

Citywide Affordable Housing Loan Committee

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

The Rose Hotel Up to \$4,000,000 Rehabilitation Loan

Evaluation of Request for:	\$4,000,000 Rehabilitation Loan
Loan Committee Date:	March 1, 2024
Prepared By:	Carmen Otero, Asset Manager
Construction Manager:	Harry Wong, Senior Construction Rep
Sources and Amounts of New Funds Recommended:	\$4,000,000 (CPMC)
Sources and Amounts of Previous City Funds Committed:	\$1,120,000 (Tax Increment 1995)
Total City Funds	\$ 5,120,000
NOFA/PROGRAM/RFP:	2023 Existing Nonprofit Affordable Housing Capital Repairs NOFA
Applicant/Sponsor(s) Name:	Mercy Housing California X, L.P.

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	The Rose Hotel	Sponsor(s):	Mercy Housing California X, L.P.
Project Address (w/ cross St):	125 6 th Street (cross street Minna) 94103	Ultimate Borrower Entity:	Mercy Housing, Inc.

Project Summary:

This request is made pursuant to Mayor’s Office of Housing and Community Development’s (MOHCD) 2023 Existing Non-Profit Notice of Funding Availability (ENP NOFA), to which Mercy Housing California X provided an application for the, The Rose Hotel, and the ENP NOFA selection committee recommended funding in July 2023.

The Rose Hotel is a 4-story, 76-unit Single Room Occupancy (SRO) community with 2,264 square feet of commercial space located at 125 6th Street at the center of the 6th Street corridor in the South of Market (SOMA) neighborhood of San Francisco (Project). The building was originally constructed in 1912 and acquired and rehabilitated by Mercy Housing in 1997 using former San Francisco Redevelopment Agency (SFRA) funding and tax credit equity. The Project provides permanent housing for 75 single adults who were previously homeless and all units have Section 8 Project-Based Vouchers (PBVs) as of 2019. Bathrooms consist of approximately 1/3 of residents having access to private or semi-private bathrooms and remaining 2/3 of the residents sharing common bathrooms and showers. There are 75 are restricted to 50% MOHCD AMI, although nearly all residents are below the 20% AMI income levels, with 13% of residents with \$0 income. There is one unrestricted manager unit.

As with many older buildings, The Rose has many physical challenges and immediate needs. A Physical Needs Assessment conducted in 2023 by Elizabeth McLachlan Consulting identified immediate repair needs which included elevator modernization, bathroom renovations, update fire alarm systems and front entry upgrade, but did not account for escalation nor relocation costs. Of the immediate repair needs listed in the report, Mercy has identified the most urgent to be the elevator modernization, bathroom remodels, community kitchen renovation, in-unit heating and fire alarm upgrades. These repairs are the scope of the ENP NOFA funds awarded.

The Rose has not resyndicated nor has the Project sought other financing as no other source of funds has been available. The Project has not been competitive for resyndication as all units are SROs. The work to be performed should have a positive effect on the overall operating budget as the proposed upgrades are expected to reduce repairs and maintenance costs and make the Project more attractive to prospective tenants and will improve the quality of life for existing tenants.

Project Description:

Construction Type:	Type III, nonrated	Project Type:	Rehab
Number of Stories:	4	Lot Size (acres and sf):	Approx. 10,000 sf
Number of Units:	76	Architect:	Aurora Design
Total Residential Area:	35,168 sf/ 28,032 sf	General Contractor:	Freestone Reconstruction
Total Commercial Area:	2,184 sf	Property Manager:	Mercy Housing Management Grp
Total Building Area:	39,536 sf site/32,400 building	Supervisor and District:	Matt Dorsey D-6
Landowner:	Mercy/Charities Housing California		
Total Development Cost (TDC):	\$4,000,000	Total Acquisition Cost:	N/A
TDC/unit:	\$52,632	TDC less land cost/unit:	N/A
Loan Amount Requested:	\$4,000,000	Request Amount / unit:	\$52,632
HOME Funds?	No	Parking?	4 Staff parking spaces at rear of building

PRINCIPAL DEVELOPMENT ISSUES

- **Project Budget.** The budget is based on bids that contractors provided from schematic designs. Mercy will update construction costs which are expected to increase due to escalation. Final bid scope designs were submitted to MOHCD on 2/9/24. The development budget proposed contains 15% construction contingency and 10% soft cost contingency. Should updated bids result in a higher development budget, Mercy will be reducing their scope of work. (See Section 4.3)
- **Lead and/or Asbestos Remediation.** The Rose is over 100 years old and has many physical challenges and critical needs. Rehab work was conducted in 1997, 25 years ago, but since then no major rehab work has taken place. Lead and/or asbestos may be present. Environmental Phase I report cost is included in the budget. Should remediation need to be implemented then scope of work will be value-engineered. (See Section 2.5).
- **Relocation impacts.** The elevator work will include temporary relocation for approximately 30 residents. The original estimated timeline for relocation was for 3 months, however, when compared to other projects and turn-around time for inspections Mercy readjusted and extended the timeline to 6 months as a worst-case scenario. It is expected that some residents may need to move off site, which is expensive. Mercy will be researching mitigation methods that could be implemented to reduce relocation costs. If possible, Mercy will stop accepting new referrals to the building in early 2024 to allow tenants to move within the building to more accessible units if they prefer not to relocate. The Project also has high turnover, so as units turn over, the units may be left vacant to accommodate existing tenants with mobility issues to move into lower units during relocation. The Sponsor has met with MOHCD’s Community Development team for guidance on best mitigation factors that could be implemented. The Sponsor will also be reaching out to HSH about referrals to the building and how that could influence length/time of relocation as well. All units are referral units via Coordinated Entry. The Rose is a legacy SRO Rehab Updated Mod project and all referrals for original SRO’s go through Coordinated Entry per HSH and not SFHA waitlists. (See Section 4.10)

SOURCES AND USES SUMMARY

Permanent Sources	Amount	Per Unit	Terms	Status
CPMC	\$4,000,000	\$52,632	55 years at 3% per annum	This request
Replacement Reserves	\$274,805	\$3,616	N/A	Committed
Total	\$4,274,806	\$56,247		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$0	\$0	\$0.00
Hard Costs	\$3,037,024	\$39,961	\$76.82
Soft Costs	\$1,137,782	\$14,971	\$28.78
Reserves	\$0	\$0	\$0.00
Developer Fee	\$100,000	\$1,316	\$2.53
Total	\$4,274,806	\$56,247	\$108.12

1. BACKGROUND

1.1. Project History Leading to This Request.

1.2. The Rose, a 76-unit Single Room Occupancy (SRO) community, is located at 125 6th Street between Mission and Minna Streets, at the center of the 6th Street corridor in the South of Market (SOMA) neighborhood of San Francisco. This 4-story concrete building was originally constructed in 1912. It was acquired and rehabilitated by Mercy Housing in 1997 using SFRA funding and tax credit equity. The 15-year tax compliance period for the Project ended on December 31, 2011. There is a Ground Lease between Sponsor, Mercy Housing California X, L.P., and Mercy/Charities Housing California effective 11/2/95 for a 60-year term. The over 120-year-old property provides permanent housing for seventy-five single adults who were previously homeless. All rooms are furnished, including a small refrigerator and microwave oven. Residents have use of on-site laundry facilities, lounges on each residential floor and a large community room equipped with kitchen on the ground floor. Security features are important amenities of the Project, including card-access front door, 24-hour front desk coverage, and video monitoring of exterior points of entry. All referrals to the building come from the Coordinated Entry system. Many of the residents have experienced long term or repeated homelessness, mental health issues, chronic illnesses, disabilities, and/or substance use disorders. Nearly all residents are below the 20% AMI income levels, with 13% of residents with \$0 income.

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

In February 2023, MOHCD issued a \$20M Existing Nonprofit Owned Rental Housing Capital Repairs Notice of Funding Opportunity (ENP NOFA). The ENP NOFA intends to help address the unmet emergency repairs and capital improvements of affordable housing developments that previously received capital funding from MOHCD or the former San Francisco Redevelopment Agency (SFRA). Each sponsor was limited to two applications, ranging in scope of \$1-4M, with a third application for smaller properties with fewer than 25 units and up to \$500K. Applications were scored and ranked based on the following categories:

- Alignment with City goals
- Repair urgency
- Need for funding
- Scope cost and budget
- Property operations
- Bonus points for emerging developers, integrated pest management and electrification.

MOHCD received 15 applications, all which met the threshold eligibility requirements. Of the 15 applications received, 14 met the minimum scoring criteria of 70 out of 120 points and proceeded through the

selection process. The Rose scored 100.60 points.

1.4. Borrower/Grantee Profile. (See Attachment B for Borrower Org Chart; See Attachment C for Developer Resume and Attachment D for Asset Management Analysis)

1.4.1. Borrower. Mercy Housing California X, L.P.

1.4.2. Joint Venture Partnership. N/A

1.4.3. Demographics of Board of Directors, Staff and People Served. Mercy's Board of Directors have been conducting training and workshops since 2018 and created a set of goals, including bringing the Board's racial/ethnic profile into line with the demographic profile of Mercy's residents. MHC Board of Directors has a standing REDI Committee that meets four times a year and supports the REDI goals of each committee and the full Board. Mercy's 14-member Board of Directors has 7 people of color (50%) and 9 (64%) women. Of Mercy's senior staff, 40% are persons of color. In addition, the majority, of staff working at and overseeing the Dudley are persons of color.

1.4.4. Racial Equity Vision. Mercy Housing recognizes that the legacy of systemic racism, forced displacement, historic disinvestment, and inconsistent services have all created a pervasive and deep sense of distrust. In designing the building, planning for a rehab, community outreach and services plan, each decision we make will be and has already begun to be reviewed from a racial equity lens. In line with MOHCD's 2020-2024 Consolidated Plan, Objective 5, Mercy Housing, along with the City, works to eliminate the causes of racial disparities. In order to assess that critical decisions are being reviewed to address structural racism, Mercy Housing works to provide internal checks and balances via a racial equity lens that decisions are being made to allow the greatest participation and feedback from the existing residents. Furthermore, the team works to plan and execute the rehab in a way that is responsive to the needs of people who have experienced the trauma of ongoing exclusion and discrimination. We plan to outreach to the residents for feedback on the approved scope of work and finishes.

1.4.5. Relevant Experience. Developer has experience with occupied acquisition/rehabilitation projects in San Francisco including:

- The Arlington (2007 – 154 Units),
- The Madonna (2011 – 70 Units),
- Vista Grande/School House Station (2011 – 71 Units),
- Neary Lagoon (2012 – 95 Units),
- Martinelli House (2005 – 66 Units)
- The Dudley (2002 – 75 Units).

1.4.6. Project Management Capacity.

- Esmeralda Campos, Senior Asset Manager will dedicate 20% of her time to the Project.
- Fiona Ruddy, Project Developer II, will dedicate 10% of her time to the Project.
- Ken White, Capital Project Investment Manager, will dedicate 50% of his time to the Project.
- Paul Tonga, Regional Facilities Manager, will dedicate 10% of his time to the Project.

1.4.7. Past Performance.

- 1.4.7.1. City audits/performance plans. MOHCD notes that the Sponsor is responsive, compliant with regulations and works well with residents.
- 1.4.7.2. Marketing/lease-up/operations. All Units are filled by referrals from Coordinated Entry.

2. SITE

Site Description	
Zoning:	NCT – Soma Neighborhood Commercial Transit
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):	N/A
Soil type:	The building footprint completely covers soil so no observations of underlying geologic materials could be made. Building slab at basement level was visually observed and no faults attributable to soils conditions were noted in the Physical Needs Assessment completed by Elizabeth McLachlan Consulting, Inc. (3/21/2023).
Environmental Review:	New environmental reports will be conducted with the ENP NOFA funds
Adjacent uses (North):	Soundpieces Night Club
Adjacent uses (South):	Minna Express Hotel
Adjacent uses (East):	Sunnyside Hotel
Adjacent uses (West):	Icu Market Deli & Ice Cream, Coin operated laundromat
Neighborhood Amenities within 0.5 miles:	Several nearby neighborhood amenities include: <u>Community Health Clinics</u> Mabuhay Health Clinic & South of Market Health Center 1 <u>Grocery Stores:</u> Trader Joe's

	<p><u>Library</u> San Francisco Main Library</p> <p><u>Pharmacy</u> CVS Pharmacy</p> <p><u>Houses of Worship</u> San Francisco Worship Center Mandal Hall Al Sabeel Masjid Noor Al-Islam SoMa Shul</p> <p><u>Public Schools</u> Bessie Carmichael Elem School Proof School High School Bessie Carmichael Middle School</p>														
Public Transportation within 0.5 miles:	<p>The following public transit lines are near the Project:</p> <table border="0"> <thead> <tr> <th><u>Line Number</u></th> <th><u>Service Type</u></th> </tr> </thead> <tbody> <tr> <td>5 Fulton</td> <td>Bus</td> </tr> <tr> <td>6 Haight Parnassus</td> <td></td> </tr> <tr> <td>12 Folsom/Pacific</td> <td></td> </tr> <tr> <td>19 Polk, J, K, M, N</td> <td>Muni Metro</td> </tr> <tr> <td>Powell Hyde</td> <td>Cable Car</td> </tr> <tr> <td>Powell</td> <td></td> </tr> </tbody> </table>	<u>Line Number</u>	<u>Service Type</u>	5 Fulton	Bus	6 Haight Parnassus		12 Folsom/Pacific		19 Polk, J, K, M, N	Muni Metro	Powell Hyde	Cable Car	Powell	
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Article 34:	N/A														
Article 38:	<p>Exempt – Project is located within Air Pollutant Exposure Zone map, but does not meet criteria that triggers Article 38 requirement.</p> <p><i>Rehab – is not “substantial alteration?”</i></p> <ul style="list-style-type: none"> • <i>Over 25,000 square feet of rehabilitated space (scope of work is less – Not Met) AND</i> • <i>Seismic upgrade (N/A no seismic upgrades proposed) AND</i> • <i>Significant upgrade of 1 or more systems (plumbing, electrical, HVAC- Not Met) AND</i> • <i>Within the Article 38 Air Pollution Exposure Zone Map area (Met)</i> 														
Accessibility:	TBD when updated construction documents are provided.														
Green Building:	Mercy Housing has explored electrification of building including the current hydronic heating system. Older buildings, like The Rose, had the most difficulty with the installed systems. Electrifying The Rose would require additional testing. Mercy Housing has experience working with vendors who utilize incentives and tax credits for electrification.														
Recycled Water:	Exempt														
Storm Water Management:	N/A														

2.1. Description. The Rose is a four-story concrete residential hotel originally constructed in 1912 and located at 125 6th Street between Minna Street and Mission Street in the South of Market district. The Sponsor acquired and rehabilitated the building in 1997, using City funding and tax credit equity, and it now provides permanent housing for 75 single adults who were previously homeless.

2.2. Zoning. N/A

2.3. Probable Maximum Loss N/A

2.4. Local/Federal Environmental Review. Exempt

2.5. Environmental Issues.

- Phase I/II Site Assessment Status and Results. New environmental reports will be conducted with the ENP NOFA funds. This additional scope will be reviewed, if any, and adjusted to fit within the budget as necessary.
- Potential/Known Hazards. Due to the age of the building, lead and/or asbestos could be present.

2.6. Adjacent uses and neighborhood amenities. The neighborhood is a mix of residential, commercial and institutional uses including other residential hotels, restaurants, schools and a library.

2.7. Green Building. See above chart.

3. COMMUNITY SUPPORT

3.1. Prior Outreach. In early 2024, Mercy Housing California will host a community meeting to announce the planned elevator modernization and answer tenant questions about what to expect while the elevator is out of service. Future meetings will be held to keep residents updated about construction and provide an opportunity for residents to give feedback.

3.2. Future Outreach. After the community meeting, Ms. Pati Boyle, Relocation Consultant, and her team will complete an initial needs assessment with each Rose resident. The purpose of this one-on-one survey is to discuss how the temporary elevator shutdown will impact daily activities, mobility challenges, getting to medical appointments, running errands, and participating in recreational activities and hobbies.

3.3. 1998 Proposition I Citizens' Right-To-Know. N/A, existing property

4. DEVELOPMENT PLAN

4.1. Site Control. Mercy/Charities Housing California and Mercy Housing California X L.P. entered into a Ground Lease on November 2, 1995 with the San Francisco Redevelopment Agency. The land and Ground Lease were transferred to MOHCD when the San Francisco Redevelopment Agency was dissolved by the State of California. The Ground Lease term is 60 years and annual base rent is \$37,453.

4.2. Proposed Design. N/A

4.3. Proposed Rehab Scope.

From the most recent CNA, Mercy is proposing to prioritize the elevator, shared bathroom remodel and fire alarm system first as these are life/safety items. These items include the following:

Rehab Scope Items	Budget Estimate
Elevator	\$ 395,000
Relocation	\$ 665,597
Bathrooms	\$ 2,255,152
Fire Alarm system	\$ 248,125
Total:	\$ 3,563,874

Elevator (\$395,000 plus \$ 665,597 for relocation) In the last 10 years, the building experienced many elevator breakdowns ranging from a few days up to 3 months. The San Francisco Department of Building Inspection (DBI) issued a Notice of Violation on April 14, 2023, for the elevator being inoperable. This violation was cleared on 4/26/23. In 2022, a resident-caused a fire resulted in the elevator being inoperable for three months due to many of the parts not being available and obsolete. Frequent elevator breakdowns pose a threat to the health, safety, and quality of life for residents. On average, about 20% of the residents are mobility impaired and/or require the use of walkers or canes. Many residents have difficulty walking up and down the stairs and many of the stairwells in the building are original (1912) and narrow.

The elevator work will fully modernize the elevator and cab with new parts and electrical components and will bring the elevator to current standards, The work is anticipated to take between 2 to 3 months. During this time, residents will be provided with the option of relocation services such as temporary housing offsite which includes moving costs, and on-site runner services. The “runner” assists residents with carrying belongings up and down the stairway, including but not limited to, groceries, laundry, personal property, etc.

Shared Bathroom Remodel (\$2,255,152): There are 22 private bathrooms, 18 shared bathrooms and 3 bathrooms that have no showers, just toilet and sink. The shared bathrooms need immediate renovation. Note the bathroom layout will remain the same and work is mainly for upgrades.

- Showers - Currently, the bathroom showers have tubs. Since many of the residents are mobility impaired, the Sponsor will remove the tub surrounds and provide either ADA accessible walk-in showers or upgrade tub surrounds with ADA friendly features.

- Ventilation – The bathrooms lack proper ventilation, which leads to organic growth (mold) and rust. The proposed scope upgrades the ventilation system with humidistat devices to ventilate bathrooms.
- Fixtures/Plumbing/Flooding - Many of the bathroom fixtures and plumbing are nearly 30 years old. Proposed scope will upgrade existing fixtures and add floor drains, install flood prevention measures to reduce risk of multiple level water events. Water events have a direct impact on insurance premiums, and property deductible of \$ 25,000.

NFPA 72 Fire (\$248,125): NFPA 72 is a regulation by the National Fire Protection Association (NFPA) to all municipal fire districts in the United States. San Francisco has adopted this as a policy and instituted it as San Francisco Fire Code (SFFC) 1103.7.6.1. Due to COVID, the compliance deadline was extended to July 1, 2023. United Systems Fire and Security deemed the system at The Rose Non-Compliant under NFPA 72. Repairs are needed to bring the system into compliance. Work includes new EST Fire Alarm Panel w/ Cellular Dialer, new initiating and notification field devices, add low frequency horn in all sleeping units and 100% system testing upon installation of new Fire Alarm panel.

Community Room/Shared Kitchen (\$172,426): While all units at The Rose are equipped with a mini fridge/microwave, the community room and kitchen has finishes and furniture that are at least 25 years old and beyond useful life. Proposed scope includes upgrade to community room/ kitchen with new floors, cabinets, appliances, painting, exhaust system, and stove. The Sponsor is prioritizing the life/safety items noted in the above summary table of rehab scope. Should any funds remain, this scope item may be included as an alternative addition.

Unit Heating (\$225,000): Units are heated via baseboard slant fin heaters. The radiators are over 30 years old and require major upgrade. Proposed scope includes replacing the valves with operators and housing covers in each unit. This urgent capital repair is needed to maintain habitability and improve functionality of units. Estimated cost to be \$3,000 per unit.-.If overall project cost estimates are higher than originally estimated then the cost will be value engineered. The Sponsor is prioritizing the life/safety items noted above summary table of rehab scope. Should any funds remain, this scope item may be included as an alternative addition.

4.4. Supervisor/Construction Representative's Evaluation.

For The Rose Hotel, Mercy Housing provided a Physical Needs Assessment (PNA) Report by Elizabeth McLachlan Consulting, Inc. dated 3/21/2023 and are based upon property inspections conducted in September 2017 and March 2023. This report mentioned numerous items, only some of which were included in the project narrative that was used to procure a general contractor in March/April 2023. The proposed scope

of work appears to capture the most critical items from the PNA, while leaving out less important ones due to budgetary constraints. The need for, and details of, these scopes of work have already been provided above, and what follows is additional commentary on each scope:

Elevator Modernization and Cab Renovation: Given the maintenance issues described above, upgrading the elevator is a clear priority for this rehab. The repair work was quoted at \$262,400 in January of 2023. Given the amount of time that has elapsed since that quote, and the work exclusions outlined therein, the proposed current budget would seem to be sufficient to cover this critical scope of work.

NFPA Fire Alarm Compliance: As noted above, the fire alarm system does not meet current code standards, and therefore must be upgraded. United Systems has provided a new fire alarm system cost proposal dated 12/16/2022 for \$248,125. With cost escalation for labor and materials as well as General Contractor's markup fees, the \$248,125 appears insufficient and other scopes of work will need to be value-engineered to conform with the Project's overall construction budget. Also, United Systems' proposal is for an exposed "Wiremold" wiring system and if DBI requires the fire alarm system to be concealed and in conduit, the new fire alarm system's cost will be even higher.

Common Area Bathroom Remodel: fire alarm upgrades, the next highest priority identified in the CNA is the plumbing and mechanical upgrades needed at the bathrooms, as described above. As with the example, current drawings call for all angle stops to be replaced, while the bid calls for them to remain.) For these reasons, this budget assumption is possibly too low.

Shared Kitchen / Community Room and Entry Desk Remodel: While likely less critical than previous scopes, the Community Room and Shared Kitchen, as noted above, are in need of repair. These (\$172,426 for the Community Room and Kitchen and \$62,130) are not shown in the budget above in Section 4.2 for reasons that are unknown to the Construction Representative. Should this scope of work remain in the project, the pricing comes with the same caveat as elsewhere, due to the quote being nearly a year old, and based on a narrative, not drawings/specs.

Heating upgrades: The PNA Report's "Immediate Physical Needs" mentioned the following for the existing heating system:

- *Apartment units are heated via baseboard slant fin heaters that run the length of the wall near the unit windows. The radiators are now about 25 years old, or possibly older and no problems were reported.*
- *The heaters take up a lot of space in the very small sleeping rooms. In the future, replacing the units with flush-mounted Runtal or similar type heaters is recommended.*
- *Steam heat is supplied by a Teledyne Laars Mighty Therm 1200 boiler located in the basement boiler room. No issues were reported with the boiler.*

The PNA Report Exhibit A's list of "Immediate Physical Needs" only includes \$5,000 for "*Heating inside units - plus valves as necessary*".

Given the age of the existing radiators (25 years) and the heating system is nearing the end of its useful life, being proactive with heating upgrades for The Rose Hotel is recommended. As of this writing, it is unclear where the \$225,000 figure comes from, as it was not included in the scope of work that led to the GC selection in early 2023. Current bid drawings request "add alt" pricing for cleaning/repainting the existing radiators and replacing the panels and controls.

Accessibility: When a building undergoes "alterations, additions and structural repairs", the building is subject to the accessibility improvements in the SF Building Code. To be confirmed with SFDBI is whether The Rose Hotel will be subject to the following:

- Path of travel accessibility improvements (Sec. 11B-202.4)
 - Path of travel could be exempt from accessibility improvements if such work was "*constructed or altered in compliance with the accessibility requirements of the immediately preceding edition of the California Building Code*", which would be the 2019 CA Building Code with SF Amendments.
- Alterations (Sec. 11B-233.3.4), which references compliance with Section 11B-809.2 (Accessible Route), 11B-809.3 (Kitchen) and 11B-809.4 (Toilet facilities and bathing facilities) and to be determined is the required accessibility improvements at residential units and the corresponding additional costs.

4.5. Commercial Space.

4.5.1. Space Description

- Commercial Leasing Plan. Mercy Housing Management Group (MHMG), an affiliate of the General Partner, leases a portion of ground floor space to commercial tenants. Commercial revenue is approximately \$44,000 each year, and all commercial revenue generated by commercial components supports the affordable housing component. Proposed scope of work will not impact the commercial space. The following tenants will remain in the space post-rehab:
 - Commercial Space #1: 1,426 square feet of ground floor commercial space is leased by the San Francisco AIDS Foundation. Lease term is 7/1/06 to 6/30/24.

- Commercial Space #2: 758 square feet of ground floor commercial space is leased by Chico's Pizza. Lease term is 11/1/00 to 10/31/30. This is a NNN lease.
- Commercial Space #3: A City-approved billboard space on the side of the building measuring 80 feet by 125 feet is leased to Clear Channel. Lease term is 2/1/09 to 5/31/25.

Residential SF:	37,352
Commercial SF:	2,184
Building Total SF:	39,352

- Operating Pro Forma. The 3 tenants currently at the property are long-term tenants and none has notified nor advised they would not be renewing their leases. To date tenants have paid rents on time. Mercy assumes that they will renew their leases for the next ten years. From year 11 to 20 vacancy loss is assumed at 25-50%. Income is projected at \$1.90/sf/month year 1 (2024) and increasing at 3% for Commercial Spaces 1 & 2, while Space 3 escalates at 1.5% commencing on Year 3 (2026). Space #2 is the only tenant with NNN lease. The operating expenses include management fee, real estate taxes, property and liability insurance, and maintenance repairs. 100% of net operating income supports the residential project which accounts for approximately 3% of Project revenue.
 - Tenant Improvement Build Out. There is no plan for Tenant Improvement Build Out.
- 4.6. Service Space. The existing services spaces within the building are x, y and z. They will not be modified as part of this rehab.
- 4.7. Interim Use. N/A
- 4.8. Infrastructure. N/A
- 4.9. Communications Wiring and Internet Access. Due to the age of the Rose Hotel and the date of its initial rehab, it does not currently meet MOHCD's Communication Wiring and Internet Access guidelines. Currently, residents are responsible for setting up and paying for their own internet service provider. Sponsor is not able to provide building internet for free without additional capital funding to install the system and is unable to provide financial resources for ongoing technical support.
- 4.10. Public Art Component. N/A
- 4.11. Marketing, Occupancy, and Lease-Up
All 75 units of The Rose tenants are placed via referrals from the Department of Homelessness and Supportive Housing (HSH) Coordinated Entry system. Many of the residents have experienced long term or

repeated homelessness, mental health issues, chronic illnesses, disabilities, and/or substance use disorders. Nearly all residents are below the 20% AMI income levels, with 13% of residents with \$0 income.

Vacant units will not be marketed while the elevator modernization work is taking place.

4.12. Relocation. The relocation plan assumes that about 30 residents will need to be relocated during the estimated 3-6 months period while the elevator is modernized. Pati Boyle, Relocation Consultant, will develop and implement a temporary relocation program and act as liaison between tenants and on-site team in coordinating individual household move logistics. Residents will be provided off site temporary units, moving services, and utility reimbursement. The total cost for relocation is estimated between \$ 418,247 (3 months) and \$665,596 (6 months), which includes an 10 % contingency. The relocation team will provide information about the Runner Program and ask residents for input on other types of support that could be helpful. Runners are hired to assist residents with going up and down the stairs, carrying groceries, laundry, personal property or other items they might need assistance with while the elevator is out of service. Sponsor will actively work on applying any mitigation measures available to reduce relocation costs. With regards to the bathroom work, there are multiple shared bathrooms on each floor of the building and work will be completed on a floor-by-floor basis. While one floor is out of commission, tenants will have access to bathrooms on a separate floor or the same floor. Additionally, present option to the contractor on possibility of working one bathroom per floor at a time, which will allow for access to other bathrooms on the same floor. As some tenants are anticipated to stay on-site during the rehab work, Mercy will incorporate into their relocation plan the Mayor’s Office of Disabilities guidelines for managing access for residents with disabilities and will report out on any issues with MOHCD’s monthly report.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	Aurora Design	Y	N
Landscape Architect	N/A	N/A	N/A
JV/other Architect	N/A	N/A	N/A
General Contractor	Freestone Reconstruction – approved and waiver attained from CMD	N	N/A
Owner’s Rep/Construction Manager	Ken White – Mercy Housing	N	N
Other Consultant	N/A	N/A	N/A
Legal	Mercy Housing	N/A	N/A
Property Manager	Mercy Housing Management Group	N	N

Services Provider	Episcopal Community Services	N	N/A
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5.1. Procurement Plan. Sponsor met with CMD to establish professional and construction goals. Sponsors received procurement waiver for professional services of Architect, Relocation, Elevator, and Fire alarm company. The waiver was requested as professional services are familiar with the Project and assisted with scope development. This will help to reduce duplication of costs. The Architect and the Structural Engineer subs are SBE certified, general contractor will be Freestone Reconstruction which was approved by CMD to 25% for subcontractor.

5.2. Opportunities for BIPOC-Led Organizations. The General Contractor is has committed to hiring LBE and subcontractors to meet the 25% requirement set by CMD. Mercy anticipates that the subcontractors will be BIPOC-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:

Loan Source	Loan Date	Loan Amount	Interest Rate	Repayment Terms	Maturity Date	Outstanding Principal Balance	Accrued Interest
Tax Increment Loan	11/1/1995	\$ 1,120,000	3% simple	Residual Receipts	11/1/2045	\$1,628,625	\$ 495,232.54

Acquisition and initial rehab were funded with an SF Redevelopment Agency (SFRA) 1995 Tax Increment Loan and 1st Amendment 1996 totaling \$1,120,000. 50 years at 3% simple interest residual receipts payments. With this transaction the Tax Increment Loan may be recast into one Amended and Restated loan agreement with the proposed financing, as a 3% simple interest, residual receipts loan, with a 55-year term.

6.2. Disbursement Status: Full \$1,120,000 of the Tax Increment Loan disbursed; \$495,232.54 in interest will have accrued as of 2/1/24.

6.3. Fulfillment of Loan Conditions. N/A.

6.4. Proposed Permanent Sources Financing:

The proposed rehab effort will be funded primarily through this request and in part by the Project’s Replacement Reserve.

- MOHCD 2023 ENP NOFA Rehabilitation Loan: up to \$4,000,000: 55-year term at 3% interest paid out of residual receipts. Residual receipt payment

in the amount of \$ 126,521.33 for 2022 was received. Loan could potentially pay off by year 11 based on projected MOHCD annual residual receipts payments

- Project Replacement Reserve: \$274,805.

6.4.1. CDLAC Tax-Exempt Bond Application: N/A

6.4.2. HOME Funds Narrative: N/A

6.4.3. Commercial Space Sources and Uses Narrative: N/A

6.4.4. Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	\$56,247/unit
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 15%
Architecture and Engineering Fees are within standards	Y	
Project Administration Fees are within standards	Y	Project Administration fee of \$100k Sponsor in-house project manager will be overseeing work performed. They are not requesting a Dev. Fee.
Consultant and legal fees are reasonable	N/A	Mercy in-house counsel will be handling so no fees incurred.
Entitlement fees are accurately estimated	N/A	
Construction Loan interest is appropriately sized	N/A	
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%
Capitalized Operating Reserves are a minimum of 3 months	Y	Current Reserve balance as of 2/6/24 is \$ 242,402.
Capitalized Replacement Reserves are a minimum of \$1,000 per unit (Rehab only)	Y	Current reserve balance equals \$6,939.76 per unit Note: Current balance as of 2/6/24 is \$ 527,422 of which \$274,805 will be

		utilized toward current scope of work. Leaving a balance of \$ 252,617
--	--	---

6.5.4 Project Administration Evaluation: Per the 2023 ENP NOFA, eligible use of funds allow a Project Management and Construction Management Fee, which is limited to 15% of construction or repair hard costs. The Project administration fee being requested is well below maximum allowed. A project administration fee of \$100,000 will apply which will be distributed as follows: 50% funded at closing (for predevelopment costs) via a closing draw submittal, 40% at 50% Construction and 10% at 100% Completion based on benchmarks.

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

7.1. Annual Operating Budget.

- Current average tenant HH income is at 10% AMI. Average rent collected from tenants for Project equals 10.5% AMI. The total amount of rents collected from tenants is \$163,032 per proforma.
- All units have Project Based Section 8 PBVs. Income from Rental Assistance Payments in 2022 was \$ 1,364,635. Current subsidy payment standard is based on Studio rents versus SRO (which was approved in the HAP contract) rent but does not correspond with 2024 payment standard. Sponsor sent written request on 1/18/24 to SFHA asking for an increase to 2024 payment standard rents as rents have not increased since 2019. In 2022 total income was \$ 1,535,978 and per ProForma Effective Gross Income is \$1,872,172 in 2024 which includes/reflects Gross Potential Rents. Vacancy Rate per 2022 AMR was 17.55% and proforma reflects 10% vacancies (average of 2022 and prior AMRs)
- Per Proforma total operating expenses per PUPA are \$18,981/unit. Comparably sized SRO's average a PUPA of \$17,104. Comparison included 4 projects. Highest comparable was Mary Elizabeth Inn with a PUPA of \$ 18,300 and lowest comparable was Senator Residence at \$ 15,974. Increases in comparison to 2022 AMR expenses are as follows:
 - Salaries increased due to turnover and hiring of outside vendors to do the work (per Sponsor this should have been reflected under contracts but in 2022 audit it is lumped in with salaries).
 - Per Sponsor, Administration expenses have been budgeted higher than actuals to be conservative but historically this number has been lower.
 - Insurance expenses increased by \$29k from prior years.
- The 20-year details tab of proforma reflects withdrawals for current elevator and relocation in 2025. Years 2026 and 2027 include withdrawals to address some of the remaining immediate repairs

and/or improvements that still need to be made =. Reserve balance will be at lowest in 2027 due to work being completed, however, going forward reserve should be sufficient to address any immediate needs. A new CNA will be conducted upon completion of the ENP NOFA work and deposit can be modified at such time.

7.2. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	N/A	
Vacancy rate is based on Project's historical actuals	Y	As of 2022 AMR Vacancy rate was 17.55%. Historically the average has been 10% and assuming 10% thru year 20.
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 2.5%
<i>For non-TCAC existing projects:</i> Annual Operating Expense escalation is based on project's historical actuals	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	N	Total Operating Expenses are \$ 18,891/ unit. Average comps are \$17,104 thus slightly higher. In 2023 elevator maintenance alone was \$5,334. Over the past 4 years Project incurred a total of \$46,170 in maintenance and tech calls
Property Management Fee is at allowable <u>HUD Maximum</u>	Y	Total Property Management Fee is \$62,803 or \$68.86PUPM
Property Management staffing level is reasonable per comparables	N	Staffing: 1 FTE Senior Property Manager (PM) 1 FTE Assistant PM 4.8 FTE Front Desk Coverage 1 FTE Maintenance Manager 2 FTE Maintenance Tech 1 FTE Regional Maintenance Specialist 1 FTE Security Since this is a PSH building where all kitchens and many bathrooms are shared, sufficient maintenance staff is

		needed to maintain all common areas. Building also has 24-hour desk clerks.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$ 24,280 Annual PM Fee is \$ 0/year
<i>For non-TCAC existing projects:</i> Replacement Reserve Deposits meet Project needs based on CNA	Y	Replacement Reserves are \$907.75 per unit per year based on 2020 Reserve Study
Limited Partnership Asset Management Fee meets standards	N/A	

7.3. Capital Needs Assessment & Replacement Reserve Analysis. A Physical Needs Assessment (PNA) was conducted by Elizabeth McLachlan Consulting, Inc. on March 21, 2023, which have over 20-years experience working with non-profit affordable housing developers. The PNA determined that the property is in fairly good condition but it does have some capital improvements that will need to be covered in the immediate future. The immediate needs identified in the PNA included elevator, bathrooms, entry way and fire alarm system among other items not on current proposed scope of lesser urgency. Immediate needs were estimated at \$1,963,810 per PNA, which did not include escalation nor relocation costs. Due to expected cost increases the rehab scope of work has been modified to include elevator, bathrooms, and fire alarm system. The community room/kitchen work and the in-unit heating upgrades will be alternative add-ons/value engineered included in bid should excess funds remain available for work to be completed.

7.4. The Replacement Reserve balance per the PNA was \$600,000. Per Mercy, the current balance as of February 6, 2024, is \$527,422. Most of the immediate needs are being addressed with the ENP NOFA funds except for fire escape repairs and units painting (these total approx. \$37k). The PNA reserve study shows a positive balance in the Replacement Reserves until Year 16.

7.5. MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level
SRO	75	50% of Median Income
1 BR	1	Manager's Unit

8. SUPPORT SERVICES

8.1. Services Plan. The on-site service provision and case management is provided by, Episcopal Community Services (ECS), a longtime partner of Mercy Housing. Services include vocational training, social service case management, clinical mental health and substance abuse counseling, and an on-site medical clinic. All

services are offered at no charge to residents and are made available on an entirely voluntary basis. All of the services are designed to support the tenants in their transition from homelessness to greater independence and self-sufficiency.

8.2. Services Budget. Annual expense for services to ECS is \$78,427.29 (per 2022 Amended Agreement) per year which is paid out of operations. Listed on proforma and escalated at 3.5% per year. 1 FTE is paid out of the Operating Budget for Services which meets our Underwriting Guidelines.

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$ 4,000,000
Loan Term:	55 years
Loan Maturity Date:	2079
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	July 31, 2023

With this transaction the Tax Increment Loan may be recast into one Amended and Restated loan agreement with the proposed financing, as a 3% simple interest, residual receipts loan, with a 55-year term.

9.2. Recommended Loan Conditions

1. Sponsor must provide MOHCD with detailed monthly updates via the MOHCD Post Closing Report, including on:
 1. Community outreach completed,
 2. Outcomes achieved related to racial equity goals, and
 3. Relocation
 4. Progression of construction and Bids
2. Sponsor must work with MOHCD staff and project's General Contractor to finalize the construction scope and budget prior to loan closing, emphasizing life and safety improvements over common area improvements.
3. Sponsor to evaluate relocation costs and re-allocate budget funds to construction scope of work, as approved by MOHCD. Should relocation cost be less than originally estimated and excess funds are available then these funds will be utilized towards alternative addition work items

(community room/kitchen work and the in-unit heating upgrades)
included/identified in the bid.

4. Sponsor to conduct and submit a CNA following the completion of the rehab scope of work including a new reserve study. The Sponsor must provide an updated proforma that reflects the Updated CNA, including any changes to projected Replacement Reserve Deposits and withdrawals as determined by the Updated CNA.
5. Sponsor to provide updated Relocation Plan to MOHCD 3 months prior to construction start date.
6. Sponsor to confirm with HSH that Coordinated Entry referral will pause until construction work is completed so that Sponsor can use any vacancies for on-site relocation during renovation.
7. Sponsor must confirm with SFDBI whether accessibility and/or alterations are applicable. If so, then Sponsor must provide an updated scope of work along with updated budget acceptable to MOHCD.

10. LOAN COMMITTEE MODIFICATIONS

[N/A or list]

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date:

Daniel Adams, 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 Kaslovsky Executive Director
Office of Community Investment and Infrastructure

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date:

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

FW: Request for Rehab Financing for the Rose Hotel

Adams, Dan (MYR) <Dan.Adams@sfgov.org>

Mon 3/4/2024 9:21 AM

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

I also vote yes for this request.

Daniel Adams

Director

Mayor's Office of Housing and Community Development

City and County of San Francisco

Rose Hotel

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

Fri 3/1/2024 12:25 PM

To: Adams, Dan (MYR) <Dan.Adams@sfgov.org>

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

I approve Mercy Housing requests of \$4,000,000 in rehabilitation funding for The Rose Hotel.

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

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Request for Rehab Financing for the Rose Hotel

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

Fri 3/1/2024 11:46 AM

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

Cc: Adams, Dan (MYR) <Dan.Adams@sfgov.org>; Ely, Lydia (MYR) <lydia.ely@sfgov.org>; Kaslofsky, Thor (CII) <Thor.Kaslofsky@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 REHAB FINANCING FOR THE ROSE HOTEL

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

Fri 3/1/2024 11:44 AM

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

Cc: Adams, Dan (MYR) <Dan.Adams@sfgov.org>

I vote yes. Thanks!

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

RE: REQUEST FOR REHAB FINANCING FOR THE ROSE HOTEL

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

Fri 3/1/2024 11:44 AM

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

Cc: Adams, Dan (MYR) <Dan.Adams@sfgov.org>

I vote yes. Thanks!

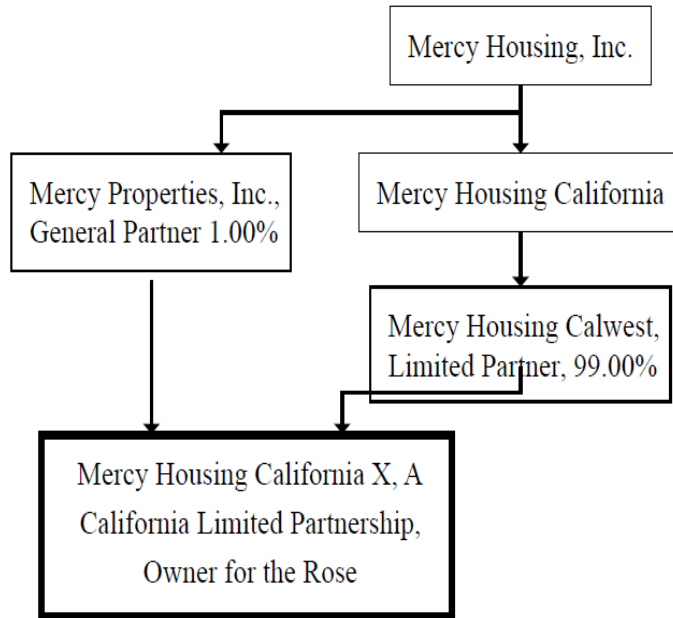
Vishal Trivedi | Financial Analyst
Office of Public Finance | City & County of San Francisco
Email | vishal.trivedi@sfgov.org

Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	<u>N/A</u>	
1	Acquisition/Predev Financing Commitment	<u>N/A</u>	
2.	Site Acquisition	<u>N/A</u>	
3.	Development Team Selection		
a.	Architect	<u>11-10-23</u>	<u>Aurora Design</u>
b.	General Contractor	<u>3/24</u>	<u>Freestone Construction</u>
c.	Owner's Representative	<u>5/23</u>	<u>Mercy Housing</u>
d.	Property Manager	<u>5/23</u>	<u>Juana Thomas</u>
e.	Service Provider	<u>5/23</u>	<u>Episcopal Community Svcs.</u>
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>2-20-24</u>	
b.	Submittal of Design Development & Cost Estimate	<u>4-1-24</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>4-15-24</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>4-30-24</u>	
5.	Commercial Space		
a.	Commercial Space Plan Submission	<u>N/A</u>	
b.	LOI/s Executed	<u>N/A</u>	
6.	Environ Review/Land-Use Entitlements	<u>N/A</u>	
a.	SB 35 Application Submission	_____	
b.	CEQA Environ Review Submission	<u>N/A</u>	
c.	NEPA Environ Review Submission	<u>4-1-24</u>	
d.	CUP/PUD/Variances Submission	<u>4-1-24</u>	
7.	PUC/PG&E	<u>N/A</u>	
a.	Temp Power Application Submission	<u>N/A</u>	
b.	Perm Power Application Submission	<u>N/A</u>	
8.	Permits	<u>7-1-24</u>	
a.	Building / Site Permit Application Submitted	<u>5-1-24</u>	
b.	Addendum #1 Submitted	_____	

c.	Addendum #2 Submitted	_____	
9.	Request for Bids Issued	<u>2-1-24</u>	
10.	Service Plan Submission		
a.	Preliminary	_____	
b.	Final	_____	
11.	Additional City Financing		
a.	Preliminary Gap Financing Application	<u>N/A</u>	
b.	Gap Financing Application	<u>N/A</u>	
12.	Other Financing		
a.	HCD Application	<u>N/A</u>	
b.	Construction Financing RFP	<u>N/A</u>	
c.	AHP Application	<u>N/A</u>	
d.	CDLAC Application	<u>N/A</u>	
e.	TCAC Application	<u>N/A</u>	
f.	Other Financing Application	<u>N/A</u>	
g.	LOSP Funding Request	<u>N/A</u>	
13.	Closing		
a.	Construction Loan Closing	<u>N/A</u>	
b.	Conversion of Construction Loan to Permanent Financing	<u>N/A</u>	
14.	Construction	<u>Est.</u> <u>September</u> <u>2024</u>	
a.	Notice to Proceed	_____	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>N/A</u>	
15.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>N/A</u>	
b.	Commence Marketing	<u>N/A</u>	
c.	95% Occupancy	<u>N/A</u>	
16.	Cost Certification/8609	<u>N/A</u>	
17.	Close Out MOH/OCII Loan(s)	<u>Mid-April 2026</u>	

Attachment B: Borrower Org Chart



Attachment C: Development Staff Resumes

Mercy Housing has the affordable housing expertise and support needed to successfully implement a limited scope rehab at The Rose. The Asset Management and Facilities teams have many years of collective affordable housing experience and took the lead on many full scope, limited scope and stand-alone major construction projects. In addition, the Team has support of the Development Department that has been building and/or renovating projects in the City of San Francisco and Bay Area for over 40 years.

Esmeralda Campos, Senior Asset Manager, has been part of the Mercy Housing Asset Management Team for 6 years. Esmeralda oversees a portfolio of assets in The City of San Francisco and the Bay Area and leads our asset management work in Sunnysdale. Esmeralda completes mini rehabs annually as part of the ongoing asset preservation initiatives.

Fiona Ruddy, Project Developer II, joined Mercy Housing in 2020 and has over 5 years of experience in affordable housing development. Fiona has managed the development of housing serving a range of populations including families, RAD households, and people with disabilities. Fiona has experience with projects sponsored by MOHCD and OCII and is overseeing The Kelsey Civic Center, which serves families and people with disabilities. Fiona has led procurement for The Kelsey Civic Center and Hunters Point Block 56.

Ken White, Capital Project Investment Manager, has been with Mercy Housing for 10 years providing Project Management oversight on over 600 projects. Ken is a certified PMP and is a member of IFMA. Ken currently manages projects in different geographical areas, working with Asset Managers on portfolio construction needs. Ken acts as the construction consultant and SME of the physical assets. If ENP NOFA funds are awarded, Ken would oversee the rehab.

Paul Tonga, Regional Facilities Manager, has been with Mercy Housing for over 9 years and provides project oversight for properties in the Bay Area and Southern California. His background is in residential and commercial construction having been a Class B General Contractor for over 18 years. He is certified in Construction Management and supports Development, Asset Management and Area Directors with new construction and capital projects.

Yelena Zilberfayn is the Vice President of Asset Management at Mercy Housing where she has worked for the past 23 years, 10 of which in the Asset Management Department. She leads a team of five Asset Managers and has participated in many rehabs and transactions, including the elevator replacement through the 2016 ENP NOFA.

Attachment D: Asset Management Evaluation of Project Sponsor

Mercy Housing California (MHC) provides asset management for all its properties. Asset Management falls under the National Portfolio Management department of Mercy Housing Inc, which is led by Senior Vice President Melissa Clayton based in Denver, CO.

Total Number of Projects and Average Number of Units Per Project Currently in Developer's Asset Management Portfolio

California represents the largest portion of the portfolio with 155 operating properties across the state; 55 Mercy owned and occupied properties are located in the City of San Francisco.

Yelena Zilberfayn is the Vice President of Asset Management at Mercy Housing where she has worked for the past 23 years, 10 of which in the Asset Management Department, and is responsible for a portfolio of real estate assets serving families, seniors, and special needs individuals. She leads a team of five Asset Managers, three in San Francisco, two in Sacramento. Two Asset Management Analysts and one Commercial Asset Management Analyst based in the National Office in Denver, CO, and one Commercial Asset Manager based in San Francisco are supporting Yelena's team. In addition, there are two Asset Managers overseeing other regions in CA and one Capital Project Investment Manager, reporting directly to Melissa Clayton.

Yelena is located in the San Francisco office and interfaces directly with Doug Shoemaker, President of Mercy Housing California (MHC). Yelena and her team act as Mercy Housing's representatives in relation to the physical and financial status of each asset and protect its financial health and long-term viability.

Mercy's portfolio management also includes Transaction Team comprised of 2 staff devoted to other specialized needs such as the Year 15 buy out and the refinance of properties.

All positions in CA are currently filled and they are all full-time. The breakdown of the Bay Area asset management staff positions is as follows:

- (1) Vice President of Asset Management
- (1) Director of Portfolio Analysis
- (4) Asset Managers
- (2) Asset Management Analysts
- (1) Commercial Asset Management Analyst
- (1) Commercial Asset Manager

Each Asset Manager oversees a portfolio of up to 25 assets. The Asset Managers in the San Francisco office currently have 90 assets in their portfolio. Eight of these properties are in predevelopment, under construction or in rehab in the City of San

Francisco or Bay Area. In San Francisco, Asset Managers manage fewer than the maximum of 25 assets in order to free up capacity for future developments.

Description of Scope and Range of Duties of Developer's Asset Management Team

Asset Management staff has oversight over all operations of the properties. The portfolio is analyzed monthly through the Portfolio Scorecard, which looks at physical and economic occupancy, trade and intercompany payables. In addition, the team performs quarterly risk ratings according to Affordable Housing Investment Council (AHIC) standards, of every property to evaluate occupancy, reserves, management, capital needs and available reserves. If a property is placed on the watchlist, there is a quarterly meeting with the Asset Management team, Mercy Housing Management Group and Mercy Housing California President to find a solution to get the property off the watchlist.

Asset Managers are responsible for tracking all capital needs on their portfolio on a quarterly basis as part of Mercy's watchlist process. They are assisted by various staff of Mercy Housing Management Group, including the Regional Facilities Manager and the various Area Directors of Operations assigned to the properties. Using various analysis including our watchlist and budget planning, reviewing CNAs, and Reserve analysis, the Asset Managers determine when the necessary capital needs can be completed in the short and long term.

The analyst team submits reserve replacement requests bi-annually. In addition, the analyst team helps with the compliance with financing requirements and various reporting regulatory requirements by sending quarterly and annual reporting to investors and funders.

Portfolio preservation planning is accomplished through balancing the use of reserves with the payment of scheduled partnership and deferred development fees through cash flow.

The transaction team handles some of the longer-term needs of the portfolio such as Year 15 analysis and investor buyout and a property restructuring such as a refinance.

Developer's Budget for Asset Management Team Shown as Cost Center (nationwide)

Asset Management staffing budget is \$3,308,737.

Number of Projects Expected to be in Developer's Asset Management Portfolio in 5 Years and, If Applicable, Plans to Augment Staffing to Manage Growing Portfolio

Mercy Housing anticipates that the portfolio will grow from 155 buildings to approximately 170 buildings in the next 5 years. Two new Asset Manager positions based in San Francisco were added in 2017 and one in 2019.

MOHCD Asset Management staff assessment of Sponsor's asset management capacity:

The Sponsor's description of their asset management functions, duties and coordination with related teams within the organization demonstrates an adequate asset management operation for their existing portfolio. With 7 FTE asset managers statewide and a portfolio of 155 projects in California, the project/asset management staff ratio is 22, which is in line with the industry standard of 20-25 recommended by NeighborWorks America. In addition, the Sponsor's asset management staff also includes Asset Management Analysts who support the Asset Managers. The full range of asset management responsibilities are covered by the asset managers and the analysts. With an increase of 15 projects in the Sponsor's portfolio anticipated over the next 5 years, the ratio will increase but remain within the industry standard.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

A. THRESHOLD ELIGIBILITY REQUIREMENTS

1. The affordable housing property seeking funds must have the following characteristics.

- a) It must be located in the City and County of San Francisco.
- b) It must be owned and operated by a 501(c)(3) nonprofit public benefit corporation or a limited partnership or limited liability company whose managing general partner is a 501(c)(3) nonprofit public benefit corporation that is in compliance with the California Attorney General's Charitable Trust Registry.
- c) It must have been previously funded by MOHCD, the Office of Community Investment and Infrastructure (OCII), or the San Francisco Redevelopment Agency (RDA), and not in default under MOHCD's agreements, including but not limited to loan agreements and/or regulatory agreements.
- d) It must not have undergone a major recapitalization (greater than \$75,000 per unit) in the previous 15 years.

2. The work to be performed must:

- a) Address conditions that threaten the health and/or safety of a building's occupants, such as mold, water intrusion, lead and pest remediation, damaged or inadequate fire/life-safety systems or ADA-compliance.
- b) Replace building components or systems that contribute to a building's inefficient use of energy or whose condition requires unreasonable and excessive maintenance and repair expenditures.

3. The need for urgent, immediate or short-term improvements must be documented.

- a) It must be identified in a CNA as an immediate or short-term need for capital investment. Short-term improvements are defined as improvements that must be completed within 12 to 24 months.
- b) In addition to a CAN, respondent may provide evidence of need in the form of notices of violation, failed inspection report, and/or third-party technical report on major systems such as roofing, elevator or HVAC

B. ALIGNMENT WITH CITY RACIAL EQUITY GOALS

The City is required to affirmatively further fair housing as established by the State of California and the US Department of Housing and Urban Development. Pursuant to San Francisco Administrative Code Chapter 47, MOHCD has adopted explicit policies in its Certificate of Preference (COP), and Displaced Tenant programs, which provide historically displaced and vulnerable populations who reside within the community preference in obtaining access to quality affordable housing.

In an effort to redress past and present inequities, the selection process for this NOFA will favor applicants who have direct experience working with COP holders, or populations who share characteristics with the COP population.

Proposals should address the following racial and social equity goals:

- Maximize the number of priority placements (COP holders, etc.)
- Maximize (meet or exceed) the City's requirements for promotion of SBE/LBE organizations with contracts and local hiring with construction labor
- Create opportunities for growth of Emerging Developers (smaller organizations) in development role or member of development team.
- Provide initial draft marketing plans within 6 months of anticipated completion of scope of work/re-rental of vacant units, if applicable, outlining the affirmative steps applicants will take to market each housing property to the City's preference program participants including Certificate of Preference (COP) Holders and Displaced Tenants, 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. (Note: not applicable for units that take referrals from Coordinated Entry or the San Francisco Housing Authority.)
- Submit responses to requests for demographic data regarding the Boards of Directors of the applicant organization and of the staff of the Respondents that are selected. This data will not be evaluated or scored.

Note: upon entry into loan agreement with MOHCD, applicants must agree to use DAHLIA and current marketing requirements. Please see Section E below.

C. ALIGNMENT WITH MOHCD DEPARTMENT GOALS

1. Applicants should align their proposals with MOHCD's Theories of Change in the 2020-2024 Consolidated Plan at [this link](#). MOHCD is addressing the City's priority needs through five interconnected, multidisciplinary objectives that cross program areas and leverage strategies both internally and across multiple city departments. These five objectives are:

- Objective 1: Families and individuals are stably housed
- Objective 2: Families and individuals are resilient and economically self-sufficient
- Objective 3: Communities have healthy physical, social, and business infrastructure
- Objective 4: Communities at risk of displacement are stabilized
- Objective 5: The City works to eliminate the causes of racial disparities

MOHCD has also identified five target populations based on the findings from the Consolidated Plan community engagement process. These are:

- Households experiencing a legacy of exclusion
- Households destabilized by system trauma
- Households with barriers to access to opportunities
- Extremely and very low-income households
- Households at risk of displacement.

D. ELIGIBLE USES OF FUNDS

Funds awarded through this NOFA may be used to pay the following residential construction costs.

- Construction contract payments for capital repair/rehabilitation work. Note that CNA estimates of construction costs are not sufficient documentation of funding need. Bids from relevant contractors or estimates from third party technical experts are recommended at

time of NOFA response and required prior to Loan Committee approval. Estimates must assume use of applicable prevailing wage standards.

- Architectural and engineering expenses.
- Temporary tenant relocation expenses if necessary.
- Construction period insurance, permit fees and other costs associated with the rehabilitation work.
- Other necessary soft costs associated with the rehabilitation work.
- Legal and transactional costs associated with closing MOHCD funding.
- Applicant's project management and construction management expenses limited to no more than 15% of construction or repair hard costs.
- Capitalized replacement reserves if necessary to ensure the adequacy of such reserves to meet anticipated capital improvement needs.
- Completion of an updated CNA that anticipates future capital improvement needs for at least 15 years, and associated reserve analysis.
- Commercial construction costs only eligible to the extent that repairs are required to maintain habitability of the entire building. Commercial tenant improvements are not eligible for funding under this NOFA.

E. SUMMARY OF FUNDING TERMS

Funds are anticipated to be provided as loans. Loans will be interest bearing where financially feasible and may be deferred or require repayment depending on the circumstances.

Current MOHCD standard loan terms include the following terms that will be incorporated into funding agreements that result from this NOFA.

- Income Limits

MOHCD seeks to work with applicants to insure and deepen long-term affordability at each housing property. Upon completion of the rehabilitation work pursuant to this NOFA, all units shall be reoccupied at turnover by or held vacant for households earning no more than 60% Area Median Income (AMI) for San Francisco, adjusted for family size but not high cost area (often referred to as "unadjusted"), as published by MOHCD, and maximum rents may not exceed 30% of 60% AMI for San Francisco, as established by MOHCD and available on the MOHCD website. MOHCD will consider an exception to this requirement for units that are currently restricted at 80% AMI. Units occupied by households whose incomes exceed 80% of AMI at the time funds are awarded under this NOFA may continue to be occupied by those households. However, upon vacancy of these units, they must be occupied by households earning no more than 60% AMI as published by MOHCD.

- Affordability Term

Furthermore, upon completion of any rehabilitation pursuant to this NOFA, affordability restrictions associated with prior City financing notwithstanding, the minimum term of affordability required for all units in the building will be for the life of the project, but no less than 75 years from the date of recordation of the new deed of trust.

Updated affordability requirements will be codified in a revised City Declaration of Restrictions that will be recorded on title.

- Capital Needs Assessment

Sites must prepare and an updated Capital Needs Assessment (CNA) every five (5) years for MOHCD approval, in accordance with the CNA policy as it is amended from time to time.

- Replacement Reserve Account

Sites must make annual deposits into a Replacement Reserve Account, in accordance with the 20-year replacement reserve analysis contained within the most recently approved CNA.

- Marketing

Before advertising the availability of units for lease in a housing property or the opening of the waiting list, NOFA fund recipients will complete a marketing plan for MOHCD approval. Once the marketing plan is approved, MOHCD will post information about the available units or opening of the wait list on DAHLIA—the City's online application portal for affordable housing. Housing preferences may apply.

- Annual Monitoring

Sites will be monitored from time to time to assure compliance with loan terms. NOFA fund recipients will file an Annual Monitoring Report that includes but is not limited to: tenant occupancy information, audited financial statements, tenant demographics, eviction information.

- Other MOHCD Policies

Sites that may not be subject, under existing loan agreements, to current MOHCD policies, such as the Operating Fees Policy, Residual Receipts Policy, and Hold Harmless Policy, will be subject to current policies.

F. AWARD LIMITATIONS

Requests for funding are limited to \$4 million per application, with a minimum request of \$1 million (see exception below) and not to exceed \$100,000 per unit.

Applicants are limited to two applications each, with an exception for a third application for minimum of \$250,000 and maximum of \$500,000 for small properties (less than 25 units). To the extent practical, MOHCD encourages applicants to bundle several rehabilitation projects together under one application to minimize administrative burdens. Bundled applications must be owned by the same nonprofit or general partner entity and are expected to share one operating reserve and one replacement reserve upon entry into the new loan agreement.

IV. SELECTION PROCESS, MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS, MINIMUM APPLICATION REQUIREMENTS, SELECTION CRITERIA AND SCORING, AND SUBMITTAL REQUIREMENTS OVERVIEW

A. SELECTION PROCESS

MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements (see Section D, Submittal Requirements Section

below). If a submittal does not meet minimum experience and capacity requirements, the respondent may submit an appeal to MOHCD staff on technical grounds only.

A Selection Panel appointed by the Director of MOHCD will include persons with expertise in such areas as development, affordable housing finance, affordable housing construction management, community development, commercial space development, property and asset management, housing access/marketing, and/or housing and services for homeless households.

The Selection Panel will determine the final ranking of all responses and present this ranking to the Director. The Selection Panel's scoring of each proposal will be done by consensus and will be final.

The Director will then select Proposals(s) for this funding pool and advise the Mayor of these selections. MOHCD and the selected applicants will enter into loan agreements with milestones established in accordance with the terms of this NOFA. If MOHCD staff cannot enter into a loan agreement with a selected applicant that is in the best interest of the City, the MOHCD Director may terminate negotiations in his sole discretion. If the MOHCD Director terminates negotiations with a selected applicant, the MOHCD Director reserves the right, in his sole discretion, to (1) negotiate with the next highest ranked Respondent, or (2) reject any and all other proposals, in whole or in part, prior to award, and (3) may re-advertise the NOFA for the full or partial funding amount under such terms the MOHCD Director deems to be in the City's best interest. MOHCD reserves the right to appoint additional parties to the selected applicant should it be determined that the team lacks representation necessary to achieve the NOFA's goals.

B. MINIMUM PROPOSAL REQUIREMENTS.

1. Proposals must demonstrate financial feasibility and include a Financing Plan, including a detailed Sources and Uses Budget, that utilizes the most current version of the Mayor's Office of Housing and Community Development's Underwriting Guidelines, available on the MOHCD website (see <https://sfmohcd.org/housing-development-forms-documents>).
2. Proposals must demonstrate—through provision of specific examples of inputs used for estimating, including prevailing wages—that the project's total budget, as well as its specific line items, is comparable to recent and similar projects, to industry standards, and is compliant with funding source regulations, MOHCD policy, and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per bed or bedroom will be examined relative to total cost, City subsidy, and construction cost.
3. Proposals must provide a construction cost estimate that reflects current construction costs, including prevailing wages, and show escalation assumptions as a separate line item.
4. Proposals must include an operating budget that includes all expenses necessary to properly operate and maintain the building.
5. Proposals that include any tenant displacement/relocation (including any relocation of commercial uses) must include a full relocation plan and budget.

6. Proposals must include a community engagement plan that demonstrates the capacity to generate necessary resident and neighborhood support for the proposed scope of work. Include any evidence of support expressed to date for the project, as well as plans for community engagement with residents and neighbors going forward.

7. As applicable, Proposals must include a description of how any commercial vacancies will be addressed.

8. Proposals must include demographic data regarding the Boards of Directors of member organizations of the applicants' teams and staff.

C. SELECTION CRITERIA AND SCORING

All applications that meet the above Threshold Eligibility Requirements (see Section III.A) and Minimum Proposal Requirements will be scored and ranked according to the following selection criteria.

criteria.

	Category	Points
A. ALIGNMENT WITH CITY GOALS		10
i.	Demonstrates experience working with or placing COP holders or populations who share characteristics with COP populations. Demonstrates how Applicant has previously promoted and plans to promote under the proposed scope of work, SBE/LBE organizations with contracts and local hiring.	5

ii.	Describes how development aligns with MOHCD's 2020-2024 Consolidated Plan by addressing one (1) or more of the identified objectives. Describes how the site serves one (1) or more of the identified five (5) target populations.	5
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B. URGENCY		25
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i.	Demonstrates need for urgent repairs through CNA, Notice of Violation (NOVs), Field Inspection report, and/or Third Party technical report. (Max points for scope that includes NOVs). Documentation of work orders for repairs and/or requests for ADA accommodations are encouraged.	15
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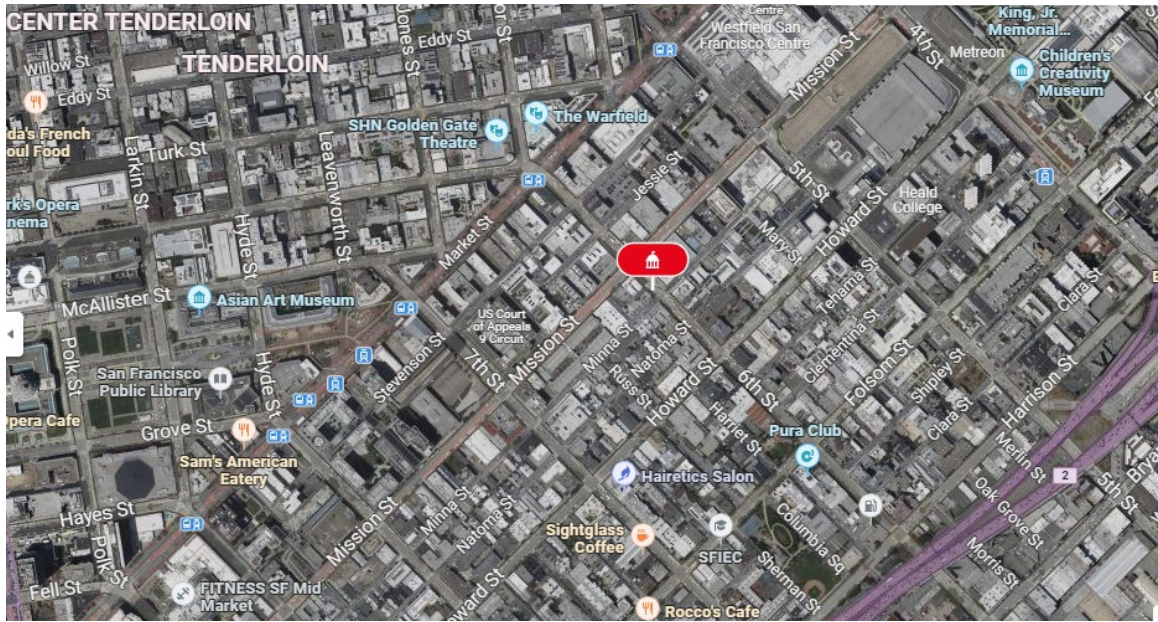
ii.	Extent to which applicant has capacity to enter into a loan agreement with MOHCD by end of 2023. Extent to which applicant can complete full scope of work within 3 years (by Spring 2026).	10
C. NEED		35
i.	Extent to which average occupant income is less than 40% AMI. (Sliding scale of points, more points for lowest AMI)	10
ii.	Extent to which Replacement Reserves (available as of 12/31/2022) are less than \$5k/unit and insufficient to meet immediate and short-term capital improvement needs as recommended in a CNA. (Sliding scale, most points for least reserves)	5
iii.	Number of years since major recapitalization. (Sliding scale, most points for most time elapsed.)	5
iv.	Property applied for funding under the 2016 ENP NOFA and was not funded, nor has secured other funding or addressed the need identified in the 2016 NOFA response.	5
v.	Demonstrates need to meet City code/requirements for seismic safety, fire safety, and ADA compliance, for example.	5

vi.	Property is not competitive for any of these funding sources: LIHTC 9% (competitive pools) LIHTC 4%/Tax Exempt Bonds MOHCD Cash Out Waiver	5
	For tax credits, provide self-score and/or narrative regarding analysis of competitiveness.	
	Appropriateness of Scope relative to documented needs (most points for connection made between proposed scope and materials submitted to receive Urgency points under B. above, which includes a CNA)	5

	Scope meets funding minimum of \$1M and maximum of \$4M, or \$100k/unit, whichever is lower. Projects with 25 or fewer units meet funding minimum of \$250K and maximum of \$500k.	5
	Number of years of project financial feasibility/independence gained from the proposed improvement, including capitalization of replacement reserve (.5 points for each year beyond 5 years, up to 5 points max) Demonstrates that property will not need additional MOHCD capital for at least five (5) years.	5
	Extent to which proposal accounts for necessary communication with residents and neighbors related to the scope of work, and any temporary relocation required, including appropriate budget and communications plan.	5
	Extent to which proposal includes admin costs that will cover staff/consultant(s) fees to insure project completion.	5

E. OPERATIONS		20
	Extent to which applicant has history of compliance with terms of previous financing agreements (subtract .5 point for every site that is out of compliance for income, rent or rent increase compliance issues, or for which an AMR has not been submitted on time in the past 12 months.)	10
	Extent to which rents are currently maximized for tenants who are not rent-burdened (most points for maximized rents.)	5
	Extent to which proposed scope demonstrates cultural competency and includes project partners that will deploy city resources that are responsive to populations disproportionately impacted by systemic racism.	5
F. BONUS POINTS		5
	Emerging Developers are included in the applicant team.	1
	Integrated Pest Management – site study was completed prior to application submission and recommendations from the IPM report must be adopted into the final scope of work.	2
	Electrification – Scope of work achieves full electrification and incorporates climate resilience measures, documents vulnerability to climate change, such as overheating in the building, exposure to unfiltered outdoor air, and vulnerable resident populations, resident benefits, in the form of projected reduction in energy bills or quality of life improvements, such as air conditioning or outdoor air filtration, and demonstrated leverage with rebate programs.	2
TOTAL POSSIBLE POINTS		120

Attachment F: Site Map with amenities



Attachment G: Elevations and Floor Plans

Not Applicable

Attachment H: Comparison of City Investment in Other Housing Developments

MOHCD REHABILITATION COST COMPARISON - SAN FRANCISCO

Updated 2/23/2024 25 Units and Larger or Scattered Sites														
	Construction by Unit/Bed/SF			Soft Costs by Unit/Bed/SF			Total Development Cost (without Land)			Local Subsidy		Acquisition costs by Unit/Bed/SF		
	Const/unit	Const/BR	Const/ sq.ft ¹	Soft/unit	Soft/BR	Soft/ sq.ft ¹	TDC/unit	TDC/BR	TDC/ sq.ft ¹	Subsidy /unit	Leveraging ⁷	Acq/unit	Acq/BR	Acq/lot sq.ft
Delta of Subject and Comparable Projects	\$ (9,665)	\$ (3,934)	\$ (14)	\$ 5,505	\$ 6,731	\$ 12	\$ (1,903)	\$ 4,709	\$ 1	\$ (14,061)	-638.8%	\$ -	\$ -	#REF!
Delta Percentage	-19%	-9%	-15%	51%	70%	58%	-3%	9%	1%	-21%	4349%	#DIV/0!	#DIV/0!	#REF!
The Rose	\$ 39,961	\$ 39,961	\$ 77	\$ 16,287	\$ 16,287	\$ 31	\$ 56,247	\$ 56,247	\$ 108	\$ 52,632	6.4%	\$ -	\$ -	\$ -
Comparable Projects	Average: \$ 49,526	Average: \$ 43,894	Average: \$ 91	Average: \$ 10,782	Average: \$ 9,556	Average: \$ 20	Average: \$ 58,151	Average: \$ 51,539	Average: \$ 107	Average: \$ 66,692	Average: -14.7%	Average: \$ -	Average: \$ -	Average: #REF!

Costs lower than comparable average (within 10%) Costs higher than comparable average (within 10%)

	Anticipated Start/Contract Date	# of Units	# of BR ¹	Building Square Footage		Total Project Costs					Stories	Building Type	Notes on Financing	Level of Rehab	Comments	
				Total	Commercial	Acq. Cost ²	Constr. Cost ⁴	Soft Cost	Local Subsidy	Total Dev. Cost w/acq, wo land/acq						
ALL PROJECTS	Average:	99	158	59,768	702	\$ -	\$ 22,734,966	\$ 9,793,574	\$ 6,256,123	\$ 40,813,648						
Comparable Projects In Predevelopment (filtered)	Average:	61	69	33,131	3,774	0	\$ 3,011,160	\$ 655,519	\$ 4,054,895	\$ 3,535,555						
Total Comparable Projects	Average:	61	69	33,131	3,774	0	\$ 3,011,160	\$ 655,519	\$ 4,054,895	\$ 3,535,555						
The Rose	Jul-24	76	76	39,536	2,184	\$ -	\$ 3,037,024	\$ 1,237,782	\$ 4,000,000	\$ 4,274,806	4	Type III	Local	Small		
Delta of Subject and Comp Project Averages		15	7	6,405	-1,590	\$ 0	\$ 25,864	\$ 582,263	\$ (54,895)	\$ 739,251						
Delta Percentage		25%	11%	19%	-42%	#DIV/0!	1%	89%	-1%	21%						

PROJECTS COMPLETED							Building Square Footage		PROJECT COSTS					Building Type		Rehab program/type		Comments
Project Name	Address	Construction Contract Date	Compl. Date	Population Type	# of Units	# of BR ¹	Total	Commercial	Acq. Cost ²	Constr. Cost ⁴	Soft Cost ⁵	Local Subsidy ⁶	Total Dev. Cost w/acq (no land)	Stories	Type	Notes on Financing	Level of rehab	
Completed Projects:	Average:				126	255	113276	0	\$ 43,697,197	\$ 15,961,883	\$ 9,310,771	\$ 77,319,588						

PROJECTS UNDER CONSTRUCTION							Building Square Footage		PROJECT COSTS					Building Type		Rehab program/type		Comments
Project Name	Address	Construction Contract Date	Compl. Date	Population Type	# of Units	# of BR ¹	Total	Commercial	Acq. Cost ²	Constr. Cost ⁴	Soft Cost ⁵	Local Subsidy ⁶	Total Dev. Cost w/acq (no land)	Stories	Type	Notes on Financing	Level of rehab	
No projects listed under construction.																		

PROJECTS IN PREDEVELOPMENT							Building Square Footage		PROJECT COSTS					Building Type		Rehab program/type		Comments
Project Name	Address	Start/Constr. Contract Date (anticipated)	Column1	Population Type	# of Units	# of BR ¹	Total	Commercial	Acq. Cost ²	Constr. Cost ⁴	Soft Cost ⁵	Local Subsidy ⁶	Total Dev. Cost w/acq (no land)	Stories	Type	Notes on Financing	Level of rehab	
Dunleavy Plaza (MHDC)	36 Hoff St	Sep-23		Family	49	81	29,000	0	\$ -	\$ 1,669,405			\$ 1,669,405	4	Type III		Small	22 parking spaces
The Dudley Apartments (Mercy)	172 8th Street	Jul-24		Mixed	75	75	44,995	3,069		\$ 2,480,431	\$ 507,700	\$ 2,942,275	\$ 2,988,131	6		ENP NOFA	Small	
Larkin Pine Senior Housing (CCDC)	1303 Larkin Street	Jul-24		SRO	63	63	31,174	-		\$ 2,289,280	\$ 322,734	\$ 2,869,081	\$ 2,612,014	4	Type III	ENP NOFA	Small	MOHCD&HCD financing; Sept 2023 est for LC; Façade, interiors, HVAC
William Penn (CCDC)	160 Eddy Street	Jul-24		SRO	91	91	41,836	12,800		\$ 3,531,925	\$ 426,800	\$ 3,958,725	\$ 3,958,725	4		ENP NOFA	Modest	
Bernal Bundle		Oct-24		Mixed	26	33	18,650	3,200		\$ 5,084,758	\$ 1,364,842	\$ 6,449,500	\$ 6,449,500	2-4	Type III		Modest	Modest with minor seismic

PROJECTS COMPLETED			Construction Costs			Total Dev Costs by Unit / BR / SF (with acq, without land)			Subsidy	
Project Name	Contract Date	Completion Date	Const/Unit	Const/BR	Const/SF	TDC/Unit	TDC/BR	TDC/sq.ft ¹	Subsidy /unit	Leveraging ⁷
Hunters Point East and West	Jun-18		\$ 319,340	\$ 127,856	\$ 263	\$ 385,043	\$ 154,162	\$ 317	\$ 3,971	99%
Westbrook Apartments	Jul-19		\$ 492,711	\$ 167,492	\$ 471	\$ 463,708	\$ 157,632	\$ 443	\$ 74,913	84%
Ping Yuen	Mar-19		\$ 330,150	\$ 143,331	\$ 324	\$ 728,283	\$ 316,175	\$ 716	\$ 24,733	97%
Alemany Apartments	Nov-19		\$ 479,277	\$ 211,446	\$ 522	\$ 927,691	\$ 409,275	\$ 1,011	\$ 25,525	97%
Gran Oriente	Dec-21									83%
Park View	Jan-22		\$ 233,626	\$ 233,626	\$ 780	\$ 551,355	\$ 551,355	\$ 1,841	\$ 96,262	
Hotel Madrid	Dec-21									
Bernal Dwellings	Oct-21		\$ 292,893	\$ 119,772	\$ 275	\$ 688,064	\$ 281,561	\$ 647	\$ -	100%
Hayes Valley South	Dec-21		\$ 449,543	\$ 209,533	\$ 373	\$ 946,810	\$ 441,310	\$ 785	\$ 65,526	93%
Hayes Valley North	Jul-22		\$ 567,475	\$ 225,914	\$ 475	\$ 1,161,586	\$ 462,433	\$ 972	\$ 105,408	91%
Maria Alicia Apts	Aug-22		\$ 192,192	\$ 67,436	\$ 215	\$ 192,192	\$ 67,436	\$ 215	\$ -	100%
Hotel Diva	Sep-21		\$ 120,012	\$ 120,012	\$ 232	\$ 120,012	\$ 120,012	\$ 232	\$ -	100%
SFHA Scattered Sites	Feb-22		\$ 679,488	\$ 300,343	\$ 647	\$ 1,182,859	\$ 523,188	\$ 1,127	\$ 454,751	82%
Throughline (3 sites)	Jun-22	Sep-23	\$ 261,444	\$ 261,444	\$ 461	\$ 357,701	\$ 357,701	\$ 631	\$ 153,634	97%
Ambassador / Ritz	Jan-22	May-23	\$ 239,920	\$ 239,920	\$ 437	\$ 535,927	\$ 535,927	\$ 976	\$ 7,659	99%
Mariposa Gardens	Nov-22		\$ 144,737	\$ 60,790	\$ 162	\$ 144,737	\$ 60,790	\$ 162	\$ -	100%
San Cristina	Oct-22		\$ 299,137	\$ 299,137	\$ 503	\$ 924,351	\$ 924,351	\$ 1,554	\$ 44,250	85%
Completed Projects:	Average:		\$ 340,116	\$ 185,883	\$ 409	\$ 620,688	\$ 357,554	\$ 775	\$ 70,442	90%

PROJECTS UNDER CONSTRUCTION			Construction Costs			Total Dev Costs by Unit / BR / SF (with acq, without land)			Subsidy	
Project Name	Contract Date	Completion Date (anticipated)	Const/Unit	Const/BR	Const / SF	TDC / unit	TDC/BR	TDC/ sq.ft ¹	Subsidy /unit	Leveraging ⁷
Yosemite	Dec-23	Feb-24	\$ 473,947	\$ 473,947	\$ 752	\$ 944,230	\$ 944,230	\$ 1,497	\$ 56,250	94%
SFCLT Scattered Sites	Dec-23	Jul-24								
Under Construction:	Average:		\$ 473,947	\$ 473,947	\$ 752	\$ 944,230	\$ 944,230	\$ 1,497	\$ 56,250	94%

PROJECTS IN PREDEVELOPMENT			Construction Costs			Total Dev Costs by Unit / BR / SF (with acq, without land)			Subsidy	
Project Name	Start Date (anticipated)	Completion Date (anticipated)	Const/unit	Const/BR	Const / SF	TDC / unit	TDC/BR	TDC/sq.ft ¹	Subsidy /unit	Leveraging ⁷
Dunleavy Pl. 36 Hoff Street	Sep-23		\$ 34,069	\$ 20,610	\$ 58	\$ 34,069	\$ 20,610	\$ 58	\$ -	100%
The Knox	Nov-23		\$ 94,476	\$ 94,476	\$ 243	\$ 234,515	\$ 234,515	\$ 603	\$ 63,562	73%
125 Mason	Sep-25		\$ 189,005	\$ 80,955	\$ 118	\$ 364,787	\$ 173,810	\$ 228	\$ 71,605	80%
The Dudley Apartments (Mercy)	Jul-24		\$ 33,072	\$ 33,072	\$ 55	\$ 39,842	\$ 39,842	\$ 66	\$ 39,230	2%
The Rose (Mercy)	Jul-24		\$ 40,674	\$ 40,674	\$ 78	\$ 52,632	\$ 52,632	\$ 101	\$ 52,632	0%
Larkin Pine Senior Housing (CCDC)	Jul-24		\$ 36,338	\$ 36,338	\$ 73	\$ 41,461	\$ 41,461	\$ 84	\$ 45,541	-10%
William Penn (CCDC)	Jan-00		\$ 38,812	\$ 38,812	\$ 84	\$ 43,502	\$ 43,502	\$ 95	\$ 43,502	0%
El Dorado (Conard)	Jan-00		\$ 350,500	\$ 350,500	\$ 927	\$ 564,556	\$ 564,556	\$ 1,492	\$ 64,518	89%
Sierra Madre	Nov-24									
835 Turk (HSH)	Nov-25	Dec-26	\$ 206,612	\$ 206,612	\$ 285	\$ 247,934	\$ 247,934	\$ 341	\$ 247,934	0%
In Predevelopment			\$ 113,729	\$ 101,239	\$ 285	\$ 180,366	\$ 187,651	\$ 341	\$ 69,836	37%
All Projects:	AVERAGE		\$ 309,264	\$ 253,690	\$ 455	\$ 581,761	\$ 486,478	\$ 871	\$ 65,509	

Projects in pipeline but no budget yet
Derek Silva (20 Franklin)

¹ Items highlighted in yellow represent gaps in information
² Includes studios as BRs
³ Residential sq. ft. includes circulation, recreation, parking, office space and common areas; excludes day care centers, and commercial (non-res.)
⁴ Acquisition includes cost of buying land/building - legal, holding, taxes, etc.; does not include the purchase value; excludes demolition of existing building
⁵ Construction includes unit construction, site preparation/demolition (if applicable), site improvements, environmental remediation and hard cost contingency for Predev & During Construction. Completed projects include used Contingency and are escalated per ENR CCI data
⁶ Soft Cost = TDC less Acquisition and Hard Costs
⁷ All non-amortized local funds
⁸ Total square footage

Attachment I: Predevelopment Budget

Not Applicable

Attachment J: Development Budget

Application Date:	2/16/24			# Units:	76				
Project Name:	The Rose Hotel			# Bedrooms:	76				
Project Address:	125 6th Street			# Beds:					
Project Sponsor:	Mercy Housing								
								NA	Add Column
SOURCES	4,000,000	274,805						Total Sources	4,274,806
	Name of Sources:	MOHCD/OCII	Replacement Reserves						Comments
USES									
ACQUISITION									
Acquisition cost or value									
Legal / Closing costs / Broker's Fee									
Holding Costs									
Transfer Tax									
TOTAL ACQUISITION	0	0	0	0	0	0	0	0	0
CONSTRUCTION (HARD COSTS)									
* Unit Construction/Rehab	2,360,193							2,360,193	\$395,000- Elevator Modernization and Cab Renovation; \$248,125 NFPA Fire Alarm Compliance; \$1,717,068; Common Area Bathroom remodel. Additional scopes (Community Room/Kitchen and Heating Unit (parts only) will be At Adds and only approve if funding is available).
* Commercial Shell Construction									
* Demolition									
* Environmental Remediation									
* Onsite Improvements/Landscaping									
* Offsite Improvements									
* Infrastructure Improvements									HOPE SF/OCII costs for streets etc.
Parking									
GC Bond Premium/GC Insurance/GC Taxes	22,000							22,000	0.9%
GC Overhead & Profit	114,000							114,000	4.5%
GC General Conditions	57,000							57,000	2.2%
Sub-total Construction Costs	2,553,193	0	0	0	0	0	0	2,553,193	
Design Contingency (remove at DD)	0							0	0%
Bid Contingency (remove at bid)	100,852							100,852	2% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Rev)	0							0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency	382,979							382,979	5% new construction / 15% rehab
Sub-total Construction Contingencies	483,831	0	0	0	0	0	0	483,831	
TOTAL CONSTRUCTION COSTS	3,037,024	0	0	0	0	0	0	3,037,024	
SOFT COSTS									
Architecture & Design									
Architect design fees	267,000							267,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)									
Architect Construction Admin									
Reimbursables	10,000							10,000	
Additional Services									
Sub-total Architect Contract	277,000	0	0	0	0	0	0	277,000	
Other Third Party design consultants (not included under Architect contract)									Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	277,000	0	0	0	0	0	0	277,000	
Engineering & Environmental Studies									
Survey									
Geotechnical studies									
Phase I & II Reports	20,000							20,000	
CEQA / Environmental Review consultants									
NEPA / 106 Review									
CNA/PMA (rehab only)									
Other environmental consultants									Name consultants & contract amounts
Total Engineering & Environmental Studies	20,000	0	0	0	0	0	0	20,000	
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee									
Construction Loan Interest									
Title & Recording									
CDLAC & CDIAAC fees									
Bond Issuer Fees									
Other Bond Cost of Issuance									
Other Lender Costs (specify)									
Sub-total Const. Financing Costs	0	0	0	0	0	0	0	0	
Permanent Financing Costs									
Permanent Loan Origination Fee									
Credit Enhance. & Appl. Fee									
Title & Recording	20,000							20,000	
Sub-total Perm. Financing Costs	20,000	0	0	0	0	0	0	20,000	
Total Financing Costs	20,000	0	0	0	0	0	0	20,000	
Legal Costs									
Borrower Legal fees									Mercy is using in-house legal
Land Use / CEQA Attorney fees									
Tax Credit Counsel									
Bond Counsel									
Construction Lender Counsel									
Permanent Lender Counsel									
Other Legal (specify)									
Total Legal Costs	0	0	0	0	0	0	0	0	
Other Development Costs									
Appraisal									
Market Study									
* Insurance									insurance cost if higher limit is required will be covered by Mercy not ENP NOFA funds
* Property Taxes									
* Accounting / Audit									
* Organizational Costs									
* Entitlement / Permit Fees	51,750							51,750	
* Marketing / Rent-up									
* Furnishings									\$2,000/unit. See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees									
TCAC App / Alloc / Monitor Fees									
* Financial Consultant fees									
Construction Management fees / Owner's Rep									
Security during Construction									
* Relocation	415,774	249,823						665,597	
Other (specify)									
Other (specify)									
Other (specify)									
Total Other Development Costs	467,524	249,823	0	0	0	0	0	717,347	Total Soft Cost Contingency as % of Total Soft Costs 10.0%
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	78,452	24,982						103,435	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	862,976	274,805	0	0	0	0	0	1,137,782	
RESERVES									
* Operating Reserves									Current balance is \$214,253
Replacement Reserves									Current balance is \$527,422
* Tenant Improvements Reserves									
* Other (specify)									
* Other (specify)									
TOTAL RESERVES	0	0	0	0	0	0	0	0	
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones									
Developer Fee - Cash-out At Risk									
Commercial Developer Fee									
Developer Fee - GF 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
Project Administration	100,000							100,000	
TOTAL DEVELOPER COSTS	100,000	0	0	0	0	0	0	100,000	
TOTAL DEVELOPMENT COST	4,000,000	274,805	0	0	0	0	0	4,274,806	
Development Cost/Unit by Source	52,632	3,616						56,247	
Development Cost/Unit as % of TDC by Source	93.6%	6.4%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	
Acquisition Cost/Unit by Source	0	0						0	
Construction Cost (inc Const Contingency)/Unit By Source	39,961	0						39,961	
Construction Cost (inc Const Contingency)/SF	76.82	0.00						76.82	
*Possible non-eligible GO Bond/COP Amount:	2,775,967								
City Subsidy/Unit	52,632								
Tax Credit Equity Pricing:	N/A								
Construction Bond Amount:	N/A								
Construction Loan Term (in months):	N/A								
Construction Loan Interest Rate (as %):	N/A								

Attachment K: 1st Year Operating Budget

Application Date: 2/16/2024
 Total # Units: 76
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2024

Project Name: The Rose Hotel
 Project Address: 125 6th Street
 Project Sponsor: Mercy Housing

Correct errors noted in Col N!

INCOME	Total	Comments
Residential - Tenant Rents	163,032	Links from 'Existing Proj - Rent Info' Worksheet
Residential - Tenant Assistance Payments (SOS Payments)	0	
Residential - Tenant Assistance Payments (Other Non-LOSP)	1,856,808	Links from 'Existing Proj - Rent Info' Worksheet
Residential - LOSP Tenant Assistance Payments	0	No LOSP at the Rose
Commercial Space	49,710	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	N/A	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	2,806	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	1,800	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	
Gross Potential Income	2,074,156	
Vacancy Loss - Residential - Tenant Rents	(16,303)	Vacancy loss is 10% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(185,681)	Vacancy loss is 10% of Tenant Assistance Payments.
Vacancy Loss - Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	1,872,172	PUPA: 24,634

OPERATING EXPENSES

Management	Total	Comments
Management Fee	62,803	1st Year to be set according to HUD schedule.
Asset Management Fee	24,280	Per MOHCD Policy
Sub-total Management Expenses	87,083	PUPA: 1,146
Salaries/Benefits		
Office Salaries	283,348	Links from 'Staffing' Worksheet
Manager's Salary	76,057	Links from 'Staffing' Worksheet
Health Insurance and Other Benefits	95,279	Per 2024 budget (includes all site staff benefits)
Other Salaries/Benefits		
Administrative Rent-Free Unit	26,580	12 months at \$2216
Sub-total Salaries/Benefits	481,264	PUPA: 6,332
Administration		
Advertising and Marketing	2,280	Compliance fees and marketing fees
Office Expenses	32,732	Per 2024 budget
Office Rent		
Legal Expense - Property	20,000	Cost for legal evictions and stipulated agreements, PSH building
Audit Expense	10,764	Per 2024 budget
Bookkeeping/Accounting Services	11,400	Per 2024 budget
Bad Debts	10,000	
Miscellaneous	5,210	
Sub-total Administration Expenses	92,386	PUPA: 1,216
Utilities		
Electricity	32,877	Per 2024 budget
Water	22,916	Per 2024 budget
Gas	20,543	Per 2024 budget
Sewer	29,179	Per 2024 budget
Sub-total Utilities	105,515	PUPA: 1,388
Taxes and Licenses		
Real Estate Taxes	14,961	Local assessments
Payroll Taxes	46,092	Per 2024 budget
Miscellaneous Taxes, Licenses and Permits	1,069	Business license fees
Sub-total Taxes and Licenses	62,122	PUPA: 817
Insurance		
Property and Liability Insurance	59,417	Per 2024 budget
Fidelity Bond Insurance		
Worker's Compensation	19,610	Per 2024 budget
Director's & Officers' Liability Insurance		
Sub-total Insurance	79,027	PUPA: 1,040
Maintenance & Repair		
Payroll	203,160	Links from 'Staffing' Worksheet
Supplies	24,159	Per 2024 budget
Contracts	128,538	Per 2024 budget
Garbage and Trash Removal	34,020	Per 2024 budget
Security Payroll/Contract	40,020	Links from 'Staffing' Worksheet
HVAC Repairs and Maintenance	5,000	Per 2024 budget
Vehicle and Maintenance Equipment Operation and Repairs	2,850	Per 2024 budget
Miscellaneous Operating and Maintenance Expenses		
Sub-total Maintenance & Repair Expenses	437,747	PUPA: 5,760
Supportive Services	84,000	Links from 'Staffing' Worksheet
Commercial Expenses	13,402	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL OPERATING EXPENSES	1,442,546	PUPA: 18,981

Reserves/Ground Lease Base Rent/Bond Fees	Total	Comments
Ground Lease Base Rent	37,453	Mercy/Charities Housing Provide additional comments here, if needed.
Bond Monitoring Fee		
Replacement Reserve Deposit	68,989	1.15% increase
Operating Reserve Deposit	20,000	Flat
Other Required Reserve 1 Deposit		
Other Required Reserve 2 Deposit		
Required Reserve Deposits/Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	126,442	PUPA: 1,664
Fees	1,568,988	PUPA: 20,645
NET OPERATING INCOME (INCOME minus OP EXPENSES)	303,184	PUPA: 3,989

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

CASH FLOW (NOI minus DEBT SERVICE)	Total
Commercial Only Cash Flow	36,308
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	
AVAILABLE CASH FLOW	303,184

USES OF CASH FLOW BELOW (This row also shows DSCR.)	Total	Comments
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)		
Other Payments		
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)		Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		Def. Develop. Fee split: 0% Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	0	PUPA: 0

PRECEDING MOHCD	Total
	303,184

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation? **Yes** Project has MOHCD ground lease? **No**

Will Project Defer Developer Fee? **No**

Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr **33%**

% of Residual Receipts available for distribution to soft debt lenders **67%**

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. recs		0.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value	\$374,530	100.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Total
MOHCD Residual Receipts Amount Due	202,122
Proposed MOHCD Residual Receipts Amount to Loan Repayment	202,122
Proposed MOHCD Residual Receipts Amount to Residential Ground Lease	0
Proposed MOHCD Residual Receipts Amount to Replacement Reserve	0
DEBT SERVICE	101,061

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

REMAINDER (Should be zero unless there are distributions below)	Total
Owner Distributions/Incentive Management Fee	101,061
Other Distributions/Uses	0
Final Balance (should be zero)	0

