTBC. The development team decided to pause all activities on the Project in July 2022 and considered return of tax credits since no timely resolution seemed to be imminent with the MTBC at that time.

As warned previously, the structural engineer reported the unsafe conditions to SFDBI. SFDBI inspected the property and a structural Notice of Violation (NOV) was placed on the building on February 14, 2023, resulting in the church having to vacate the building.

In April 2023, MTBC met with TNDC and the City. MTBC agreed to engage their own structural engineer to design repairs to the MTBC's building's basement wall, the cost of which has been covered by TNDC. Since then, a collaborative relationship has been built between TNDC and MTBC. In August 2023, MTBC and TNDC entered into an access agreement which allows TNDC permission to enter the building and perform repairs to the basement wall, and TNDC committed, with MOHCD's preliminary approval, to fund up to \$1 million in these structural repairs in a signed neighbor agreement. MTBC engaged HCG Associates to design repairs for the MTBC's basement wall, who has designed a full structural repair of the entire building. These plans have been reviewed and commented on by the general contractor, shoring engineer, owner's representative and TNDC's structural engineer in late October 2023. The plans are currently under review by SFDBI, and due to the scope and cost, have triggered code-required accessibility improvements which must be added. DBI has agreed that permit review and issuance can proceed after an Accessibility Checklist is submitted, to be prepared by TNDC's architect, Paulett Taggart Architects in coordination with MTBC's structural engineer; a subsequent accessibility upgrade permit will be connected to the structural repair permit and will need to be closed out concurrently. The initial stage of work, shoring and foundation repair has been permitted and started in late December.

Upon receipt of permits for the structural work, TNDC would like to promptly begin construction work at MTBC since this is a prerequisite to the restart of the Project a few months later once the church building is stabilized. The shoring engineer has opined that it is safe to begin when the Church's west wall framing and foundation are complete.

The Project had an original Placed-In-Service (PIS) deadline of Dec 31, 2023. TNDC obtained a first year PIS extension due to the pandemic until end of year 2024, and a second extension until December 31, 2025 due to the collapse and restructuring of construction lender Silicon Valley Bank (SVB). To complete the Project by the PIS deadline of December 2025, it is imperative for the work on the church to begin expeditiously to allow the restart of 78 Haight

Street in February / March 2024. Failure to complete construction on time and meet the PIS date would result in a loss of the 9% tax credits.

Despite the collapse and federal takeover of the construction lender, Silicon Valley Bank (SVB), the team and Project financing remain intact. First Citizens bank operates SVB as a separate arm, allowing the lender to continue to work on active projects. The SVB team has extended the term of its original construction loan and has provided estimates of interest rate changes and extension fees based on the new projected timeline. The equity investor, Merritt, has extended the conversion equity installment to a later date which allows them to maintain their return on investment and limit the downward adjusters due to the delay.

3. Change in Ground Floor Use

The ground floor was originally earmarked for Wu Yee Childcare Services. However, it was recently discovered that the waiver that Wu Yee received to use a neighborhood playground space in lieu of onsite outdoor space calculated a distance from the Project incorrectly. As a result, the outdoor space does not meet the State licensing requirements, and the waiver is no longer valid. TNDC is pursuing two options to redesign the ground floor space: a) addition of one to two units on the ground floor with expansion of residential lobby, or b) another community serving commercial use. The space has its own condo parcel and the revised plans will need approval by MOHCD, Planning and DBI. It remains to be determined if this redesign of ground floor space would result in additional costs or in savings for the Project (please see Section 5. Construction Specialist’s evaluation for more detail). TNDC is aware that the City financing cannot increase to cover this change in use, and that they’ll need to manage the soft and hard costs associated with the redesign and buildout of this ground floor space within the budget. Please see proposed loan condition.

4. Update on Project Financing

a. Proposed Sources

Permanent Sources	Original Gap	Current Request	Variance	% change
MOHCD Additional Gap		8,559,766	8,559,766	
MOHCD/OCII	21,021,228	21,021,228	-	0%
No Place Like Home	4,780,239	4,780,239	-	0%
Fed LIHTC Equity	24,624,975	24,624,975	-	0%
State LIHTC Equity	2,423,019	2,423,019	-	0%
AHP	945,000	945,000	-	0%
GP Equity		1,100,000	1,100,000	
Accrued Interest	653,942	1,546,700	892,758	137%
Total	54,448,403	65,000,927	10,552,524	19%

TNDC proposes to restart the Project using existing financing commitments, the proposed MOHCD additional gap of up to \$8,559,766, and \$1.1 million contribution of TNDC’s at-risk developer fee as GP equity to help meet the gap. The increase in accrued interest reflects the larger MOHCD loan.

The City’s AHP bridge loan remains in place, as the Project was not competitive in 2023, but TNDC will apply in CY 2024.

The construction lender, Silicon Valley Bank (SVB), and investor, Merritt Community Capital, have remained committed to the project despite the long pause in construction activities. The resized SVB construction loan is \$18,351,285 at 7.5% interest for a 48-month term.

Merritt worked creatively with TNDC to maintain pricing (Federal LIHTC pricing of \$0.9850 and State LIHTC: \$0.90), maintaining the same equity investment and avoiding tax credit adjusters. Merritt was able to delay a large equity payment by a few years to help fund the Capitalized Operating Subsidy Reserve (COSR), thereby deferring their investment and maintaining their Internal Rate of Return (IRR). Merritt and the team are evaluating if the additional MOHCD funding and current ground lease AMI restrictions will create a True Debt Test issue. To meet the True Debt Test, it may be necessary to provide the new MOHCD funds as a separate new loan at 0% interest, and to adjust the long-term ground lease AMI restrictions to allow for an increase in the future if needed for financial viability. Please see the proposed loan condition that these final loan terms will need to be approved by the Director of MOHCD once the analysis is complete.

Developer Fee - MOHCD will draft an amendment to the developer fee agreement to reflect the contribution of \$1,100,000 at-risk developer fee to the Project as a source as GP Equity (see Section 4c. Developer Fee below), with the option for some at-risk fee to be earned at the end of the Project if more capital or subsidies are raised, resulting in excess sources, to be determined by the Director of MOHCD.

b. Proposed Uses

Proposed project costs reflect increased hard costs, soft costs and reserves.

Permanent Uses	Original Gap	Current Request	Variance	% change
Acquisition	37,438	37,438	-	0%
Hard Costs	35,861,807	42,615,277	6,753,470	19%
Soft Costs	11,104,603	13,952,686	2,848,083	26%
Reserves	5,244,555	6,195,526	950,971	18%
Developer Fee	2,200,000	2,200,000	-	0%
Total	54,448,403	65,000,927	10,552,524	19%

The increased cost is comprised of four main components:

1. Increase in Hard Costs in amount of \$6.7 million:

- a. Church Repairs: Current estimate for the structural work needed to repair the Church building is \$1.74MM, of which around \$1.3MM is associated with the adjacent wall and foundation rebuild, and nearly \$500K is associated with other required structural repairs.
- b. Escalation in construction costs as well as added general conditions: Due to the long pause in construction activities, the GMP construction contract must be updated. A GMP cost increase of \$3.26 MM has been negotiated with the GC which includes escalation from all subcontractors and additional general conditions that cover the entire duration of the project.
- c. Other hard costs: The project has several anticipated and approved change orders that are necessary for the project to get built. The cost of these change orders is \$1.7MM and includes added cost to the project due to SFMTA site logistics plan changes, PGE changes, and changes made to address plan check comments. The original hard cost contingency is mostly depleted and needs to be replenished.

The total increase in hard costs on the project are about **\$6.7MM**

2. **Increase in Construction Loan Interest:** The project construction rate lock is effective until July 2024 at 3.63%. After that, the rate is variable monthly with an effective ceiling of 7.5%. The anticipated add to the project budget is **\$1.04MM**.
3. **Increase in Reserves:** An updated operating budget reflecting current salaries for staff and updated insurance pricing led to an increased size of the COSR by about **\$836k** (original size: \$4.36MM, new size: \$5.20 MM) and the operating reserve by **\$114k**.
4. **Increase in soft costs:** The extended time on the project increased soft costs such as architect's construction admin, owner's rep, design consultants fee, loan extension fees, geotechnical inspections, legal, and insurance, among others totaling about **\$900k**. This increase in soft costs also includes structural engineer, design and legal costs associated with the work at MTBC.
5. **Other budget updates:** As outlined on the permanent sources and uses budget under the MOHCD Additional Request column, TNDC adjusted development expenses where possible to reduce other line items and utilized projected savings totaling \$387K, including: Phase I & II reports, other environmental consultants, perm lender counsel, property taxes, entitlement and permit fee, and marketing and rent up, among others.

c. Developer fee

TNDC has agreed to invest \$1.1 million in the Project's At-Risk Developer Fee as GP equity to reduce the MOHCD gap, which will be reflected in a new amendment to the Developer Fee Agreement. TNDC will pursue other capital and rental subsidy sources, including grants and

rental subsidies such as CoC, PBV and / or VASH, concurrent with making a sustained effort to complete the Project under budget. If CoC is awarded to the Project, the increased cashflow will go to reduce the required COSR, which will reduce the MOHCD gap. If additional capital sources, VASH or PBVs are awarded, the new funding may facilitate the leveraging of debt or provide capital that could reduce the MOHCD gap, pay for increased costs if there are any, and / or allow TNDC to take some of their at-risk developer fee, subject to MOHCD Director approval.

Revised Developer Fee Chart

SUMMARY	Original	Revised	Variance
Total Developer Fee:	\$2,200,000	\$1,100,000	(\$1,100,000)
Project Management Fee:	\$1,100,000	\$1,100,000	
Project Management Fee Paid to Date:	\$605,000	\$605,000	\$0
Amount of Remaining Project Management Fee:	\$495,000	\$495,000	\$0
Amount of Fee at Risk (the "At Risk Fee"):	\$1,100,000	\$0	(\$1,100,000)
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	\$0	\$0	\$0
Amount of Fee Deferred (the "Deferred Fee"):	\$0	\$0	\$0
Amount of General Partner Equity Contribution (the "GP Equity"):	\$100	\$1,100,000	\$1,099,900
PROJECT MANAGEMENT FEE - Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone		
Project Management: at closing of preconstruction financing – FUNDED	\$165,000	\$165,000	\$0
Project Management: at end of predevelopment	\$385,000	\$120,000	(\$265,000)
Construction close	\$220,000	\$220,000	\$0
50% Completion	\$130,000	\$395,000	\$265,000
At Project Completion (CFO)	\$200,000	\$200,000	\$0
<i>Total Project Management Fee</i>	<i>\$1,100,000</i>	<i>\$1,100,000</i>	<i>\$0</i>
AT RISK FEE - Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee			
100% lease up and draft cost certification	\$220,000	\$0	(\$220,000)
Permanent conversion	\$550,000	\$0	(\$550,000)
Project close-out	\$330,000	\$0	(\$330,000)
<i>Total At Risk Fee</i>	<i>\$1,100,000</i>	<i>\$0</i>	<i>(\$1,100,000)</i>

6. Construction Specialist's Evaluation

a. Design and permitting of 68 Haight

TNDC and MTBC have made significant progress in the last few months to design and permit the structural repairs to MTBC's building with SFDBI, and to update the GMP for the restart of the residential Project at 78 Haight.

1. Temporary Shoring Permit Drawings and Calculations for the Church have been approved and issued by SFDBI.

SFDBI has agreed to a two-phase approval of the HCG Associates Structural Permit Drawings. First phase would be the Church's west property line wall and since SFDBI is plan-checking the entire Structural Repairs Drawings, the SFDBI permit for the first phase would allow construction of the remaining structural work to continue while the second phase permit for the Church's Accessibility Improvements Permit is worked out.

The milestone for 78 Haight's restart to begin is the completion of the Church's west wall framing and foundation, which is memorialized in the shoring engineer, Tuan-Robinson's Memorandum dated 11/29/23. HCG Associates has not formally accepted the Tuan-Robinson Memorandum yet, but this will be pursued after structural permits are obtained.

b. Potential Issues and Risks

Restart Milestone and Related Tasks: Achieving the restart milestone is dependent on resolving the following issues associated with the submitted 68 Haight Structural Repairs Permit:

1. HCG Associates needs to agree with the two phases of work and submit a drawing to SFDBI showing this direction.
2. Paulett Taggart will provide the accessibility checklist and improvements permit. MTBC needs to concur with the accessibility improvements developed on the Checklist.
3. SFDBI has issued plan-check comments on the Structural Repairs Permit Application, and HCG Associates needs to provide prompt responses.

If the above items do not occur or are not resolved in a timely manner, the restart of 78 Haight may be further delayed and jeopardize compliance with the Place-In-Service (PIS) deadline of December 31, 2025. Depending on the General Contractors' (Guzman-Suffolk JV) concurrence, this delay may be remedied by additional construction funds to accelerate construction activities with overtime

payment should sufficient time remain to meet the December 2025 deadline. Another option is to reach TCO of one unit to meet the PIS deadline. However, if the restart is even further delayed, the GC may indicate that recovery of the construction schedule to meet the PIS deadline may not be achievable.

c. Additional Construction Costs

1. In most renovations, unforeseen and hidden / dryrot conditions are encountered, and the Owner's hard cost construction contingency for the MTBC's structural repairs needs to be sufficient. If insufficient, the GC has included significant allowances for repair of interior/exterior finishes, whereby the MTBC would need to complete.
2. The HCG Associates' Structural Repairs Permit will result in additional soft costs for TNDC's Owner's Representative fees and need to be accounted for.
3. Additional SFDBI/SFFD/Planning permit fees will be incurred. MTBC will Need to confirm that these SFDBI permit fees will not be subject to Development or School Impact Fees, which have been typically substantial.

d. Ground Floor Uses

There is a commercial space on the ground floor which was earmarked for Wu Yee Childcare Services. However, it has recently become known that the space does not meet the requirements of a childcare center due to lack of proximity to an outdoor play space. There are three options that the developer is considering: a) addition of one to two units on the ground floor, or b) repurposing the ground floor space as another commercial use.

The change-in-use will require review and approval by Planning and SFDBI. Change-in-use has often been the catalyst for SFDBI and SFFD to require additional Code requirements. The Project Team needs to determine if this change-in-use will result in the following:

1. No significant delays associated with plan-check review and approval.
 - Need to confirm if this change-in-use will not trigger the more stringent structural requirements in the current 2022 San Francisco Building Code.
2. No change for the building height measurement: The approved permit plans included Administrative Bulletin AB No. 05, which allowed the building height to be measured from Octavia Street and not at the lower grades of Rose Street. If SFDBI or SFFD indicates the change-in-use will necessitate the building height measurement to be from Rose Street, then 78 Haight will be classified as a high-rise building and will need to

incorporate additional life-safety measures (Fire Command Center at the Ground Floor and each Stair Enclosure will need to have a Vestibule), which could significantly alter the upper floor plans and possibly, reduce unit count.

- No change at Ground Floor exits: The Preapplication Meeting with SFDBI and SFFD allowed shared exit paths. Confirmation with SFDBI and SFFD will be needed for the change-in-use occupancy.

7. Operating Budget and Cashflow and Variance Analysis from Gap Loan Budget

TNDC is proposing an increased operating budget to reflect increased insurance costs based on the current insurance market and increased staffing costs, given wage increases and the later completion and lease up date. At construction loan closing, the total operating costs were projected at \$1,169,761, or \$18,568 PUPA, and relied on a capitalized COSR to meet the operating expenses of the non-PSH units. The 9% tax credit financing structure required deeper affordability of the non-PSH units which necessitated the original COSR as the small Project with half supportive housing units did not cashflow without it.

The updated operating budget totals \$1,398,869, or \$22,205 PUPA, requiring an increase in the COSR in the amount of \$836K, and has positive cashflow through Year 17.

A Continuum of Care (CoC) award occurred after construction loan closing, and is no longer available to the Project because of the delay. TNDC will reapply for this subsidy, and if awarded, the richer subsidy should be able to lower the COSR amount needed, and reduce the MOHCD gap amount accordingly. TNDC will reapply for 22 CoC units, and would request to utilize LOSP funding on the remaining 10 TAY units. With both CoC and LOSP, TNDC anticipates a reduction in COSR of approximately \$2 million, and would still need around \$3 million in the COSR reserve.

Year 1 Operating Budget	Construction Loan Closing 2022	Current Request	Variance	% change
INCOME				
Tenant Rents	614,952	652,932	37,980	6%
LOSP Assistance Payments	644,706	667,718	23,012	4%
Misc. Income	8,694	8,681	(13)	-0.15%
Withdrawal from COSR	138,738	248,072	109,334	79%
Vacancy Loss	(30,748)	(32,647)	(1,899)	6%
<i>Effective Gross Income</i>	<i>1,376,342</i>	<i>1,544,756</i>	<i>168,414</i>	<i>12%</i>
OPERATING EXPENSES	Construction Loan Closing 2022	Current Request	Variance	% change
Management	72,600	72,600	-	0%
Salaries / Benefits	353,399	416,843	63,444	18%

Administration	84,658	88,628	3,970	5%
Utilities	115,724	115,724	-	0%
Taxes and Licenses	5,645	46,142	40,497	88%
Insurance	159,279	264,230	104,951	66%
Maintenance & Repair	320,884	327,843	6,959	2%
Supportive Services	56,863	66,886	10,023	18%
Commercial Expenses	710	0	(710)	-100%
Total Operating Expenses	1,169,762	1,398,896	229,134	20%
Reserves / Ground Lease Base Rent	15,000	15,000	-	0%
Replacement Reserve Deposit	31,500	31,500	-	0%
<i>Total Operating Expenses with GL</i>	<i>1,216,262</i>	<i>1,445,396</i>	<i>229,134</i>	<i>19%</i>
			-	
Net Operating Income	160,080	99,360	(60,720)	-38%
Debt Service Payments	0	0	-	0%
			-	
Cashflow	160,080	99,360	(60,720)	-38%
Partnership Management Fee	19,750	24,280	4,530	23%
Investor Services Fee	5,000	5,000	-	0%
<i>Residual Receipts</i>	<i>135,330</i>	<i>70,080</i>	<i>(65,250)</i>	<i>-48%</i>

- The staffing plan has not changed and is lean and reasonable for a project of this size. Wages have increased to reflect TNDC's current wage structure.
 - 1 FTE general manager
 - 1 FTE janitor
 - 1.5 FTE maintenance staff
 - 4.3 full time front desk staff
 - .16FTE – share of 2022 allocation for 6 compliance specialists.

The project's relatively small size of 63 units and 24-hour desk clerk coverage result in fewer economies of scale than a larger project. Given the small size of the project and difficulty for the non-TAY units to cashflow with deeper affordability than earlier planned, MOHCD staff recommends continued approval for the TAY PSH units (51% of total) to fund 75% of desk clerk coverage cost, as approved at original gap.

- Increase in property insurance from \$160K to \$250K is based on TNDC comparison projects, and reflects the increase in the insurance market.

8. Community Outreach

TNDC has been intensively engaged in outreach and negotiations with MTBC. They have also provided neighborhood updates on the status of the Project to surrounding neighbors to explain the pause in construction and oversight of the vacant site. As a result of the site being

vacant and inactive for almost 18 months, the site had trespasser activity from people experiencing homelessness. The project team received repeated requests from neighbors to address the activity, and TNDC hired a part-time security guard to patrol the site at nighttime paid out of hard cost contingency. This strategy has been effective at reducing trespassing and at maintaining a clean vacant site.

9. Status of Perm Loan Conditions

Below are the Loan Conditions from the construction loan closing and their status:

1. Sponsor will repay the MOHCD loan with the amount of the COSR 2 unless it is needed for another purpose, which will require MOHCD review and approval. Status: **COSR 1 and 2 have been merged and this loan condition is continued.**
2. Sponsor must provide additional information on the commercial space Tenant Improvement budget prior to construction loan closing, alongside warm shell assumptions for MOHCD staff to verify that it meets the Commercial Space Underwriting Guidelines. **Status: Extended due to redesign of ground floor space.**
3. Sponsor must provide MOHCD with detailed monthly updates via the MOH Monthly Project Update until start of construction, including on: **Complete.**
 1. Status of neighbor negotiations
 2. Outcomes achieved related to racial equity goals, and
 3. Commercial-use space development
4. Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans. Status: **To be submitted in September 2024.**
5. Sponsor must provide quarterly updated response to any letters requesting corrective action. Status: **In progress.**
6. Sponsor must submit an updated 1st year operating budget and 20-year cash flow – if any changes have occurred – by November 1st before the fiscal year the project will achieve TCO so that MOHCD may request the LOSP subsidy (anticipated to be needed by November 2022). Status: **Extended due to Project delay, to be submitted in November 2024.**
7. Sponsor to work with MOHCD and HSH to plan the lease up process for the referrals from Coordinated Entry. **Extended due to Project delay.**

10. Proposed New Loan Conditions

1. TNDC to provide monthly updates on progress of re-planning ground floor use space and impacts on budget, and will request MOHCD approval prior to finalizing the revised ground floor plan.
2. TNDC will reapply for CoC funding, which will reduce the COSR and MOHCD gap if awarded. Any awarded CoC funding will not contribute to at-risk developer fee.
3. TNDC will apply for additional capital funds and rental subsidies in addition to CoC that might allow TNDC to leverage perm debt against the property as well as to increase Project sources. TNDC will seek an allocation of Project Based Vouchers in partnership with MOHCD and SFHA, and/or VASH on the non-PSH units to offset this additional gap request and potentially to fund a portion of at-risk developer fee. At Project conversion, the Director of MOHCD has the ability to decide if At Risk fee could be funded and how much should be paid out through excess proceeds.
4. The Director of MOHCD will set the final interest rate and loan structure to meet the Project's True Debt Test once the analysis is complete, including a potential amendment to the long-term AMI restrictions in the ground lease.

11. LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____

Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____

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

REQUEST FOR ADDITIONAL GAP FUNDS FOR 78 HAIGHT STREET

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

Tue 1/9/2024 1:59 PM

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

REQUEST FOR ADDITIONAL GAP FUNDS FOR 78 HAIGHT STREET - **APPROVE**

Thank you

[Vanessa Amaya](#)

[Assistant Housing Loan Administrator](#)

[San Francisco Mayor's Office of Housing and Community Development](#)

[1 South Van Ness Ave, 5th Floor, San Francisco, CA 94103](#)

[\(628\) 652-5967](#)

78 Haight

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

Tue 1/16/2024 3:06 PM

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

I support Tenderloin Neighborhood Development Corporation (TNDC) request of additional gap financing in the amount of up to \$8,559,766 to support the restart of 78 Haight which has been on hold since May 2022.

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: [dshs.sfgov.org]hsh.sfgov.org | Follow: [@SF_HSH](https://twitter.com/SF_HSH) | Like: [@SanFranciscoHSH](https://twitter.com/SanFranciscoHSH)

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Request for Additional Gap Funds for 78 Haight Street

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.sfocii.org

RE: REQUEST FOR ADDITIONAL GAP FUNDS FOR 78 HAIGHT STREET

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

Fri 1/5/2024 11:48 AM

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

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

I vote yes on this request. Thanks!

Vishal Trivedi | Financial Analyst
Office of Public Finance | City & County of San Francisco
Email | vishal.trivedi@sfgov.org

- Attachments:
- A. Project Milestones/Schedule
 - B. Updated Sources and Uses
 - C. Updated 1st Year Operating Budget
 - D. Updated 20-year Operating Pro Forma

Attachment A: REVISED Project Milestones and Schedule

No.		Performance Milestone	Construction Loan Closing Estimated Date	Revised Date
A.		Prop I Noticing (if applicable)	9/9/2019	
1		Acquisition/Predev Financing Commitment	9/6/2019	
2		Site Acquisition	N/A	
3		Development Team Selection		
	a.	Architect	June, 2017	
	b.	General Contractor	Oct, 2019	
	c.	Owner's Representative	August, 2018	
	d.	Property Manager	N/A	
	e.	Service Provider	N/A	
4		Design		
	a.	Submittal of Schematic Design & Cost Estimate	Dec, 2019	
	b.	Submittal of Design Development & Cost Estimate	Mar, 2020	
	c.	Submittal of 50% CD Set & Cost Estimate	July, 2020	
	d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	July, 2021 (90% CD's)	
5		Commercial Space		
	a.	Commercial Space Plan Submission	7/7/2020 (subdivision)	
	b.	LOI/s Executed	7/3/2020	
6		Environ Review/Land-Use Entitlements		
	a.	SB 35 Application Submission	1/7/2020	

	b.	CEQA Environ Review Submission	N/A	
	c.	NEPA Environ Review Submission	N/A	
	d.	CUP/PUD/Variances Submission	N/A	
7		PUC/PG&E		
	a.	Temp Power Application Submission	12/1/2020	
	b.	Perm Power Application Submission	6/15/2020	
8		Permits		
	a.	Building / Site Permit Application Submitted	11/14/2019	
	b.	Addendum #1 Submitted	9/12/2020	
	c.	Addendum #2 Submitted	4/13/2021	
9		Request for Bids Issued	9/1/2020	
10		Service Plan Submission	N/A	
	a.	Preliminary	October, 2019	
	b.	Final	Spring 2021	
11		City Financing		
	a.	Preliminary Gap Financing Application	1/29/2021	
	b.	Gap Financing Application	12/17/2021	
	c.	Additional Gap Financing Request		1/5/2024
	g.	LOSP Funding Request	12/17/2021	11/30/2024
12		Other Financing		
	a.	HCD Application	Sept, 2020/February 2021	
	b.	Construction Financing RFP	Oct, 2021	
	c.	AHP Application	March 2022	March 2024

	d.	CDLAC Application	N/A	
	e.	TCAC Application	July, 2021	
13		Closing		
	a.	Construction Loan Closing	4/1/2022	
	b.	Construction Restart Closing		2/22/2024
	b.	Conversion of Construction Loan to Permanent Financing	12/1/2023	7/15/2026
14		Construction		
	a.	Notice to Proceed	4/1/2022	12/28/2023 for shoring & underpinning
	b.	Construction Restart		2/29/2024
	b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	8/1/2023	9/16/2025
15		Marketing/Rent-up		
	a.	Marketing Plan Submission	10/1/2023	9/15/2024
	b.	Commence Marketing	11/1/2023	8/15/2025
	c.	95% Occupancy	12/1/2023	3/15/2026
16		Cost Certification/8609	6/1/2024	9/15/2027
17		Close Out MOHCD	7/1/2024	9/15/2027

B. Updated Sources and Uses

C. Updated 1st Year Operating Budget

Application Date: 11/1/2023
 Total # Units: 63
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2025

Project Name: Octavia Parcel U
 Project Address: 78 Haight Street
 Tenderloin Neighborhood Development
 Project Sponsor: Corporation
TCAC Income Limits In Use!

INCOME	LOSP/non-LOSP Allocation		Total	Comments
	51%	49%		
	LOSP	non-LOSP		
Residential - Tenant Rents	99,000	553,932	652,932	Links from 'New Proj. - Rent & Unit Mix' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj. - Rent & Unit Mix' Worksheet
Residential - LOSP Tenant Assistance Payments	667,718		667,718	
Commercial Spaces	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	0	0	Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	4,428	4,254	8,681	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	248,072	248,072	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0	Withdrawal from Capitalized Reserve (deposit)
Gross Potential Income	771,146	806,258	1,577,404	
Vacancy Loss - Residential - Tenant Rents	(4,950)	(27,697)	(32,647)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!
Vacancy Loss - Commercial	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	766,196	778,561	1,544,757	PUPA: 24,520

OPERATING EXPENSES				
Management				
Management Fee	25,061	24,079	49,140	1st Year to be set according to HUD schedule.
Asset Management Fee	11,965	11,495	23,460	
Sub-total Management Expenses	37,026	35,574	72,600	PUPA: 1,152

Salaries/Benefits				
Office Salaries	11,531	11,078	22,609	
Manager's Salary	44,370	42,630	87,000	
Health Insurance and Other Benefits	54,216	52,090	106,306	
Other Salaries/Benefits	150,696	50,232	200,928	100% of desk clerk salaries - \$200,928 allocated to LOSP
Administrative Rent-Free Unit	0	0	0	
Sub-total Salaries/Benefits	260,813	156,030	416,843	PUPA: 6,617

Administration				
Advertising and Marketing	331	318	649	
Office Expenses	11,773	11,312	23,085	
Office Rent	0	0	0	
Legal Expense - Property	5,100	4,900	10,000	
Audit Expense	6,630	6,370	13,000	
Bookkeeping/Accounting Services	6,940	6,668	13,608	
Bad Debts	9,180	8,820	18,000	
Miscellaneous	5,246	5,040	10,286	Tech Support, Training
Sub-total Administration Expenses	45,200	43,428	88,628	PUPA: 1,407

Utilities				
Electricity	19,537	18,770	38,307	
Water	39,483	37,934	77,417	
Gas	0	0	0	
Sewer	0	0	0	
Sub-total Utilities	59,019	56,705	115,724	PUPA: 1,837

Taxes and Licenses				
Real Estate Taxes	2,396	2,303	4,699	
Payroll Taxes	20,653	19,844	40,497	
Miscellaneous Taxes, Licenses and Permits	482	464	946	
Sub-total Taxes and Licenses	23,532	22,610	46,142	PUPA: 732

Insurance				
Property and Liability Insurance	121,849	117,070	238,919	
Fidelity Bond Insurance	0	0	0	
Worker's Compensation	12,909	12,402	25,311	
Director's & Officers' Liability Insurance	0	0	0	
Sub-total Insurance	134,757	129,473	264,230	PUPA: 4,194

Maintenance & Repair				
Payroll	99,796	95,883	195,679	
Supplies	7,790	7,485	15,275	
Contracts	33,474	32,162	65,636	
Garbage and Trash Removal	24,005	23,064	47,069	
Security Payroll/Contract	0	0	0	
HVAC Repairs and Maintenance	2,090	2,008	4,098	
Vehicle and Maintenance Equipment Operation and Repairs	44	42	86	
Miscellaneous Operating and Maintenance Expenses	0	0	0	
Sub-total Maintenance & Repair Expenses	167,200	160,643	327,843	PUPA: 5,204

Supportive Services	0	66,886	66,886	
Commercial Expenses	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL OPERATING EXPENSES	727,548	671,348	1,398,896	PUPA: 22,205

Reserves/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent	7,650	7,350	15,000	Ground lease with MOHCD Provide additional comments here, if needed.
Bond Monitoring Fee	0	0	0	
Replacement Reserve Deposit	16,065	15,435	31,500	
Operating Reserve Deposit	0	0	0	
Other Required Reserve 1 Deposit	0	0	0	
Other Required Reserve 2 Deposit	0	0	0	
Required Reserve Deposits, Commercial	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	23,715	22,785	46,500	PUPA: 738

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	751,263	694,133	1,445,396	PUPA: 22,943
NET OPERATING INCOME (INCOME minus OP EXPENSES)	14,933	84,428	99,361	PUPA: 1,577

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

CASH FLOW (NOI minus DEBT SERVICE)	14,933	84,428	99,361	
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	0	0	0	
AVAILABLE CASH FLOW	14,933	84,428	99,361	

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)	12,383	11,897	24,280	1st
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	2,550	2,450	5,000	2nd
Other Payments	0	0	0	
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0	Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0	0	Def. Develop. Fee split: 0% Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	14,933	14,347	29,280	PUPA: 465

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	0	70,081	70,081	
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Residual Receipts Calculation
 Does Project have a MOHCD Residual Receipt Obligation? **Yes** Project has MOHCD ground lease? **Yes**
 Will Project Defer Developer Fee? **No**
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 33%
 % of Residual Receipts available for distribution to soft debt lenders in: 67%

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. recs	\$30,525,894	99.51%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$150,000	0.49%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
MOHCD Residual Receipts Amount Due	46,721	46,721	67% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt	
Proposed MOHCD Residual Receipts Amount to Loan Repayment	46,721	46,721	Enter/override amount of residual receipts proposed for loan repayment.	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.	
Proposed MOHCD Residual Receipts Amount to Replacement Reserve	0	0	MOHCD res recs to Rep Res (RR) until RR balance >= 1.5 Original Capitalized RR amt	

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	0	23,360	23,360	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
HCD Residual Receipts Amount Due	0	0	0	
Lender 4 Residual Receipts Due	0	0	0	
Lender 5 Residual Receipts Due	0	0	0	
Total Non-MOHCD Residual Receipts Debt Service	0	0	0	

REMAINDER (Should be zero unless there are distributions below)	23,360			
Owner Distributions/Incentive Management Fee	23,360	100% of Borrower share of 33% of residual receipts		
Other Distributions/Uses	0			
Final Balance (should be zero)	0			

Application Date: 11/1/2023
 Total # Units: 63
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2025

INCOME			
Residential - Tenant Rents		non-LOSP	Approved By (reqd)
Residential - Tenant Assistance Payments (Non-LOSP)	non-LOSP		
Residential - LOSP Tenant Assistance Payments			
Commercial Space			
Residential Parking			
Miscellaneous Rent Income	LOSP	non-LOSP	Approved By (reqd)
Supportive Services Income			
Interest Income - Project Operations			
Laundry and Vending	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Tenant Charges			
Miscellaneous Residential Income			
Other Commercial Income	LOSP	non-LOSP	Approved By (reqd)
Withdrawal from Capitalized Reserve (deposit to operating account)	0.00%	100.00%	
Gross Potential Income			
Vacancy Loss - Residential - Tenant Rents			
Vacancy Loss - Residential - Tenant Assistance Payments			
Vacancy Loss - Commercial			
EFFECTIVE GROSS INCOME			

OPERATING EXPENSES			
Management			
Management Fee	LOSP	non-LOSP	Approved By (reqd)
Asset Management Fee			
Sub-total Management Expenses			
Salaries/Benefits			
Office Salaries	LOSP	non-LOSP	Approved By (reqd)
Manager's Salary			
Health Insurance and Other Benefits			
Other Salaries/Benefits	75.00%	25.00%	
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	51.00%	49.00%	
Audit Expense			
Bookkeeping/Accounting Services	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	51.00%	49.00%	
Miscellaneous			
Sub-total Administration Expenses			

Utilities			
Electricity	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	51.00%	49.00%	
Gas			
Sewer			
Sub-total Utilities			

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

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

Maintenance & Repair			
Payroll	LOSP	non-LOSP	Approved By (reqd)
Supplies	51.00%	49.00%	(LOSP-specific expenses must be tracked at entry level in project's)
Contracts			
Garbage and Trash Removal	LOSP	non-LOSP	Approved By (reqd)
Security Payroll/Contract			
HVAC Repairs and Maintenance			
Vehicle and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			
Sub-total Maintenance & Repair Expenses			
Supportive Services	LOSP	non-LOSP	Approved By (reqd)
Commercial Expenses	0.00%	100.00%	

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

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

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

CASH FLOW (NOI minus DEBT SERVICE)
 Allocation of Commercial Surplus to LOSP/non-LOSP (residual income) non-LOSP (residual income)

AVAILABLE CASH FLOW			
USES OF CASH FLOW BELOW (This row also shows DSCR.)			
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	LOSP	non-LOSP	Approved By (reqd)
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	lender in comments field)		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0.00%	100.00%	
TOTAL PAYMENTS PRECEDING MOHCD			

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)
Residual Receipts Calculation
 Does Project have a MOHCD Residual Receipt Obligation?
 Will Project Defer Developer Fee?
 Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 0
 % of Residual Receipts available for distribution to soft debt lenders in #VALUE!

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

MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
MOHCD Residual Receipts Amount Due			
Proposed MOHCD Residual Receipts Amount to Loan Repayment			
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			
Proposed MOHCD Residual Receipts Amount to Replacement Reserve			

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)

D. Updated 20-year Operating Pro Forma

Octavia Parcel U

TCAC Income Limits In Use!

Financial proforma table with columns for units (Total # Units: 63), years (Year 1 2025, Year 2 2026, Year 3 2027), and categories including Income, Operating Expenses, Reserves, Debt Service, Cash Flow, and Receipts. Includes sub-totals and grand totals for each section.

Total # Units: LOSP Non-LOSP
 Units Units
 63 32 31

INCOME	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 1 2025			Year 2 2026			Year 3 2027		
				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
				OTHER RESERVE 2 - RUNNING BALANCE								
Other Reserve 2 Starting Balance												
Other Reserve 2 Deposits												
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance												

Total # Units: LOSP Non-LOSP
 Units Units
 63 32 31

INCOME	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 4 2028			Year 5 2029			Year 6 2030		
				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
				OTHER RESERVE 2 - RUNNING BALANCE								
Other Reserve 2 Starting Balance												
Other Reserve 2 Deposits												
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance												

Octavia Parcel U

Total # Units:	LOSP Units		Non-LOSP Units		Year 7 2031			Year 8 2032			Year 9 2033		
	63	32	31		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	51.00%	49.00%			annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME													
Residential - Tenant Rents		1.0%	2.5%		105,090	642,391	747,482	106,141	658,451	764,592	107,203	674,912	782,115
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a		830,858	-	830,858	861,566	-	861,566	893,375	-	893,375
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%		5,135	4,933	10,068	5,263	5,057	10,319	5,394	5,183	10,577
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		-	288,816	288,816	-	302,670	302,670	-	317,056	317,056
Gross Potential Income					941,083	936,140	1,877,224	972,970	966,178	1,939,148	1,005,972	997,151	2,003,124
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		(5,255)	(32,120)	(37,374)	(5,307)	(32,923)	(38,230)	(5,360)	(33,746)	(39,106)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a		-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					935,828	904,021	1,839,849	967,663	933,255	1,900,918	1,000,612	963,406	1,964,018
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	30,807	29,599	60,406	31,885	30,635	62,520	33,001	31,707	64,708
Asset Management Fee		3.5%	3.5%	per MOHCD policy	14,708	14,131	28,838	15,222	14,625	29,848	15,755	15,137	30,892
Sub-total Management Expenses					45,514	43,730	89,244	47,107	45,260	92,368	48,756	46,844	95,600
Salaries/Benefits													
Office Salaries		3.5%	3.5%		14,174	13,618	27,792	14,670	14,095	28,765	15,184	14,588	29,772
Manager's Salary		3.5%	3.5%		54,542	52,403	106,945	56,451	54,237	110,688	58,427	56,136	114,562
Health Insurance and Other Benefits		3.5%	3.5%		66,645	64,032	130,677	68,978	66,273	135,251	71,392	68,593	139,985
Other Salaries/Benefits		3.5%	3.5%		185,244	179,748	364,992	191,727	185,909	377,637	196,438	190,146	386,584
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					320,605	310,801	614,406	332,877	320,317	634,341	344,440	339,417	674,203
Administration													
Advertising and Marketing		3.5%	3.5%		407	391	798	421	405	826	436	419	855
Office Expenses		3.5%	3.5%		14,472	13,905	28,377	14,979	14,392	29,371	15,503	14,895	30,399
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%		6,289	6,023	12,312	6,489	6,234	12,723	6,716	6,452	13,168
Audit Expense		3.5%	3.5%		8,150	7,830	15,980	8,435	8,104	16,540	8,730	8,388	17,119
Bookkeeping/Accounting Services		3.5%	3.5%		8,531	8,197	16,728	8,830	8,483	17,313	9,139	8,780	17,919
Bad Debts		3.5%	3.5%		11,285	10,842	22,127	11,680	11,222	22,901	12,088	11,614	23,703
Miscellaneous		3.5%	3.5%		6,449	6,196	12,644	6,674	6,412	13,087	6,908	6,637	13,545
Sub-total Administration Expenses					55,563	53,384	108,946	57,507	55,252	112,760	59,520	57,186	116,706
Utilities													
Electricity		3.5%	3.5%		24,015	23,074	47,089	24,856	23,881	48,737	25,726	24,717	50,443
Water		3.5%	3.5%		49,534	46,631	96,165	50,233	48,263	98,496	51,991	49,952	101,943
Gas		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities					72,550	69,705	143,254	75,089	72,144	147,233	77,717	74,669	152,386
Taxes and Licenses													
Real Estate Taxes		3.5%	3.5%		2,946	2,830	5,776	3,049	2,929	5,978	3,156	3,032	6,188
Payroll Taxes		3.5%	3.5%		25,388	24,351	49,739	26,277	25,247	51,523	27,197	26,130	53,327
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		593	570	1,163	614	590	1,204	635	610	1,246
Sub-total Taxes and Licenses					28,927	27,751	56,720	29,940	28,766	58,705	30,988	29,772	60,760
Insurance													
Property and Liability Insurance		3.5%	3.5%		149,783	143,909	293,692	155,026	148,946	303,972	160,451	154,159	314,611
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%		15,868	15,245	31,114	16,423	15,779	32,203	16,998	16,332	33,330
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance					165,651	159,155	324,806	171,449	164,725	336,174	177,450	170,491	347,940
Maintenance & Repair													
Payroll		3.5%	3.5%		122,675	117,864	240,539	126,969	121,990	248,958	131,413	126,259	257,672
Supplies		3.5%	3.5%		9,576	9,201	18,777	9,911	9,523	19,434	10,258	9,856	20,114
Contracts		3.5%	3.5%		41,149	39,535	80,683	42,589	40,919	83,507	44,079	42,351	86,430
Garbage and Trash Removal		3.5%	3.5%		29,509	28,351	57,860	30,641	29,344	59,985	31,610	30,371	61,981
Security Payroll/Contract		3.5%	3.5%		-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance		3.5%	3.5%		2,569	2,468	5,037	2,659	2,555	5,214	2,752	2,644	5,396
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		54	52	106	56	54	109	58	55	113
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses					205,531	197,471	403,003	212,725	204,383	417,108	220,170	211,536	431,707
Supportive Services													
Commercial Expenses		3.5%	3.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	82,220	82,220	-	85,098	85,098	-	88,076	88,076
TOTAL OPERATING EXPENSES					894,342	825,258	1,719,600	925,644	854,142	1,779,786	958,042	884,037	1,842,079
RESERVES/GROUND LEASE BASE RENT/BOND FEES													
Ground Lease Base Rent					7,650	7,350	15,000	7,650	7,350	15,000	7,650	7,350	15,000
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit					16,065	15,435	31,500	16,065	15,435	31,500	16,065	15,435	31,500
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial					-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					23,715	22,785	46,500	23,715	22,785	46,500	23,715	22,785	46,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)					918,057	848,043	1,766,100	949,359	876,927	1,826,286	981,757	906,822	1,888,579
NET OPERATING INCOME (INCOME minus OP EXPENSES)													
					17,771	55,978	73,749	18,304	56,328	74,632	18,856	56,583	75,439
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)													
Hard Debt - First Lender					-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)													
					17,771	55,978	73,749	18,304	56,328	74,632	18,856	56,583	75,439
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW					17,771	55,978	73,749	18,304	56,328	74,632	18,856	56,583	75,439
USES OF CASH FLOW BELOW (This row also shows DSCR.)													
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL													
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.5%	3.5%	per MOHCD policy	15,221	14,625	29,846	15,754	15,137	30,891	16,306	15,666	31,972
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)					2,550	2,450	5,000	2,550	2,450	5,000	2,550	2,450	5,000
Other Payments													

Total # Units: LOSP Non-LOSP
 Units Units
 63 32 31

INCOME	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 7 2031			Year 8 2032			Year 9 2033		
				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
				OTHER RESERVE 2 - RUNNING BALANCE								
Other Reserve 2 Starting Balance												
Other Reserve 2 Deposits												
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance												

Octavia Parcel U

Total # Units:	LOSP Units		Non-LOSP Units		Year 10 2034			Year 11 2035			Year 12 2036		
	63	32	31		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
		51.00%	49.00%		annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)						
INCOME													
Residential - Tenant Rents		1.0%	2.5%		108,275	691,785	800,060	109,358	709,080	818,437	110,451	726,807	837,258
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a		926,324	-	926,324	960,453	-	960,453	995,803	-	995,803
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%		5,529	5,313	10,842	5,668	5,445	11,113	5,809	5,581	11,391
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		-	331,991	331,991	-	347,496	347,496	-	363,589	363,589
Gross Potential Income					1,040,128	1,029,089	2,069,217	1,075,478	1,062,021	2,137,499	1,112,064	1,095,977	2,208,041
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		(5,414)	(34,589)	(40,003)	(5,468)	(35,454)	(40,922)	(5,523)	(36,340)	(41,863)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a		-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					1,034,714	994,499	2,029,214	1,070,010	1,026,567	2,096,577	1,106,541	1,059,637	2,166,178
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule	34,156	32,817	66,973	35,352	33,965	69,317	36,589	35,154	71,743
Asset Management Fee		3.5%	3.5%	per MOHCD policy	16,307	15,667	31,974	16,877	16,215	33,093	17,468	16,793	34,251
Sub-total Management Expenses					50,463	48,484	98,946	52,229	50,181	102,409	54,057	51,937	105,994
Salaries/Benefits													
Office Salaries		3.5%	3.5%		15,715	15,099	30,814	16,265	15,627	31,892	16,834	16,174	33,008
Manager's Salary		3.5%	3.5%		60,472	58,100	118,572	62,588	60,134	122,722	64,779	62,239	127,017
Health Insurance and Other Benefits		3.5%	3.5%		73,891	70,993	144,884	76,477	73,478	149,955	79,154	76,050	155,204
Other Salaries/Benefits		3.5%	3.5%		205,383	68,461	273,844	212,572	70,857	283,429	220,012	73,337	293,349
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					355,461	212,653	568,114	367,902	220,096	587,998	380,779	227,800	608,578
Administration													
Advertising and Marketing		3.5%	3.5%		451	433	885	467	449	915	463	464	948
Office Expenses		3.5%	3.5%		16,046	15,417	31,462	16,607	15,956	32,564	17,189	16,515	33,703
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%		6,951	6,678	13,629	7,194	6,912	14,106	7,446	7,154	14,600
Audit Expense		3.5%	3.5%		9,036	8,682	17,718	9,352	8,986	18,338	9,680	9,300	18,980
Bookkeeping/Accounting Services		3.5%	3.5%		9,459	9,088	18,546	9,790	9,406	19,195	10,132	9,735	19,867
Bad Debts		3.5%	3.5%		12,511	12,021	24,532	12,949	12,441	25,391	13,403	12,877	26,279
Miscellaneous		3.5%	3.5%		7,150	6,889	14,039	7,400	7,110	14,509	7,659	7,358	15,017
Sub-total Administration Expenses					61,603	59,188	120,791	63,759	61,259	125,019	65,991	63,403	129,394
Utilities													
Electricity		3.5%	3.5%		26,626	25,582	52,209	27,558	26,478	54,036	28,523	27,404	55,927
Water		3.5%	3.5%		53,811	51,701	105,511	55,694	53,510	109,204	57,644	55,363	113,026
Gas		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities					80,437	77,283	157,720	83,252	79,988	163,240	86,166	82,787	168,954
Taxes and Licenses													
Real Estate Taxes		3.5%	3.5%		3,266	3,138	6,404	3,380	3,248	6,628	3,499	3,362	6,860
Payroll Taxes		3.5%	3.5%		28,149	27,045	55,193	29,134	27,991	57,125	30,153	28,971	59,124
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		658	632	1,289	681	654	1,334	704	677	1,381
Sub-total Taxes and Licenses					32,072	30,815	62,887	33,195	31,893	65,088	34,357	33,009	67,366
Insurance													
Property and Liability Insurance		3.5%	3.5%		166,067	159,555	325,622	171,880	165,139	337,019	177,895	170,919	348,815
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%		17,593	16,903	34,496	18,209	17,495	35,704	18,846	18,107	36,953
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance					183,660	176,458	360,118	190,088	182,634	372,723	196,742	189,026	385,768
Maintenance & Repair													
Payroll		3.5%	3.5%		136,012	130,678	266,690	140,773	135,252	276,025	145,700	139,986	285,685
Supplies		3.5%	3.5%		10,617	10,201	20,818	10,989	10,558	21,547	11,374	10,928	22,301
Contracts		3.5%	3.5%		45,622	43,833	89,455	47,219	45,367	92,586	48,872	46,956	95,827
Garbage and Trash Removal		3.5%	3.5%		32,717	31,434	64,150	33,862	32,534	66,395	35,047	33,672	68,719
Security Payroll/Contract		3.5%	3.5%		-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance		3.5%	3.5%		2,848	2,737	5,585	2,948	2,833	5,781	3,051	2,932	5,983
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		60	57	117	62	59	121	64	62	126
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses					227,876	218,940	446,816	235,852	226,603	462,455	244,107	234,534	478,641
Supportive Services													
Commercial Expenses		3.5%	3.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	91,159	91,159	-	94,349	94,349	-	97,652	97,652
TOTAL OPERATING EXPENSES					991,573	914,979	1,906,552	1,026,278	947,003	1,973,281	1,062,198	980,148	2,042,346
Reserves/Ground Lease Base Rent/Bond Fees													
Ground Lease Base Rent					7,650	7,350	15,000	7,650	7,350	15,000	7,650	7,350	15,000
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit					16,065	15,435	31,500	16,065	15,435	31,500	16,065	15,435	31,500
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial					-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					23,715	22,785	46,500	23,715	22,785	46,500	23,715	22,785	46,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					1,015,288	937,764	1,953,052	1,049,993	969,788	2,019,781	1,085,913	1,002,933	2,088,846
NET OPERATING INCOME (INCOME minus OP EXPENSES)													
					19,426	56,736	76,162	20,017	56,779	76,796	20,628	56,704	77,332
DEBT SERVICE/MUST PAY PAYMENTS (*hard debt*/amortized loans)													
Hard Debt - First Lender					-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)					19,426	56,736	76,162	20,017	56,779	76,796	20,628	56,704	77,332
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)													
AVAILABLE CASH FLOW					19,426	56,736	76,162	20,017	56,779	76,796	20,628	56,704	77,332
USES OF CASH FLOW BELOW (This row also shows DSCR.)													
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL													
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		3.5%	3.5%	per MOHCD policy	16,876	16,215	33,091	17,467	16,782	34,249	18,078	17,370	35,448
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)					2,550	2,450	5,000	2,550	2,450	5,000	2,550	2,450	5,000
Other Payments					-	-	-	-	-	-	-	-	-

Total # Units: LOSP Non-LOSP
 Units Units
 32 31

INCOME	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 10 2034			Year 11 2035			Year 12 2036		
				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
				OTHER RESERVE 2 - RUNNING BALANCE								
Other Reserve 2 Starting Balance						-		-		-		
Other Reserve 2 Deposits						-		-		-		
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-		-		-		

Octavia Parcel U

Total # Units:	LOSP Units		Non-LOSP Units		Year 13 2037			Year 14 2038			Year 15 2039		
	63	32	31		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	51.00%	49.00%											
INCOME		annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents		1.0%	2.5%		111,556	744,977	856,533	112,671	763,601	876,273	113,796	762,691	876,487
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a		1,032,419	-	1,032,419	1,070,251	-	1,070,251	1,109,528	-	1,109,528
Commercial Space		n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
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%		5,955	5,721	11,676	6,103	5,864	11,967	6,256	6,011	12,267
Tenant Charges		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable	-	380,290	380,290	-	397,621	397,621	-	415,602	415,602
Gross Potential Income					1,149,929	1,130,988	2,280,917	1,189,026	1,167,066	2,356,112	1,229,582	1,204,304	2,433,886
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(5,578)	(37,249)	(42,827)	(5,634)	(38,180)	(43,814)	(5,690)	(39,135)	(44,824)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a		-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					1,144,351	1,093,739	2,238,090	1,183,392	1,128,906	2,312,299	1,223,892	1,165,169	2,389,061
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule	37,869	36,394	74,264	39,195	37,658	76,853	40,567	38,976	79,543
Asset Management Fee		3.5%	3.5%	per MOHCD policy	18,079	17,370	35,450	18,712	17,978	36,690	19,367	18,608	37,975
Sub-total Management Expenses					55,949	53,765	109,704	57,907	55,636	113,543	59,934	57,583	117,517
Salaries/Benefits													
Office Salaries		3.5%	3.5%		17,424	16,740	34,164	18,033	17,326	35,359	18,665	17,933	36,597
Manager's Salary		3.5%	3.5%		67,046	64,417	131,463	69,393	66,671	136,064	71,821	69,005	140,826
Health Insurance and Other Benefits		3.5%	3.5%		81,924	78,711	160,636	84,792	81,466	166,258	87,759	84,318	172,077
Other Salaries/Benefits		3.5%	3.5%		227,712	219,904	447,616	235,682	228,511	464,193	243,931	235,111	479,042
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					394,106	379,772	773,878	407,900	393,974	799,812	412,176	397,367	808,515
Administration													
Advertising and Marketing		3.5%	3.5%		500	481	981	516	497	1,015	536	515	1,051
Office Expenses		3.5%	3.5%		17,790	17,093	34,883	18,413	17,691	36,104	19,057	18,310	37,368
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%		7,706	7,404	15,111	7,976	7,663	15,640	8,255	7,932	16,187
Audit Expense		3.5%	3.5%		10,018	9,626	19,644	10,369	9,962	20,331	10,732	10,311	21,043
Bookkeeping/Accounting Services		3.5%	3.5%		10,487	10,076	20,563	10,854	10,428	21,282	11,234	10,793	22,027
Bad Debts		3.5%	3.5%		13,872	13,328	27,199	14,357	13,794	28,151	14,860	14,277	29,137
Miscellaneous		3.5%	3.5%		7,927	7,616	15,543	8,204	7,883	16,087	8,491	8,158	16,650
Sub-total Administration Expenses					68,301	65,622	133,923	70,691	67,919	138,610	73,165	70,296	143,462
Utilities													
Electricity		3.5%	3.5%		29,521	28,363	57,885	30,554	29,356	59,910	31,624	30,384	62,007
Water		3.5%	3.5%		59,661	57,321	116,982	61,749	59,328	121,077	63,910	61,404	125,314
Gas		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities					89,182	85,685	174,867	92,303	88,684	180,987	95,534	91,788	187,322
Taxes and Licenses													
Real Estate Taxes		3.5%	3.5%		3,621	3,479	7,101	3,748	3,601	7,349	3,879	3,727	7,606
Payroll Taxes		3.5%	3.5%		31,209	29,985	61,194	32,301	31,034	63,336	33,432	32,121	65,552
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		729	700	1,429	755	725	1,480	781	750	1,531
Sub-total Taxes and Licenses					35,559	34,165	69,724	36,804	35,360	72,164	38,092	36,598	74,690
Insurance													
Property and Liability Insurance		3.5%	3.5%		184,122	176,901	361,023	190,566	183,093	373,659	197,236	189,501	386,737
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%		19,506	18,741	38,247	20,188	19,397	39,585	20,895	20,076	40,971
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance					203,628	195,642	399,270	210,754	202,490	413,244	218,131	209,577	427,708
Maintenance & Repair													
Payroll		3.5%	3.5%		150,799	144,885	295,684	156,077	149,956	306,033	161,540	155,205	316,745
Supplies		3.5%	3.5%		11,772	11,310	23,082	12,184	11,706	23,890	12,610	12,116	24,726
Contracts		3.5%	3.5%		50,582	48,598	99,181	52,352	50,299	102,652	54,185	52,060	106,245
Garbage and Trash Removal		3.5%	3.5%		36,273	34,851	71,124	37,543	36,071	73,614	38,657	37,333	75,990
Security Payroll/Contract		3.5%	3.5%		-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance		3.5%	3.5%		3,158	3,034	6,192	3,269	3,140	6,409	3,383	3,250	6,633
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		66	64	130	69	66	135	71	68	139
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses					252,651	242,743	495,393	261,493	251,239	512,732	270,646	260,032	530,678
Supportive Services		3.5%	3.5%		-	101,069	101,069	-	104,607	104,607	-	108,268	108,268
Commercial Expenses													
from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%													
TOTAL OPERATING EXPENSES					1,099,375	1,014,453	2,113,828	1,137,853	1,049,959	2,187,812	1,177,678	1,086,708	2,264,385
Reserves/Ground Lease Base Rent/Bond Fees													
Ground Lease Base Rent					7,650	7,350	15,000	7,650	7,350	15,000	7,650	7,350	15,000
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit					16,065	15,435	31,500	16,065	15,435	31,500	16,065	15,435	31,500
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial					-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					23,715	22,785	46,500	23,715	22,785	46,500	23,715	22,785	46,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					1,123,090	1,037,238	2,160,328	1,161,568	1,072,744	2,234,312	1,201,393	1,109,493	2,310,885
NET OPERATING INCOME (INCOME minus OP EXPENSES)					21,261	56,501	77,762	21,824	56,162	77,987	22,499	55,677	78,176
DEBT SERVICE/MUST PAY PAYMENTS (*hard debt*/amortized loans)													
Hard Debt - First Lender					-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)													

Total # Units: LOSP Non-LOSP
 Units Units
 63 32 31

INCOME	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 13 2037			Year 14 2038			Year 15 2039		
				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
				OTHER RESERVE 2 - RUNNING BALANCE								
Other Reserve 2 Starting Balance						-		-		-		
Other Reserve 2 Deposits						-		-		-		
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-		-		-		

Octavia Parcel U

Total # Units:	LOSP Units		Non-LOSP Units		Year 16 2040			Year 17 2041			Year 18 2042		
	63	32	31		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	51.00%	49.00%											
INCOME		annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents		1.0%	2.5%		114,936	802,259	917,195	116,085	822,315	938,400	117,246	842,873	960,119
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a										
Residential - LOSP Tenant Assistance Payments		n/a	n/a		1,127,010		1,127,010	1,168,419		1,168,419	1,211,306		1,211,306
Commercial Space		n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%									
Residential Parking		2.5%	2.5%										
Miscellaneous Rent Income		2.5%	2.5%										
Supportive Services Income		2.5%	2.5%										
Interest Income - Project Operations		2.5%	2.5%										
Laundry and Vending		2.5%	2.5%		6,412	6,161	12,573	6,573	6,315	12,888	6,737	6,473	13,210
Tenant Charges		2.5%	2.5%										
Miscellaneous Residential Income		2.5%	2.5%										
Other Commercial Income		n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%									
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable		434,256	434,256						
Gross Potential Income					1,248,358	1,242,676	2,491,034	1,291,077	828,630	2,119,707	1,335,290	849,346	2,184,635
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(5,747)	(40,113)	(45,860)	(5,804)	(41,116)	(46,920)	(5,862)	(42,144)	(48,000)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a										
Vacancy Loss - Commercial		n/a	n/a										
EFFECTIVE GROSS INCOME					1,242,611	1,202,563	2,445,174	1,285,273	787,514	2,072,787	1,329,427	807,202	2,136,629
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule	41,987	40,340	82,327	43,456	41,792	85,208	44,977	43,213	88,190
Asset Management Fee		3.5%	3.5%	per MOHCD policy	20,045	19,259	39,304	20,746	19,833	40,679	21,473	20,631	42,103
Sub-total Management Expenses					62,031	59,599	121,630	64,203	61,685	125,887	66,450	63,844	130,293
Salaries/Benefits													
Office Salaries		3.5%	3.5%		19,318	18,560	37,878	19,994	19,210	39,204	20,694	19,882	40,576
Manager's Salary		3.5%	3.5%		74,335	71,420	145,755	76,937	73,920	150,857	79,630	76,507	156,137
Health Insurance and Other Benefits		3.5%	3.5%		90,831	87,269	178,100	94,010	90,323	184,333	97,300	93,486	190,785
Other Salaries/Benefits		3.5%	3.5%		252,468	241,156	493,624	261,305	251,702	513,007	270,450	261,150	531,601
Administrative Rent-Free Unit		3.5%	3.5%										
Sub-total Salaries/Benefits					436,952	417,405	854,357	436,245	414,155	850,400	469,074	451,025	901,499
Administration													
Advertising and Marketing		3.5%	3.5%		555	533	1,087	574	551	1,125	594	571	1,165
Office Expenses		3.5%	3.5%		19,724	18,951	38,675	20,415	19,614	40,029	21,129	20,301	41,430
Office Rent		3.5%	3.5%										
Legal Expense - Property		3.5%	3.5%		8,544	8,209	16,753	8,843	8,497	17,340	9,153	8,794	17,947
Audit Expense		3.5%	3.5%		11,108	10,672	21,780	11,496	11,045	22,541	11,899	11,432	23,331
Bookkeeping/Accounting Services		3.5%	3.5%		11,627	11,171	22,798	12,034	11,562	23,596	12,455	11,967	24,422
Bad Debts		3.5%	3.5%		15,380	14,777	30,156	15,918	15,294	31,212	16,475	15,829	32,304
Miscellaneous		3.5%	3.5%		8,789	8,444	17,233	9,096	8,740	17,836	9,415	9,045	18,460
Sub-total Administration Expenses					75,726	72,577	148,303	78,377	75,303	153,680	81,120	77,939	159,059
Utilities													
Electricity		3.5%	3.5%		32,731	31,447	64,178	33,876	32,548	66,424	35,062	33,687	68,749
Water		3.5%	3.5%		66,147	63,553	129,700	68,462	65,778	134,240	70,859	68,080	138,938
Gas		3.5%	3.5%										
Sewer		3.5%	3.5%										
Sub-total Utilities					98,878	95,000	193,878	102,339	98,325	200,664	105,920	101,767	207,687
Taxes and Licenses													
Real Estate Taxes		3.5%	3.5%		4,015	3,858	7,872	4,155	3,993	8,148	4,301	4,132	8,433
Payroll Taxes		3.5%	3.5%		34,602	33,245	67,847	35,813	34,408	70,221	37,066	35,613	72,679
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		808	777	1,585	837	804	1,640	866	832	1,698
Sub-total Taxes and Licenses					39,425	37,879	77,304	40,805	39,205	80,010	42,233	40,577	82,810
Insurance													
Property and Liability Insurance		3.5%	3.5%		204,139	196,134	400,273	211,284	202,998	414,282	218,679	210,103	428,782
Fidelity Bond Insurance		3.5%	3.5%										
Worker's Compensation		3.5%	3.5%		21,626	20,778	42,405	22,383	21,506	43,889	23,167	22,258	45,425
Director's & Officers' Liability Insurance		3.5%	3.5%										
Sub-total Insurance					225,765	216,912	442,677	233,667	224,504	458,171	241,846	232,361	474,207
Maintenance & Repair													
Payroll		3.5%	3.5%		167,194	160,637	327,831	173,045	166,259	339,305	179,102	172,078	351,180
Supplies		3.5%	3.5%		13,051	12,540	25,591	13,508	12,978	26,487	13,981	13,433	27,414
Contracts		3.5%	3.5%		56,081	53,882	109,963	59,044	56,768	115,812	60,076	57,720	117,795
Garbage and Trash Removal		3.5%	3.5%		40,217	38,640	78,857	41,625	39,992	81,617	43,062	41,392	84,474
Security Payroll/Contract		3.5%	3.5%										
HVAC Repairs and Maintenance		3.5%	3.5%		3,501	3,364	6,866	3,624	3,482	7,106	3,751	3,604	7,355
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		73	71	144	76	73	149	79	76	154
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%										
Sub-total Maintenance & Repair Expenses					280,118	269,133	549,251	289,922	278,553	568,475	300,070	288,302	588,372
Supportive Services		3.5%	3.5%			112,057	112,057		115,979	115,979		120,039	120,039
Commercial Expenses													
from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%													
TOTAL OPERATING EXPENSES					1,218,896	1,124,742	2,343,639	1,261,558	1,164,108	2,425,666	1,305,712	1,204,852	2,510,564
Reserves/Ground Lease Base Rent/Bond Fees													
Ground Lease Base Rent					7,650	7,350	15,000	7,650	7,350	15,000	7,650	7,350	15,000
Bond Monitoring Fee													
Replacement Reserve Deposit					16,065	15,435	31,500	16,065	15,435	31,500	16,065	15,435	31,500
Operating Reserve Deposit													
Other Required Reserve 1 Deposit													
Other Required Reserve 2 Deposit													
Required Reserve Deposit/s, Commercial													
from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%													
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					23,715	22,785	46,500	23,715	22,785	46,500	23,715	22,785	46,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)					1,242,611	1,147,527	2,390,139	1,285,273	1,186,893	2,472,166	1,329,427	1,227,637	2,557,064
NET OPERATING INCOME (INCOME minus OP EXPENSES)						55,035	55,035		(399,379)	(399,379)		(420,435)	(420,435)
DEBT SERVICE/MUST PAY PAYMENTS (*hard debt*/amortized loans)													
Hard Debt - First Lender													
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)													
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)													
Hard Debt - Fourth Lender													
Commercial Hard Debt Service													
TOTAL HARD DEBT SERVICE													
CASH FLOW (NOI minus DEBT SERVICE)						55,035	55,035		(399,379)	(399,379)		(420,435)	(420,435)
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)													
AVAILABLE CASH FLOW						55,035	55,035		(399,379)	(399,379)			

Total # Units: LOSP Non-LOSP
 Units Units
 63 32 31

INCOME	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 16 2040			Year 17 2041			Year 18 2042		
				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
				OTHER RESERVE 2 - RUNNING BALANCE								
Other Reserve 2 Starting Balance						-		-		-		
Other Reserve 2 Deposits						-		-		-		
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-		-		-		

Total # Units: LOSP Non-LOSP
 Units Units
 32 31

INCOME	51.00%		Comments (related to annual inc assumptions)	Year 19 2043			Year 20 2044		
	annual inc LOSP	% annual increase		LOSP	non- LOSP	Total	LOSP	non- LOSP	Total
	OTHER RESERVE 2 - RUNNING BALANCE								
Other Reserve 2 Starting Balance						-		-	
Other Reserve 2 Deposits						-		-	
Other Reserve 2 Withdrawals									
Other Reserve 2 Interest									
Other Required Reserve 2 Running Balance						-		-	