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

1633 Valencia Street

Up to $41,036,048 Permanent Financing (including $2M million AHP Bridge Loan Commitment)

20 Year LOSP Contract to support operations and debt totaling $80,785,406

Total Request: $121,821,454

Evaluation of Request for:	Permanent Funding and LOSP Contract
Loan Committee Date:	April 5, 2024
Prepared By:	Anne Romero, Senior Project Mgr.
MOHCD Construction Representative:	Holly Faust
MOHCD Asset Manager:	TBD
Sources and Amounts of New Funds Recommended for Perm Financing:	HSH SF Health & Recovery GO Bond Loan Up to $41,036,048
Sources and Amounts of New Funds Recommended for "enhanced" LOSP for operations and debt:	General Fund 20 Year Term Up to $80,785,406
Sources and Amounts of Previous City Funds Committed:	None
NOFA/PROGRAM/RFP:	HSH Sole Source Emergency Procurement
Applicant/Sponsor(s) Name:	Mercy Housing California

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	1633 Valencia	Sponsor(s):	Mercy Housing California
Project Address (w/ cross St):	1633 Valencia, San Francisco, CA 94110 (at Cesar Chavez St.)	Ultimate Borrower Entity:	Mercy Housing California 108, L.P.

Project Summary:

Mercy Housing California in partnership with the San Francisco Housing Accelerator Fund (SFHAF) requests permanent financing in the amount of up to $41,036,048 (including a $2M AHP bridge loan) as well as funding through the Local Operating Subsidy Program (LOSP) in the amount of $80,785,406 over an 18-year LOSP term to support program operations and to service the $16M SFHAF Innovation loan to create permanent supportive housing at 1633 Valencia. The proposed development will create 145 newly constructed studio units, plus one staff unit, for a total of 146 units, to be made available as permanent supportive housing for seniors ages 55 and above experiencing homelessness (Project). The Project is being proposed as further iteration of the Tahanan (833 Bryant) permanent supportive housing project, utilizing the same floorplate and efficient design (though not using modular construction) as well as other cost-saving and time-saving measures and similarly deferring City investment until the operations phase and conversion to permanent financing. This innovative approach diversifies the housing production models to bring on line 145 PSH units more quickly and cost effectively without an initial City capital investment.

Development costs through construction for the Project are anticipated to total approximately $84.6M. The Project is being constructed using philanthropic and private funding that will make possible completion of the Project for approximately $580K per unit including site acquisition, and $541K per unit without acquisition costs This total development cost per unit is approximately 20% below the $729K cost per unit for comparable projects. The City permanent loan subsidy is up to $281K per unit. (The specific goal of the Sponsor is to achieve total development cost of approximately $530K/unit removing land acquisition, developer fee and reserves, within three years from site acquisition to construction loan closing, using the same metrics as they used for Tahanan.) Once completed, the Project will rely on an “enhanced” LOSP agreement with a 19-year term to subsidize operations at project completion as well as to pay down the 18-year construction loan from SFHAF.

1633 Valencia will provide 145 permanent supportive studios restricted by the City loan at 50% MOHCD AMI (and ranging from 30%-60% Area Median Income as restricted by the California Tax Credit Allocation Committee), with residents paying 30% of their income in rent. The ground floor features a residential lobby near elevator access. Each residential floor has similar floor layouts to maximize efficiency of design. Resident-serving common spaces will include one community room, two offices for property management and a supportive services suite as well as building maintenance spaces.

The Project will be financed with 4% Low Income Housing Tax Credits, tax-exempt bonds from CalHFA, and a below-market philanthropically supported permanent loan provided by SFHAF. An accelerated procurement using HSH’s emergency authorization, coupled with an ability to forego state tax credits (accessing only federal tax credits) based on lower total development costs, all but assured the project’s ability to receive a tax credit award on its first application, further expediting the predevelopment process. To-date, the Project has utilized no City capital financing and is anticipated to complete construction and begin lease up in January 2026. The investment at completion will come in the form of a City SF Health and Recovery GO Bond Permanent loan totaling up to $41,036,048, a General Fund LOSP grant agreement for debt and operations, and HSH services funding. Approval is being requested now to enable the construction loan closing in mid-May 2024. The permanent loan commitment includes $2M in the form of a bridge loan to cover an application for AHP funds which the Sponsor will apply for in 2025, and once awarded, the City commitment will be reduced by the amount of the AHP award.

Project Description:

Construction Type:	Type IIIA over I	Project Type:	New Construction
Number of Stories:	6	Lot Size (acres and sf):	0.42 acres / 18,508 sf
Number of Units:	146	Architect:	David Baker Architects
Total Residential Area:	57,594 sf	General Contractor:	Cahill Contractors
Total Commercial Area:	0 sf	Property Manager:	Mercy Housing Management Group
Total Building Area:	68,802 sf	Supervisor and District:	Sup. Ronen D-9
Land Owner:	Mercy Housing California 108, L.P.		
Total Development Cost (TDC):	$84,605,578	Total Acquisition Cost:	$5,630,433
TDC/unit:	$579,490	TDC less land cost/unit:	$541,236
Loan Amount Requested:	Up to $41,036,048	Request Amount / unit including AHP Bridge loan:	$281,068
HOME Funds?	N	Parking?	N

PRINCIPAL DEVELOPMENT ISSUES

1. Selection of the Sponsor is authorized under HSH's Chapter 21B waiver of competitive bidding requirements for "Projects Addressing Homelessness" to bring new PSH units quickly online. Selection of a supportive services provider which will be selected under a competitive procurement process. See Section 1.2 Applicable NOFA/RFQ/RFP.

2. This request is the first LOSP project to include a debt service component, required to repay the HAF loan over an 18 year term to replicate the model of Tahanan to bring PSH units on line quickly and at lower cost. The requested LOSP term is 19 years to start the operating subsidy at project completion, which exceeds MOHCD's typical 15-year LOSP term. See Section 7.2.3 LOSP Commitment.

3. The development budget includes a $750K lease up and stabilization reserve as a one-time pilot to cover additional management and maintenance staffing, overtime and security, repair damages and insurance deductibles during lease up and the initial two year stabilization period when residents are adjusting to the new building during and after lease up. Any remainder of this reserve not needed during the transition period will go to

reduce the LOSP A for operations funding amount to be disbursed in January 2029. See Section 6.5.3 Permanent Uses Evaluation.

4. Cost containment measures include a design build approach with locked in subcontractor pricing and with projected fewer change orders and less impact on contingencies, potentially rendering savings which could reduce the City loan at permanent conversion. See Section 4.3 Construction Representative Evaluation.

5. Maintaining low construction costs depends primarily on the seamless coordination among Mechanical/Electrical Plumbing (MEP) design-build subcontractors' design, other trade designs, and the architectural/structural drawings already submitted to DBI. The project incorporates Building Information Modeling (BIM) clash prevention (3-D visualization of the trades to make it easy to see any conflicts before construction starts) and the design contingency to protect against cost overruns. However, as additional safeguard, the Project team will be held responsible for regular check ins with MOHCD staff regarding DBI status on the MEPs plan check and any potential new pricing from subs related to plan check. See Section 4.3 Construction Representative Evaluation.

6. MOHCD's long-term policy is to own the land on which affordable housing projects are built. Because of the Project's proposed ownership and financing structures, which require greater risk on behalf of the Sponsor, the Project and the land on which it is being built will both be owned by the Limited Partnership. Mercy Housing California 108, L.P. will provide the City with an Option Agreement to acquire the land and improvements in the event of default or disposition of the property after the tax credit compliance period. See Section 4.1. Site Control.

7. Loan commitment includes a bridge AHP amount and requirement that the Sponsor apply for AHP in the next round after start of construction, which if awarded, would reduce the amount of the capital loan commitment dollar for dollar. See Section 6.3.1 Permanent Financing.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Per Unit	Terms	Status
SFHAF Predev Loan	$4,826,022	$33,055	3 yrs @ 3% simple interest	Closed
Total	**$4,826,022**	**$33,055**		

Permanent Sources	Amount	Per Unit	Terms	Status
SFHAF Permanent Loan	$16,000,000	$109,589	20 yrs @ 3% / Res Rec	Committed
SF Health & Recovery GO Bond Loan	$39,036,048	$267,370	55 yrs @ 1% / Res Rec	THIS REQUEST
AHP	$2,000,000	$13,699	Grant	Application 2025
Tax Credit Equity	$27,569,430	$188,832	$0.965 tax credit pricing	Committed
Sponsor Contribution	$100	$1		Committed
Total	**$84,605,578**	**$579,490**		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	$5,630,433	$38,565	$82
Hard Costs	$56,841,842	$389,328	$826
Soft Costs	$17,025,471	$116,613	$247
Reserves	$2,607,832	$17,862	$38
Developer Fee	$2,500,000	$17,123	$36
Total	**$84,605,578**	**$579,490**	**$1,230**

1. BACKGROUND

1.1. Project History Leading to This Request.

When the San Francisco Housing Accelerator Fund (SFHAF) and Tipping Point Community (TPC) created the Homes for the Homeless Fund, their intent was to build high-quality permanent supportive housing in less than three years and for less than $400,000 per unit – and then to replicate that model. SFHAF staff began looking for a second housing development parcel soon after Tahanan closed its bond financing and construction was successfully underway to replicate the model of creating new permanent supportive housing units at lower cost and faster timeframe. (Per the Tahanan Cost Certification, total development costs minus acquisition came in at $420K/unit, and under $400K/unit using the initiative's metric of removing acquisition, developer fee and reserves[1]).

In December 2020 SFHAF identified a new development opportunity at 3435 Cesar Chavez Street (Site) in San Francisco's Mission-Bernal neighborhood. The opportunity came to the SFHAF through Sequoia Living (SL, formerly Northern California Presbyterian Homes and Services), a senior housing provider that works throughout the Bay Area. SL made an offer of $13,500,000 on the 1+ acre Parcel, expressing interest in entering into separate acquisition agreement with the SFHAF for a portion of the Parcel due to its large size exceeding what SL needed for its planned future development of affordable senior housing. SL formally acquired the site on August 21, 2022.

Envisioned as the 'Tahanan Replication' project, SFHAF brought this innovative development opportunity to Mercy Housing California (MHC) in 2021 with the goal of replicating the total development cost per unit and timeline successes of Tahanan, to build 145 studio units serving seniors experiencing and at-risk of homelessness. SFHAF had selected Mercy Housing, David Baker Architects (DBA), and Cahill Contractors through a competitive process for Tahanan Street and wanted to incorporate lessons learned from that project into an improved 2.0 version. In lieu of modular factory-built housing which was the model for Tahanan alongside three other permanent supportive housing projects in 2020, this Project utilizes design-replication and design-build contract innovations, partnering with Cahill Contractors and DBA to target a cost goal of $530k/unit (removing land acquisition, developer fee and reserves) and to bring units to market within 3 years of entitlement approval. A higher per-unit cost goal was

[1] See evaluation study https://ternercenter.berkeley.edu/wp-content/uploads/2021/02/833-Bryant-February-2021.pd

established based on significant construction cost escalation in the years since Tahanan construction bids were finalized. The Project is presently meeting the timeline goal and reflecting TDC/unit of under $520k/unit not including land acquisition, developer fee and reserves. SFHAF has provided a predevelopment loan of $4,826,022 to complete predevelopment activities through construction closing date of May 2024.

In the fall of 2022 as Mercy began the entitlement process for 1633 Valencia, SFHAF and Mercy began meeting with MOHCD, HSH and D9 Supervisor Ronen to discuss an innovative financing approach that would leverage private/philanthropic capital to finance projects that can meet aggressive cost and time goals. By spring of 2023, SFHAF had secured commitments for $50M from prospective investors for a new innovation-focused fund, with 1633 Valencia as the inaugural project. The below market, "innovation" loan would replace a key part of the Project's capital stack – the State tax credits, a scarce and competitive source. By eliminating the need for State Tax Credits, 1633 Valencia could apply for 4% tax credits and tax-exempt bonds in the third round of 2023, all but ensuring the Project would receive an allocation. In preparation for this application, SFHAF and Mercy approached MOHCD/HSH with a request for funding commitments that would enable the Project to seize this unique financing opportunity. HSH issued a commitment for a LOSP contract and Mercy submitted the application for tax credits and bonds on September 6th. MOHCD approved CalHFA serving as the conduit issuer for private activity bonds and the Project received an award from CalHFA in December of 2023.

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

SFHAF and Mercy were selected to develop this permanent supportive housing under HSH's Chapter 21 emergency procurement waiver authorization to bring new PSH units quickly online with reduced cost. This waiver does not cover the supportive services provider, which will be selected under a separate HSH formal procurement process.

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

1.3.1. Borrower. The borrower entity for the residential loan is Mercy Housing California 108, L.P. The managing general partner is Mercy Housing California 108 LLC, a subsidiary of Mercy. See Exhibit B.

1.3.2. Joint Venture Partnership. N/A.

1.3.3. Demographics of Board of Directors, Staff and People Served. See table below for gender identity and race demographics for the Mercy board and staff. Mercy does not collect sexual orientation data from board members or staff.

	Gender Identity	**Race**

Mercy Housing California Board	M: 43% F: 57%	Asian: 14.29% African American: 7.14% Caucasian: 43.86% Latinx: 14.29% Biracial: 21.43%
Mercy Housing, Inc. Board	M: 50% F: 50%	Asian: 5% African American: 15% Caucasian: 75% Latinx: 5%
Mercy Housing, Inc. - All Staff	M: 42% F: 58%	2 or More Races – 3% American Indian/Alaska Native – 1% Asian – 11% Black or African American – 24% Hispanic or Latino – 22% Native Hawaiian/Other Pacific Islander – 1% Not specified – 1% White – 37%
Mercy Housing California - All Staff	M: 43% F: 57%	2 or More Races – 5% American Indian/Alaska Native – 1% Asian – 21% Black or African American – 17% Hispanic or Latino – 31% Native Hawaiian/Other Pacific Islander – 2% Not specified – 1% White – 22%
Mercy Housing California - Development Staff	M: 50% F: 50%	Asian – 20% Not specified – 20% White – 60%

MHC owns and operates 4,217 units of affordable housing in San Francisco. The chart below represents the total number of people currently living in MHC owned properties (7,176), disaggregated by race and ethnicity.

	Race	**Ethnicity**
Mercy Housing California San Francisco resident responses to US Census definitions	Asian: 42% White: 19% Black or African American: 16% Other: 15% Did not specify: 3% Native Hawaiian or Other Pacific Islander: 2% American Indian or Alaska Native: 2% Blank: 1%	Not-Hispanic or Latino: 77% Hispanic or Latino: 19% Did not specify: 3% Blank 1%

**Responses are from US Census definitions which cause overlap between race and ethnicity categories.*

From January 2022 through November 2022 MHC had 17 resident evictions. Currently, Mercy does not track move out reasons and does not track evictions by race.

1.3.4. Racial Equity Vision. Mercy is dedicated to moving forward racial equity work. Mercy Housing was founded on the belief that housing justice is social justice. Mercy's organizational values of respect, justice, and mercy are integral to its racial equity work. To advance its racial equity and social justice, Mercy's national office launched the Racial Equity, Diversity, and Inclusion (REDI) initiative. In 2021, Mercy Housing Inc. hired Web Brown as SVP for Racial Equity, Diversity, and Inclusion. Mr. Brown has created a coordinated approach to REDI that includes creating an organizational framework that consists of focus areas to produce action plans throughout the organization in areas of internal culture, resident empowerment, education, and training, hiring and recruitment, communication, and advocacy.

Mercy has also established REDI goals for each department. The California real estate development team generated five goals in 2020 and created workplans around achieving each of the goals. Goals include: expanding the pipeline of diverse real estate staff, creating a national contracting and procurement policy, developing REDI evaluation standards for each stage in the development process, incorporating equitable digital access in development projects, and creating a legislative advocacy strategy. San Francisco real estate staff have been central in elevating these conversations an moving the goals forward. In 2023, Mercy Housing Inc. published its organization wide racial equity mission and goals.

1.3.5. Relevant Experience. Mercy Housing, Inc. (MHI) is the largest non-profit owner of affordable housing in the United States. MHI owns and provides property management (through Mercy Housing Management Group or "MHMG") to more than 23,000 units of affordable housing and currently serves more than 50,000 people. Mercy Housing California is the California affiliate of MHI. In San Francisco, the company owns and/or manages 56 properties with 4,551 homes and 7,620 residents. Of the rental housing completed, approximately 52% is for families, 32% for seniors, and 16% supportive housing for formerly unhoused households. In addition, Mercy has nearly 6,000 units in its development pipeline with a team of 38 development staff members to support the process. In San Francisco, the company owns and/or manages 56 properties with 4,551 homes and 7,620 residents.

Mercy's San Francisco portfolio includes Casa de la Mision, which is a 45-unit permanent supportive housing for seniors experiencing homelessness located at 3001 24th Street, as well as Tahanan located at 833 Bryant Street, which served as the basis of design for 1633 Valencia, and similarly provides 145 studio units of permanent supportive housing for individuals experiencing homelessness.

1.3.6. Project Management Capacity. Clare Murphy is the Associate Director of Real Estate Development and dedicates approximately 50% of her time to the Project. Chris Hacnik is the Project Manager and dedicates approximately 50% of his time to 1633 Valencia. Clare and Chris are supported by Ramie Dare (Director of Real Estate Development), and Doug Shoemaker (President). (See Attachment C.)

1.3.7. Past Performance. There are no past performance issues.

1.3.7.1. City audits/performance plans. Mercy Housing participated in the last citywide fiscal and compliance monitoring program in December 2021, and there are no known findings or issues with the audits. MOHCD community development staff have found no performance issues working with Mercy, and identified the agency as a strong City partner, compliant with regulations.

1.3.7.2. Marketing/lease-up/operations. MOHCD's DAHLIA / Marketing manager did not note any concerns and does not manage lease-up of Coordinated Entry HSH referral units. See Section 1.3.3 for resident demographic data.

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

Site Description	
Zoning:	NCD - MISSION BERNAL NEIGHBORHOOD COMMERCIAL DISTRICT
Maximum units allowed by current zoning (N/A if rehab):	50-X Height and Bulk District, Project was granted a waiver from height limit pursuant to SB35? State Density Bonus Law.
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	N/A
Soil type:	The Sponsor completed Phase I and II reports and testing. The Project design includes a vapor mitigation system (VMS) consisting of a sub-slab ventilation layer, ventilation piping, membrane barrier, and monitoring system, which was designed by a professional engineer based on the identified soil conditions. See Section 2.6 below.
Environmental Review:	Project is exempt from CEQA under SB35. [please confirm] Phase I completed on May 11, 2021 Phase II completed on May 10, 2021
Adjacent uses (North):	One-story Commercial
Adjacent uses (South):	Commercial
Adjacent uses (East):	Multi-family residential
Adjacent uses (West):	Hospital
Neighborhood Amenities within 0.5 miles:	Precita Park, San Francisco Public Library– Mission Branch Library, Safeway (3350 Mission Street), , Walgreens Pharmacy (3398 Mission Street)

Public Transportation within 0.5 miles:	SFMTA MUNI Lines 27/14/14R/48/49, 24th and Mission BART
Article 34:	Required
Article 38:	Not exempt. The site is within the Air Pollutant Exposure Zone. The design is subject to relevant guidelines and requirements.
Accessibility:	Fifteen percent of the units (22) will meet Chapter 11B accessibility standards with all remaining units specified to meet Chapter 11A adaptability standards; ten percent of the units (15) in the building will include communication features. All common areas will be accessible. 50% of the units will have roll-in showers.
Green Building:	Based on current design, the project plans to achieve a Green Point rating of "Platinum". The Sponsor has engaged a sustainability consultant and will continue to monitor green standards throughout construction.
Recycled Water:	Exempt
Storm Water Management:	The Preliminary Stormwater Management Plan was approved on 9/19/23 by the Public Utility Commission (PUC).

2.1. Description. The Site is located at the southeast corner of the intersection of Valencia Street and Cesar Chavez Street and will be developed independently from the adjacent SL site, which will be developed into 100% affordable senior housing of around 100 plus units. The Sponsor submitted for a subdivision of the existing parcel to develop the 1633 Valencia Project on the newly formed assessor parcel known as Block 6574, Lot 071. The parcel is an 18,508 square foot undeveloped lot in the Mission neighborhood, bounded by Cesar Chavez, Valencia, and Mission Streets. Prior to demolition of existing structures, the site consisted of two one-story vacant commercial metal buildings, and a parking lot.

2.2. Zoning. Under SB-35, given the Project is providing 145 units of housing affordable to low- and very low-income households, and is located within one-half mile of a major transit stop, the Project is not subject to any maximum control on density and is entitled to receive up to four concessions/incentives and an additional three stories, or 33 feet of height and unlimited waivers. The project sponsor is requesting no concessions/incentives from the development standards. The project is located in a 50-X Height and Bulk District and proposes a maximum building height of 64 feet, excepting those features specified as exemptions to the height limit under Planning Code Section 260(b).

2.3. Probable Maximum Loss. N/A.

2.4. Local/Federal Environmental Review. On July 28, 2023, the San Francisco Planning Department determined that the proposed Project was eligible for SB-35 and is exempt from CEQA review. There are no federal funds triggering federal environmental review.

2.5. Environmental Issues.

- Phase I/II Site Assessment Status and Results. The Site is within the Maher Area and therefore subject to the requirements of Article 22A of the San Francisco Public

Health Code (Maher Ordinance). Article 22A states that construction projects in San Francisco, which are bayward of the historic 1852 high tide line or within the expanded Maher Area and disturb more than 50 cubic yards of soil, require assessment of the site history (Phase I Environmental Site Assessment) and soil quality (Phase II ESA or Environmental Site Characterization (ESC)) of the material that will be encountered during construction in accordance with Article 22A.

A Phase I report was completed as of April 6, 2021; revised report is dated May 11, 2021. Phase II Report was completed May 10, 2021.

The Phase II report indicates Site is underlain by a layer of fill material with elevated concentrations of petroleum hydrocarbons and heavy metals classified as State of California Class I non-RCRA hazardous waste criteria. The remainder of the fill material at the site not classified as State of California Class I non-RCRA hazardous waste will most likely be classified as Class II non-hazardous waste.

In soil gas, VOCs (benzene, PCE, and vinyl chloride) were detected above 2019 ESLs. The detected concentrations of VOCs are low, likely associated with limited localized sources.

The site work includes a vapor mitigation system to ensure that soil gasses from past industrial uses of the land are contained. The system includes a vapor barrier below the slab with perforated pipe to collect the gas and solid pipe up to the roof of the building to vent the area under the slab.

As of December 29, 2023, the San Francisco Department of Public Health (SFDPH) approved the Site Mitigation Plan (SMP) and Vapor Mat System (VMS) design and the Project will be constructed in accordance with these documents.

- Potential/Known Hazards. As noted above, hazardous soil is present on the site and will need to be removed and transported to appropriate facilities during construction.

  In 1988, Ashfield & Co., Inc. of San Francisco, California closed-in-place six Underground Storage Tanks (USTs) that reportedly contained motor oil at the former AAMCO Transmission shop located at 1633 Valencia Street. SFDPH approved the closure of the six USTs based on analytical results collected at the site in their letter dated February 9, 1989. Since there is no analytical data available for review, the developer is relying on the SFDPH review of the data and issuance of a case closure letter. If the results were elevated at time of closure letter, SFDPH would have required additional sampling at that point. The USTs are planned for removal for construction of the project.

2.6. Adjacent uses and neighborhood amenities. The Site is in the Mission-Bernal Neighborhood of San Francisco. This location is well-served by public transit along Mission Street, including the 24th Street BART station. It is nearby parks including Juri Commons, Precita Park and Bernal Heights Park, in addition to being near several grocers on Mission Street and other amenities such as banks, barbers, restaurants, and more. See Attachment F for Amenities list and map.

2.7. Green Building. The Project requires certification under the Green Point Rated (GPR) program with a minimum of 125 points. As currently envisioned the Project exceeds the minimum and will achieve "Platinum" certification under the GPR program. Among the key sustainable design features are the heat pump hot water system, highly efficient envelope and all low-VOC paints coatings and sealants.

3. COMMUNITY SUPPORT

3.1. Prior Outreach. The Sponsor, in partnership with SFHAF and Dolores Street Community Services (DSCS), mailed out project introduction sheets to SF Planning's Bernal Neighborhood Contact list and 300 ft radius surrounding the Project Site; the mailing included translations. The project introduction sheet and translations were also distributed to community partners and neighbors by email. The Sponsor has also publicized a Project website (www.1633valencia.org) providing project updates, additional information, and options for the public to contact the Sponsor for additional information or be added to contact lists for future outreach. To date, the Sponsor has met with following community organizations to provide project information: Calle 24 Land Use Committee Meeting in November 2022, the Council of Community Housing Organizations in December 2022, the adjacent Sears Building Resident Meeting in June 2023, and meetings with the Mission Neighborhood Health Center, legacy neighborhood businesses, and the American Indian Cultural District? in November 2023. The Sponsor and DSCS also met with the Latino Task Force Street Safety Committee in November 2023 and presented to the Latino Task Force full board on February 12, 2024. The Sponsor and SFHAF continuously met with District 9 Supervisor Ronen to provide project updates in 2023. The Project team has received positive feedback and support for the Project vision, across meetings with Mission-based CBOs and partners.

3.2. Future Outreach. The Sponsor will continue to conduct outreach throughout the remainder of predevelopment and through construction to garner support for the Project, and keep the community apprised of the Project plans and schedule. The Project team intends to hold a neighborhood meeting in March 2024 prior to commencement of construction. Throughout construction, the Sponsor plans to provide continued outreach to the community through email, mail, website updates, and continue meetings with local organizations and neighbors.

3.3. 1998 Proposition I Citizens' Right-To-Know. Sponsor will post Proposition I Neighborhood Notification at the Site by April 8, 2024, to ensure notice is provided at least 30 days prior to the Mayor's signature on the Board Resolution.

4. DEVELOPMENT PLAN

4.1. Site Control. Fee ownership

4.1.1. Site Acquisition. The Site, 3485 Cesar Chavez, is currently owned by Sequoia Living (SL, formerly Northern California Presbyterian Homes and Services). Mercy Housing California 108, L.P., the limited partnership owner entity, executed a Purchase and Sale Agreement (PSA) on September 5, 2023 to purchase and develop one of the two parcels, pending a lot split. A PSA Amendment was signed on January 4, 2024.

The original parcel required a lot split and demolition of an existing vacant commercial structure to be completed in order to record a new parcel map, due to an existing structure's location on the proposed lot line. The lot split map, parcel map 11671, was recorded on December 21, 2023 and demolition permits, issued October 24, 2023, were officially signed off by DBI as of January 26, 2024. The subdivision created two separate land parcels for two proposed affordable housing communities which will have separate ownership, financing, and development plans. 1633 Valencia is located on Parcel B (Block 6574, Lot 071). SL will retain ownership of Parcel A (Block 6574, Lot 070). As outlined in the PSA Amendment, acquisition will take place concurrently with closing of construction financing.

4.1.2. Proposed Property Ownership Structure The borrower entity, Mercy Housing California 108, L.P., will own the land and improvements, which is not the standard policy for MOHCD-financed affordable housing and ground lease policy. This LP ownership is being maintained to enable the structure of no City financing or ground lease prior to completion and conversion to permanent financing in order to develop the Project at reduced cost, and replicates the Tahanan ownership model. The managing general partner is Mercy Housing California 108 LLC, a subsidiary of Mercy. Mercy Housing California 108, L.P. will provide the City with an Option Agreement to acquire the land and improvements in the event of default or disposition of the property after the tax credit compliance period.

4.2. Proposed Design. This Project utilizes design-replication and design-build contract innovations, partnering with Cahill Contractors and David Baker Architects, who designed and built Tahanan, to keep costs low and to bring units to market within 3 years of entitlement approval. Under the design replication model, the architect and contractor were selected to design and construct 1633 Valencia using lessons-learned and post-occupancy evaluations of the completed unique pilot project Tahanan.

As of January 2024, the Project has completed 95% construction drawings and bought out the design-build subcontractors' contracts for 95% of the overall construction cost. The Sponsor intends to execute a design-build contract with Cahill and assign the architecture contract over to Cahill to complete the balance of Construction Design work and Construction Administration. The architect and contractor have worked closely together on design, permitting and bidding under the design-build process throughout the design stages. There has been a high level of Building Information Modeling involving design-build subcontractors throughout design development and construction documentation. This is a 3-D program that brings all the trades into the picture to show how they all interact and to detect anything that is out of alignment or which "clashes." It is costly upfront but pays off later, reducing the change orders and mistakes in the field.

In addition, the Sponsor has contracted with a Quality Assurance and Quality Control consultant to review drawings at 100% design development and 100% construction documentation milestones.

The Project is six stories and consists of a Type I ground floor concrete podium for common areas and Type IIIA wood frame construction at the upper floors 2-6. The Project will include 145 studio units as well as a two-bedroom manager's unit for a total of 146 units. The units range in size from 309 GSF to 322 GSF (270-279 Net SF). The units have been carefully planned to have adequate space for a full-sized bed and kitchen table. There will be a built-in closet, and a galley kitchen that will include built-in storage, apartment sized refrigerator and 2 burner cook top, and counter space for resident's microwave and other cooking items. Fifteen percent (15%) of the units (22) will meet Chapter 11B accessibility standards with all remaining units specified to meet Chapter 11A adaptability standards; 5% of the units (8) will include communication features. The building is served by two elevators. Each residential floor has a trash room with chutes for recycle, trash and compost disposal. Each residential floor has duplicated stacked floor layouts .

Ground floor interior common spaces include community room, laundry room, offices for property management and a supportive services suite area with case management and resident services offices. The ground floor also includes maintenance spaces. All common areas will be accessible.

The bike room provides spaces for 51 bikes. There is no vehicle parking proposed on the site.

The rear courtyard will be developed with areas of planting and permeable paving and landscape furnishings for private gathering areas. The courtyard has been designed with specific needs of the population to be served in mind including a dog relief area and a smoking area located as far as possible from building entries.

The Project will be "all-electric", as required by City Ordinance, with centralized heat pump domestic hot water heating. Pumps will be required for domestic water service and fire protection. The office spaces will have split package units for HVAC with the compressors located on the roof. In the apartment units, heating and cooling will be provided by super-efficient and individually operated Packaged Terminal Air Conditioners (PTACs) within each unit. All corridor and bathroom ventilation fans will vent directly to the exterior, and tempered fresh air with MERV 13 filtration for the units and corridors will be provided. The fire protection system will meet NFPA 13 requirements throughout and include a fully monitored fire alarm system. The building will include a closed circuit television monitoring system, card-key access control system and a door monitoring and alarm system.

Residential SF:	68,802
Commercial SF:	-
Building Total SF:	**68,802**

UNIT TYPES	Avg Unit SF – This Project	*CTCAC-Required Minimum SF*
Studio:	316	*200*
2BR:	896	*700*
Do all units meet CTCAC minimum SF?	Y	

4.3. Construction Representative's Evaluation. The building design is a straightforward rectangle with double-loaded corridor units and floors exactly stacked for the greatest efficiency. The Site design takes advantage of the unorthodox shape of the lot by placing the outdoor spaces in the non-rectilinear areas. All community amenities – community room and kitchen, and laundry – face out and open to the outdoor spaces, providing the best possible spaces tailored for the residents and staff. These studio micro-units – larger than an SRO but smaller than a typical MOHCD PSH or senior studio unit – are well-equipped and laid out for both efficiency and comfort. There is relatively little square footage allotted to circulation: units are arranged on one double-loaded corridor and the ground floor reception area doubles as circulation.

Much like a factory-built approach, for maximum efficiency, there is one kitchenette design, two resident unit designs (one with bay windows to create rhythm and texture at the street façade), and only two bathroom designs. (The manager's two-bedroom ground floor unit is the exception.) With 146 units in 6 floors and sufficient community and outdoor spaces for the residents, the Site has been fully maximized.

The mechanical/electrical systems proposed – PTAC space cooling and heating systems for the units – are appropriate for the units and cost effective for both construction and operations.

While the Tahanan replication model was a factory-built project, and 1633 Valencia is stick/site-built, this Project is applying a very similar process, with subcontractor design-build instead of factory design-build. This approach should ensure cost controls by locking in pricing based on the subs' own designs that meet the architect's performance specifications, and by putting the responsibility for constructability, costs goals, and schedule firmly in the general contractor's hands. This approach lends itself to predictability with fewer (if any) change orders and no alterations to design or specifications during construction except as directed by the Owner or those pertaining to utility coordination.

The 1633 Valencia and Tahanan buildings are virtually the same, with the same footprint and similar amenities and outdoor space. The Valencia stick-built units will be the same dimensions as Tahanan's factory-built, and with the exception of the PTAC space conditioning at Valencia, the major systems equipment is the same as Tahanan's. An exception is the location of the transformer: most of San Francisco's urban affordable buildings utilize the underground sidewalk vaults for transformers, as did Tahanan, because of limited space in the buildings. Approvals for the street improvement permit take much longer for underground vaults, so for this Project, as a lesson-learned, the team carved out space inside the building. Also, of late, PGE's lead time for underground transformers has been precarious, and currently double that for pad-mounted transformers. Pad-mounted transformers are also less expensive than the underground equipment and vault. Since the Project team has recently gone through all the City regulatory processes with Tahanan, little should be left to chance about approvals for 1633 Valencia.

Tahanan had some post-occupancy problems with poor elevator function and bathroom floor drainage. The Project team made corrections for the elevators for 1633 Valencia. The problems with drainage pertain specifically to the improper sloping with factory-built units, so the same drainage issues will not befall the new Project.

The proposed construction cost of $56,841,842 is considered reliable given the replication from Tahanan project and that buy-outs are 95% complete, and the Project team is in the process of executing a design-build agreement that forecloses on any future escalation. The total construction cost includes the demo of the existing structure and soil hazards mitigations. The Guaranteed Maximum Price does not include a contractor's contingency. Total costs include a 5% hard cost contingency which is appropriate given the project has been bought out, and Mercy will allow Cahill to share this contingency up to 2% at Mercy's discretion.

The deep foundation and vertical superstructure addenda have been fully approved by DBI, and Mechanical/Electric/Plumbing addendum is in plan check, through it has been well-reviewed according to the Project team. Fire Service approval is still outstanding with SFFD. PUC Water application is pending and depends on SFFD approvals. The risk of plan check changes affecting costs has been significantly mitigated, but MEPs and Fire are often rough spots with DBI, warranting the plan check contingency.

At $403,026/unit construction cost, the Project compares favorably to comparable permanent supportive housing and senior developments in the MOHCD portfolio, the average of which is $572K / unit or 30% more costly per unit. As with the MOHCD portfolio, the Project costs are based on prevailing wages (required by SB35). The square footage cost for 1633 Valencia at $855/sf is 18% higher than the comparable MOHCD PSH/senior portfolio, due to the small, dense unit structure. However it is significantly less than 180 Jones, a recently completed close comp. 180 Jones, is 70 units (half PSH) in a 4,850 sf footprint, at $979/sf. 1633 Valencia packs 146 units into a 11,600 sf footprint at $855/sf. Like 1633 Valencia, 180 Jones' square foot costs are relatively high because of the small footprint and small units, and the unit costs are relatively low, but costs for this Project are 13%/sf and $149K or 27%/unit less than that of 180 Jones (all escalated with Construction Cost Index for San Francisco (CCI)). The efficiency of design and the design-build process with locked in costs appear to deliver a less expensive project that can be approved and built faster.

Tahanan's construction costs, based on the cost certification and escalated to today's dollars with the CCI are $344K/unit (146 units) and $728/sf. The proposed 1633 Valencia costs per unit and square foot are 17% and 18% higher, respectively, than Tahanan. On-site stick-built construction versus factory-built may primarily account for this delta. Should the replication be successful, the contingencies built into the costs could potentially be saved to bring the costs more in line with Tahanan.

4.4. Commercial Space. N/A

4.5. Service Space. The ground floor services suite includes 8 offices for case management and resident services.

4.6. Interim Use. N/A

4.7. Infrastructure. N/A

4.8. Communications Wiring and Internet Access. 1633 Valencia will comply with the 2021 MOHCD Communications Systems Standards. Units will be equipped with Category 6, coax, and fiber optic cabling. In addition, Sponsor intends to provide wireless access in common areas.

4.9. Public Art Component. N/A. The Project is not required to include a public art component, however, the developer is working with the neighboring building (Harley Davidson) and Precita Eyes Muralists on plans to restore and preserve the historical Chevrolet Mural that was uncovered via the demolition of vacant commercial structures.

4.10. Marketing, Occupancy, and Lease-Up. The population served will be seniors (age 55+) experiencing, or at imminent risk of, homelessness, and referrals will be provided through Coordinated Entry (CE) or a referral process to be approved by HSH. Similar to 1064 Mission Senior, the 55 year plus senior designation allows the Project to serve people experiencing homelessness who are typically physically older than their counterparts due to the health impacts of living on the streets.

HSH has committed to working with project partners to guarantee a neighborhood prioritization process in the referral of unhoused adults from the Mission neighborhood or with ties to the Mission. The Mission neighborhood prioritization will be codified in the Resident Selection Plan. While referrals may come from different Access Points, the Mission neighborhood Access Point will be a key referral source for the Project. HSH, in cooperation with other stakeholders, will ensure that the referral process for the Project is in alignment with the City's strategic and equity goals, provider's ability to make timely referrals, and adherence to federal and state requirements for the City's Coordinated Entry System. HSH is convening a Coordinated Entry Redesign Workgroup with a broad set of stakeholders, including Mercy, and expects that the workgroup will make recommendations to inform changes to Coordinated Entry referrals in the future.

Under the LOSP program, residents will pay 30% of their income towards rent; based on comparable senior permanent supportive housing projects in Mercy's portfolio, the assumed tenant paid portion of rent is $225/unit/month.

4.11. Relocation. Not applicable.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	**Name**	**SBE/LBE**	**Outstanding Procurement Issues**
Architect	David Baker Architects	N	N
Landscape Architect	Fletcher Studio	N	N
General Contractor	Cahill Contractors	N	N

Owner's Rep/Construction Manager	Regent Construction Management	Y	N
Financial Consultant	CHPC	N	N
Community Engagement	DSCS	Y	N
Legal	Gubb & Barshay	N	N

5.1. Procurement Plan. N/A as there is no City capital funding during construction.

5.2. Opportunities for BIPOC-Led Organizations. The Sponsor partnered with Dolores Street Community Services (DSCS) as the community engagement partner for 1633 Valencia. DSCS will receive a community engagement and service fee of $300K for their work on the Project, which will allow them to further build capacity as a BIPOC-led organization doing work in the Mission-Bernal neighborhoods.

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: Not applicable – no prior City funding.

6.2. Prior Predevelopment Funding: SFHAF provided a predevelopment loan in the amount of up to $4,926,022 to get to construction loan closing, of which $2,987,407 has been expended. The terms are 3% simple interest with 0.75% origination fee. Mercy's line of credit was used to pay one-off expenses which could not go through the lengthier draw process and were paid off immediately upon receipt of the predevelopment loan funds.

6.3. Proposed Permanent Financing

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

- City Permanent Loan (up to $41,036,048): City and County of San Francisco, 55-years, 1% interest residual receipts loan, made up of 2020 Health and Recovery GO Bond funds. The loan includes a $2 million AHP bridge loan, which the Sponsor has committed to apply to in Spring 2025. The bonds have not yet been sold, which will be done by the Office of Public Finance (OPF) before the conversion to permanent financing. The loan will have the standard term of 55 years. 1% interest is requested to avoid issues with capital accounts at LP exit.
- Permanent Loan ($16,000,000): SFHAF Loan, 20 years fully amortizing, 3% interest rate.
- 4% Tax Credit Equity ($27,569,430): National Equity Fund, committed at a price of $0.965 per credit.
- GP Capital ($100): Sponsor contribution
- Tax-exempt Construction Loan ($42,634,766): While not a permanent source, the construction loan terms are California Bank and Trust, 29 months, 6.350% interest rate.

- Below-Market SFHAF Construction Loan ($18,815,937): While not a permanent source, the construction loan terms are SFHAF, 29 months, 4.9% interest rate.

6.3.2. CDLAC Tax-Exempt Bond Application: On December 6, 2023, CDLAC adopted a resolution to transfer $42,799,116 of 2023 State Ceiling on Qualified Private Bonds to CalHFA for the Project, which imposes a construction closing deadline of June 2024.

6.5.3 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Hard Cost per unit is within standards	Y	$389K/unit is low (nearly 30% reduction) compared to other similar sized studio units in the pipeline; construction cost of $855 / sf is above comparable projects by 18% and reflects the dense, small unit structure; see Section 4.3 Construction Rep evaluation for further detail on hard cost
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5%
Architecture and Engineering Fees are within standards	Y	Total Architecture and Engineering Fees (including owner-engineers) total $3,774,009, which is approximately 7% of hard costs (without contingencies). The higher design costs are due to the design-build nature of the project.
Construction Management Fees are within standards	Y	12 months of predevelopment at $4,200/month, and 23 months of construction at $6,000/month.
Developer Fee is within standards, see also disbursement chart below	Y	The developer fee is sized at $2.5 million, under the max allowable developer fee of $2.660M for this size project. Under agreement with SFHAF, Mercy is restricting the developer fee to $2.5 million to limit the Project cost, as well as putting a greater portion of fee at risk (68%). PROPOSED: Project management fee: $780,000 At risk fee: $1,720,000 Deferred fee: $0 GP equity: $100 Commercial fee: $0 Total fee: $2,500,000

Consultant and legal fees are reasonable	Y	Consultant and legal fees are reasonable
Entitlement fees are accurately estimated	Y	Yes, based on actuals
Construction Loan interest is appropriately sized	Y	Committed construction loan terms are 6.350% variable rate with a cap for 29 month term for CB&T Tax-Exempt Construction Loan and 4.9% fixed rate for 29 month term for SFHAF Construction Loan
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 5.5%, lower than Underwriting Guidelines standard of 10% given that the design costs under the GC are not included in the soft cost contingency sizing and don't pose risk to the developer (including architecture and subconsultant soft costs)
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is equal to 6 months, common for PSH
Furnishings	Y	Furnishings meet underwriting guideline standard for PSH units and common areas
Request for lease up and stabilization reserve in amount of $750K as PSH pilot	N	The Project budget includes a $750K capitalized lease up and stabilization reserve as a one-time pilot to cover additional management and maintenance staffing, overtime and security, repair damages and insurance deductibles during lease up and the initial two year stabilization period when residents are adjusting to the new building during and after lease up. This reserve will assist the building to fully lease up on schedule and hit its stabilization period for conversion to permanent financing while addressing the risk of LOSP funding shortfalls in the most challenging initial period of operations. Any remainder of this reserve not needed during the transition period will go to reduce the LOSP A disbursement for the operations' funding amount to be disbursed in January 2029.

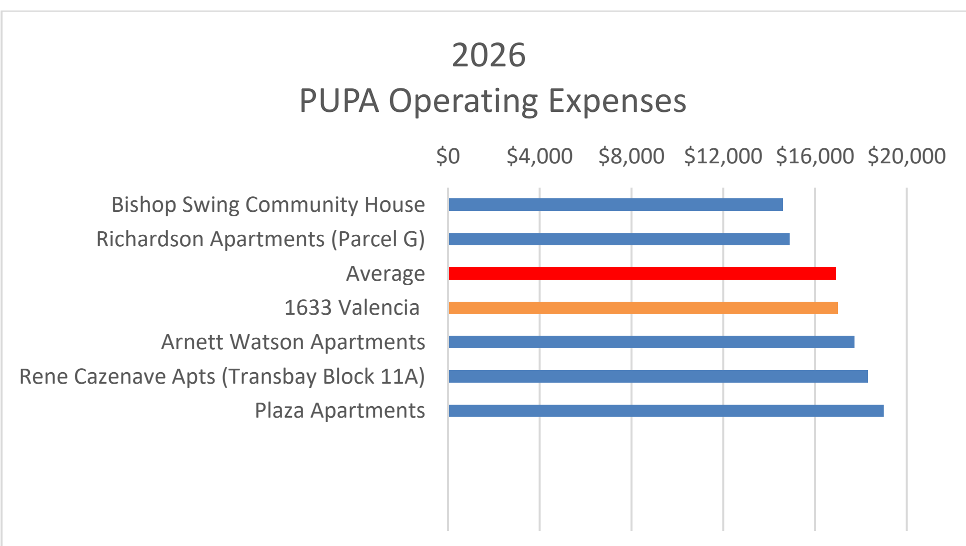
6.5.4 Developer Fee Evaluation: The milestones for the payment of the developer fee to the sponsor are specified below:

Total Developer Fee:	**$2,500,000**	
Project Management Fee Paid to Date:	$ 280,000	
Amount of Remaining Project Management Fee:	$ 500,000	

Amount of Fee at Risk (the "At Risk Fee"):	$1,720,000	
Amount of Fee Deferred (the "Deferred Fee"):	$ 0	
Amount of General Partner Equity Contribution (the "GP Equity"):	$ 100	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Acquisition / Construction Loan Closing	$150,000	20%
50% Completion	$150,000	20%
TCO	$100,000	12%
Reach Certificate of Final Completion	$100,000	12%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		Percentage At Risk Fee
100% lease up and draft cost certification	$344,000	20%
Permanent conversion	$860,000	50%
Project close-out	$344,000	30%

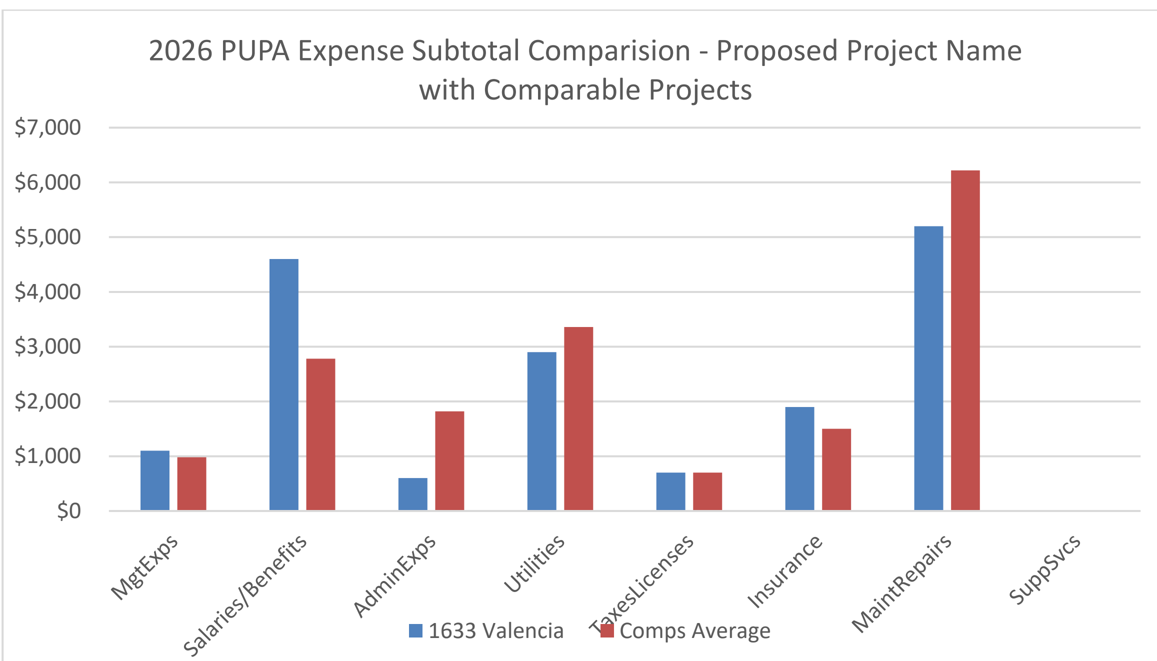
7. PROJECT OPERATIONS (See Attachment I and J for Operating Budget and Proforma)

7.1. Annual Operating Budget. The proposed annual operating budget is $2,480,895, or $16,992 PUPA before reserves, fees and debt service. Operating costs are reasonable for a permanent supportive housing project of this size, and slightly above average of comparable 100% permanent supportive housing projects escalated to 2026. The operating budget includes lessons learned from Tahanan's first two years of operations, which has needed increased staffing and part time site security for the same size building and population.



Operating costs are subsidized by LOSP program, allowing residents to pay 30% of their income in rent and a per unit LOSP cost of $15,415 PUPA as shown in column LOSP A. Projected staffing level is high at 15.4 FTE, or 1 FTE per 9 households, including full time desk clerk coverage, vacation & holiday desk clerk coverage, one Property Manager and two Assistant Property Managers, .5 FTE Housing Support Specialist (Mercy's position that supports housing stabilization and has been successful at other PSH projects); 3 FTE janitors and 3 maintenance staff. The budget includes a security services contract for 5 hours / day 7 days a week to provide assistance both inside and outside of the building. Within the building, the security service would visit floors and report any incidents to the front desk staff; they would assist with de-escalation when there is an altercation, as well as help secure the front desk area when the desk clerk needs to step away from the desk. They would help block unauthorized guests into the property, which has been an ongoing issue at Tahanan. Outside the building, security would help de-escalate incidents between residents. The request for security is based on the last two years of operations at Tahanan, the same size PSH Project, but budgeted at half of the level implemented at Tahanan.

The staffing plan and proposed security will be further discussed with HSH and MOHCD before the LOSP contract underwriting is taken to Loan Committee in 2025 prior to entering into the LOSP agreement. It is worth noting that while proposed staffing and salary costs are higher than comparable PSH projects, administrative costs are lower than comps, bringing the per unit operating cost in line with average.



The LOSP agreement is requested to be for 19 years to cover the 18 year mortgage term for the SFHAF $16 million loan with the first disbursement to be made in January

2027 in the annual amount of $1,158,969. (See LOSP operating budget where "LOSP A" column funds operating costs and "LOSP B" funds annual debt payments.)

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	DSCR is not applicable as a 100% PSH project without debt except for the HAF loan paid through LOSP
For TCAC projects: Vacancy rate meets TCAC Standards	Y	Vacancy rate is 5% of tenant rents, per LOSP policy and MOHCD underwriting guidelines
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 1% for LOSP units per standard LOSP policy
For TCAC projects: Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables	Y	Total Operating Expenses are $17K per unit per annum before reserves, fees and debt service. Operating costs are reasonable for a permanent supportive housing project of this size, and roughly equivalent to comparable PSH projects trended to 2026.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is $140,160, or $80 PUPM, which meets the HUD maximum fee for a project with this target population
Property Management staffing level is reasonable per comparables	Y	Proposed staffing is rich, and based on the recent experience of operating the same size PSH Project of Tahanan. Proposed staffing and security will be reviewed with final LOSP Contract underwriting prior to executing the LOSP agreement in 2025: 1 FTE Property Manager (PM) 2 FTE Assistant PM .5 FTE HSS 4.9 FTE Front Desk Coverage 3 FTE Janitor 3 FTE Maintenance Tech 1 FTE security services contract for 5 hours / day 7 days / week

Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is $26,009/yr; annual PM Fee is $25,999/yr (includes escalation to 2026).
For TCAC projects: Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are $600 per unit per year, which exceeds MOHCD and State replacement reserve standard, but is warranted for permanent supportive housing units
Limited Partnership Asset Management Fee meets standards	Y	$5,000/year with no escalation
MOHCD monitoring fee		Included at $2,500 / year to cover MOHCD AMR review and project monitoring

7.2.1. Income Restrictions for All Sources. The TCAC and CDLAC AMI restrictions are between 30% - 60% TCAC AMI. The City loan will restrict units at 50% MOHCD AMI. The requirement for the project to serve people who have experienced homelessness and income restrictions will be included the SF Health and Recovery permanent loan documents for as long as the City enters into service and operating subsidy contacts and provides the subsidies. If Mercy is not in default of those contracts, and the LOSP or service funding ends, the Project would stop serving the homeless population and would float up rents to the underlying restricted levels or higher if needed to maintain project feasibility. Existing project reserves would cover this transition.

NON-LOTTERY	**No. of Units**		**MOHCD**	**TCAC / Bond**
STUDIO – [LOSP]	72		50% MOHCD AMI	30% TCAC AMI
STUDIO – [LOSP]	29		50% MOHCD AMI	50% TCAC AMI
STUDIO – [LOSP]	44		50% MOHCD AMI	60% TCAC AMI
Sub-Total	**145**			
STAFF UNITS				
2 BR	**1**			
TOTAL	**146**			
PROJECT AVERAGE			**50%**	**43.1%**

7.2.2. MOHCD Restrictions.

Unit Size	**No. of Units**	**Maximum Income Level**
Studio	145	50% of Median Income
2-BR	1	Manager's Unit – not restricted

The Sponsor requests standard float up language in the event of loss of LOSP or service subsidy to ensure the Project can operate and no longer serve people experiencing homelessness.

7.2.3. LOSP Commitment for senior loan repayment.

Senior Permanent Loan Repayment: The Project requests a LOSP portion (LOSP B in the operating budget) at the fixed annual amount of $1,158,969 for Mercy to make annual payments on the SFHAF permanent loan starting in January 2027 through January 2044.

8. SUPPORT SERVICES

8.1. Services Plan. Mercy and their support services partner to be selected by HSH will provide supportive services for all senior residents. A preliminary services plan was prepared for the CDLAC / TCAC application, and a more defined services plan will be developed once HSH has selected the services agency through an RFP. The scope of work in the services plan will include:

- outreach, intake and assessment
- case management
- Income or benefits obtainment and maintenance
- housing stability support which includes coordination with property management and eviction prevention
- wellness and emergency safety support, support groups, social events, and organized activities
- all services provided in alignment with housing first, harm reduction, and trauma informed care

Anticipated staffing is as follows:

Position	**FTE**	**Description**
Senior Case Manager (bilingual)	7.0	Provides psychological assessments, supportive counseling, and individualized wrap-around case management. 1:20 Case Management Ratio
Resident Services Coordinator II – Mercy (serving all residents)	1.5	Coordinates on site services programs, partnerships with outside organizations, and property management. Implements community engagement, health and wellness initiatives, and housing stability.
Total FTE	8.5	

8.2. Services Budget. Services will be funded through a separate contract with HSH; HSH will fund case management services for the LOSP units at a rate of $576/unit/month ($1,002,240 / year). The funding amount is based on the new client case management ratio and PUPM HSH allocations. Ratios now at 1:25 as there are no specific behavioral health target population requirements (such as for MHSA or NPLH) for this site, so additional services dollars are not allocated.

1633 Valencia	145	
100 %PSH		
FTE	7	1.5
Staffing	**Case managers**	
		RSCII
CM Salary - 5.8 FTEs	$ 353,800.00	$ 100,500.00
Program Supervisor 1 FTE/0.2FTE	$ 90,000.00	$ 18,000.00
Clinical Supervisor 1 FTE	$ 100,000.00	
Director Oversight 0.2 FTE/0.1FTE	$ 26,000.00	$ 13,000.00
Data Analyst 0.2FTE	$ 10,000.00	
Benefits @ 34%	$ 99,064.00	$ 33,180.00
Total Salary	$ 678,864.00	$ 164,680.00
Client Supplies/Program Supplies $200/$100	$ 29,000.00	$ 14,500.00
Training	$ 5,800.00	$ 1,000.00
Travel	$ 866.25	$ 350.00
15% Indirect	$ 107,179.54	$ 27,079.50
Subtotal	$ 821,709.79	$ 180,530.00
Cost Per Unit	$ 5,666.96	$ 4,513.25

HSH payment standard	$576	Per unit per month
	$1,002,240	
CM ratio	1:25	
# of CMs	5.8	

8.3. <u>HSH Assessment of Service Plan and Budget</u>. The proposed budget is reasonable and the preliminary services plan meets expectations for the intended target population at this point in planning. HSH will procure the services provider, and then a more detailed services plan will be due in April 2025.

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms.

Financial Description of Proposed Loan	
Loan Amount:	Up to $41,036,048
Loan Term:	55 years
Loan Maturity Date:	2081 (55 years from conversion date)
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	1%
Date Loan Committee approves prior expenses can be paid:	Loan Committee Approval April 5, 2024

Financial Description of Enhanced LOSP Agreement requested	
LOSP Amount for operations and debt:	$80,785,406
Grant Term:	19 years
Grant Maturity Date:	December 2044 (19 years from start date)
LOSP A – Operations:	$59,923,964 over 19 year term
LOSP B - Annual Debt Service:	$20,861,442 over 18 year term with annual debt payments of $1,158,969 January 2027 – January 2044

9.2. Recommended Loan Conditions

1. Sponsor must apply for AHP in CY 2025 round after start of construction, which if awarded, would reduce the amount of the capital loan.
2. Under the proposed design build structure, the GC is responsible for most cost overruns, and there may be savings that will reduce the City loan at permanent conversion.
3. The $750K capitalized lease up and stabilization reserve is a one-time pilot to cover additional management and maintenance staffing, overtime and security, repair damages and insurance deductibles during lease up and the initial two year stabilization period when residents are adjusting to the new building during and after lease up. Any remainder of this reserve not needed after CY 2028 will go to reduce the LOSP A for the operations funding amount to be disbursed in January 2029. Mercy will report on utilization of this reserve in the Project's submittal of Annual Monitoring Reports.

4. Sponsor must provide MOHCD with detailed monthly updates via the MOH Monthly Project Update, including on:
    1. Community outreach completed, and
    2. Outcomes achieved related to racial equity goals
    3. DBI status on the MEPs plan check and any potential new pricing from subs related to plan check
5. Sponsor must provide HSH and MOHCD with an updated services plan in April 2025 after the services contractor has been selected by HSH through a competitive procurement process.
6. While the up to amount of the LOSP contract has been approved for construction closing, Sponsor must submit an updated 1st year operating budget and 20-year cash flow by December 1 before the City's fiscal year in which the project will achieve TCO (FY 2025-26) for Loan Committee review prior to the LOSP contract being executed.
7. Sponsor must provide initial draft tenant selection criteria within 12 months of anticipated TCO.
8. Sponsor must provide quarterly updated response to any letters requesting corrective action.

10. LOAN COMMITTEE MODIFICATIONS

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 Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

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

____ Date: ____________________

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

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

REQUEST FOR PERMANENT LOAN AND LOSP FINANCING FOR 1633 VALENCIA STREET

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

Tue 4/9/2024 6:45 PM

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

Hi Vanessa – I vote yes to approve the above listed request.

Daniel Adams
Director
Mayor’s Office of Housing and Community Development
City and County of San Francisco

1633 Valencia

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

Tue 4/9/2024 2:30 PM

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

I support Mercy Housing request for permanent financing in the amount of up to $41,036,048 (including a $2M AHP bridge loan) as well as funding through the Local Operating Subsidy Program (LOSP) in the amount of $80,785,406 over an
18-year LOSP term to support program operations and to service the $16M SFHAF Innovation loan to create 145 new units of permanent supportive housing at 1633 Valencia.

Salvador Menjivar
Director of Housing
Pronouns: He/Him
San Francisco Department of Homelessness and Supportive Housing
salvador.menjivar1**@sfgov.org** | 415-308-2843

Learn: [dhsh.sfgov.org]hsh.sfgov.org | Follow: @SF_HSH | Like: @SanFranciscoHSH

Request for Permanent Loan and LOSP Financing for 1633 Valencia Street

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

Fri 4/5/2024 11:56 AM

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

OCII office of COMMUNITY INVESTMENT and INFRASTRUCTURE

Marc Slutzkin
Deputy Director

One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
www.sfocii.org

REQUEST FOR PERMANENT LOAN AND LOSP FINANCING FOR 1633 VALENCIA STREET

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

Fri 4/5/2024 11:57 AM

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

Approve, subject to City Attorney and counsel's determination that Health and Recovery GO Bonds can be used for loans

Bridget Katz
Deputy Director, Office of Public Finance
Controller's Office | City & County of San Francisco
Office Phone: (415) 554-6240
Cell Phone: (858) 442-7059
E-mail: bridget.katz@sfgov.org

Attachment A: Project Milestones and Schedule

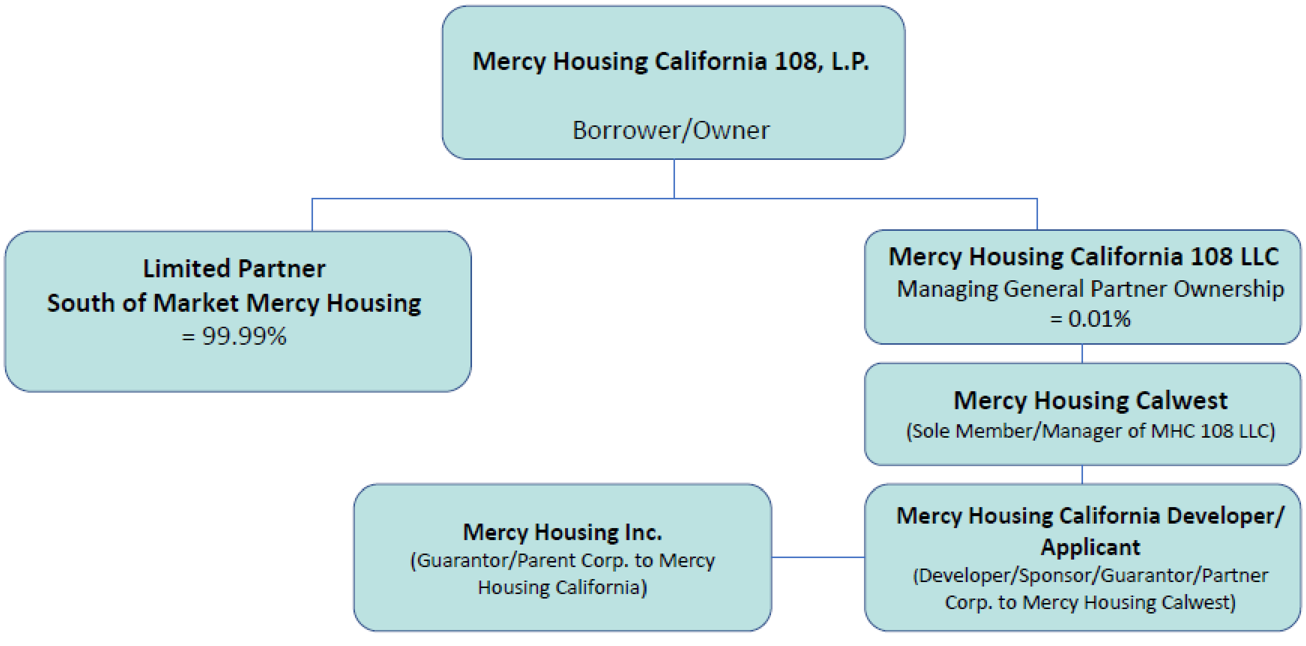
Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	4/8/24	To be posted 30-days prior to Mayor execution of BOS Resolution
1	Acquisition/Predev Financing Commitment	3/21/22	Execution of Predevelopment Loan Agreement
2.	Site Acquisition	5/7/24	SL acquisition 08/2022
3.	Development Team Selection		
a.	Architect	07/2022	
b.	General Contractor	07/2022	
c.	Owner’s Representative	08/2022	
d.	Property Manager	8/1/23	
e.	Service Provider	11/2024	Subject to HSH timing
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	11/21/22	
b.	Submittal of Design Development & Cost Estimate	8/18/23	
c.	Submittal of 50% CD Set & Cost Estimate	10/13/23	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	12/8/23	
5.	Commercial Space	N/A	
a.	Commercial Space Plan Submission	N/A	
b.	LOI/s Executed	N/A	
6.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	12/19/22	
b.	CEQA Environ Review Submission	N/A	
c.	NEPA Environ Review Submission	N/A	
d.	CUP/PUD/Variances Submission	N/A	
7.	PUC/PG&E		
a.	Temp Power Application Submission	6/2/23	

b.	Perm Power Application Submission	6/2/23	
8.	Permits		
a.	Building / Site Permit Application Submitted	12/19/22	
b.	Addendum #1 Submitted	2/15/24	
c.	Addendum #2 Submitted	9/20/23	Approved 2/16/2024
d.	Addendum #3 Submitted	10/13/23	
e.	Addendum #4 Submitted	10/19/23	
f.	Addendum #5 Submitted	TBD	
g.	Addendum #6 Submitted	TBD	
h.	Addendum #7 Submitted	TBD	
i.	Addendum #8 Submitted	TBD	
j.	Addendum #9 Submitted	TBD	
k.	Addendum #10 Submitted	TBD	
l.	Addendum #11 Submitted	TBD	
9.	Request for Bids Issued	N/A	
10.	Service Plan Submission		
a.	Preliminary	3/5/24	
b.	Final	4/5/2025	
11.	Additional City Financing	N/A	
a.	Preliminary Gap Financing Application	N/A	
b.	Gap Financing Application	N/A	
c.	Preliminary Gap Financing Term Sheet	12/22/23	
12.	Other Financing		
a.	HCD Application	N/A	
b.	Preliminary Construction Financing Term Sheet	10/17/23	
c.	AHP Application	Spring 2025	
d.	CDLAC Application	9/6/23	
e.	TCAC Application	9/6/23	
f.	LOSP Commitment	7/26/23	
g.	LOSP Funding Request	12/1/2024	

13.	Closing		
a.	Construction Loan Closing	5/13/24	
b.	Conversion of Construction Loan to Permanent Financing; funding of City loan	10/2026	
14.	Construction		
a.	Notice to Proceed	5/14/24	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	12/15/25	
15.	Marketing/Rent-up		
a.	Marketing Plan Submission	12/15/24	
b.	Commence CES process	7/20/25	
c.	95% Occupancy	5/20/26	
16.	Cost Certification/8609	2/2027	

Attachment B: Borrower Org Chart



Attachment C: Development Staff Resumes

RAMIE K. DARE

Director, Real Estate

PROFESSIONAL EXPERIENCE

Mercy Housing California, San Francisco, California
Senior Housing Developer, May 1997 to Present
Developer of affordable rental housing for families, seniors, and people with special needs utilizing 4% and 9% tax credits, tax exempt bonds, conventional financing and rental subsidies. Experienced in all aspects of development, including feasibility study, contract negotiation, project management, financing and community acceptance planning. Developments include Bermuda Garden Apartments (80 unit rehab), Eden House Apartments (116 unit rehab) Marlton Manor (150 unit special needs, rehab), Tolton Court and Montclair Court (26 units urban infill), La Costa Paloma Apartments (180 units inclusionary housing), Carter Terrace (106 family units), 10th and Mission Family Housing (136 high rise family units, mixed use), and 9th and Jessie Senior Housing (107 high rise senior units, HUD 202 mixed finance) and Sunnydale HOPE SF (50 acre master planned mixed income community).

CREDO Housing, Inc, Oakland, California
Housing Developer, September 1993 - April 1997
Developer of affordable rental housing in Oakland, Berkeley and unincorporated Alameda County totaling $19 million and 273 units. Experience in developing projects financed by low income housing tax credits, tax exempt bond, cities of Oakland and Berkeley, Alameda County, HUD and institutional lenders.

EDUCATION

University of California Los Angeles
Bachelor of Arts, Urban Studies major, 1991

Harvard University, John F. Kennedy School of Government
Master in Public Policy, 1993

Bank of America Leadership Academy
Development Training Institute, 2002

PROFESSIONAL & COMMUNITY INVOLVEMENT

Member of Board of Directors of Community Housing Partnership, which develops permanent affordable housing and services for formerly homeless individuals and families in San Francisco, April 2004 to Present.

Co-Chair of EBHO Community Acceptance Strategies Committee to build community acceptance of affordable housing amongst policymakers and the public. Served on EBHO Board of Directors, January 1996 to February 1997.

Member of Board of Directors of Californians for Justice, a statewide organization engaged in community organizing in low-income communities for racial justice, 1995 - 2001

Clare Murphy
33 Southern Heights Avenue, San Francisco, CA 94107
Phone: (415) 259-1605 Email: cmurphy@mercyhousing.org

EDUCATION

University of Oregon – Eugene, Oregon
Bachelor of Arts: Planning, Public Policy and Non-profit Management Major, June 2015
Economics Minor, June 2015

- Dean's Scholarship & Dean's List

EXPERIENCE

Associate Director – Real Estate Development November 2022 – Current
Mercy Housing, San Francisco, California
- 1633 Valencia Street – Predevelopment
- Sunnydale Masterplan Development
  - Phase 3 Infrastructure – Predevelopment

Project Developer II – Real Estate Development December 2021 – November 2022
Mercy Housing, San Francisco, California
- 1939 Market Street – Predevelopment
- 1633 Valencia – Predevelopment
- Casa de la Mision – Construction, Close-out
- Bermuda Gardens Renovation – Predevelopment, Construction, Close-out
- Dorothy Day Renovation– Close-out

Project Developer I – Portfolio Syndication January 2019 – December 2021
Mercy Housing, San Francisco, California
- Bermuda Gardens Renovation – Predevelopment, Construction
- Dorothy Day Renovation – Predevelopment, Construction
- Francis of Assisi Renovation – Close-out
- Dudley (Elevator Replacement) – Construction, Close-out

Assistant Project Manager II – Portfolio Syndication March 2018 – January 2019
Mercy Housing, San Francisco, California
- Dorothy Day Renovation – Predevelopment
- Francis of Assisi Renovation – Predevelopment, Construction
- Bennett House Renovation – Predevelopment
- Britton Courts Renovation – Predevelopment, Closing

Assistant Project Manager I – Portfolio Syndication April 2015 – March 2018
Mercy Housing, San Francisco, California
- Columbia Park Renovation – Predevelopment, Construction, Close-out
- 111 Jones/Padre Palou Scattered Site Renovation – Predevelopment
- Santa Cruz Scattered Site Renovation – Predevelopment

Asset Management Intern June – September 2014
Mercy Housing, San Francisco, California
Asset Management Intern July – September 2013
Community Housing Partnership, San Francisco, California
Administrative Intern March – May 2010
San Francisco Housing Action Coalition, San Francisco, California

Christoper J. Hacnik
San Francisco Bay Area
Phone: (480) 298-1037 Email: chris.hacnik@mercyhousing.org

EDUCATION

University of California, Berkeley, College of Environmental Design
Master of City Planning **-** *Housing, Community & Economic Development*
Interdisciplinary Graduate Certificate in Real Estate

American University, Washington, DC
B.A. History; B.A. Music Performance **-** *Cum Laude*

EXPERIENCE

Project Developer I – Real Estate Development January 2024 - Present
Mercy Housing, San Francisco, California
- 1633 Valencia – Predevelopment
- 600 7th Street - Construction

Senior Development Associate June 2021 – June 2022
The Related Companies of California, Los Angeles, California
- Southwest Village Apartments in San Diego – Construction Loan Closing, Construction
- Chapel Avenue Apartments in Alhambra - Construction Loan Closing, Construction
- 1405 S. Broadway (Alveare Ph I, II, III) – Predevelopment
- Union at Echo Park – Predevelopment
- Acts Cherry Hill Apartments – Construction, Lease-Up

Development Associate, Affordable Housing Intern June 2021 – June 2022
The Related Companies of California, San Francisco, California
- Santa Rosa Mendocino Avenue Phase I – Construction Loan Closing
- Santa Rosa Mendocino Avenue Phase II – Predevelopment (Financing), Construction Loan Closing

Graduate Student Researcher January 2022 – July 2022
Turner Center for Housing Innovation, UC Berkeley
- Co-Author of "New Pathways to Create More Deeply Affordable Housing: Early Lessons from HUD's Faircloth-to-RAD Program," Terner Center for Housing Innovation at UC Berkeley, Published January 31, 2023

Development Consultant/Intern September 2021 – December 2021
Housing Authority of the City of Alameda, California
- Advised management staff on federal regulations and underwriting requirements related to the agency's use of underutilized federal rental subsidies under the Public Housing program using HUD's Faircloth-to-RAD Conversion tool

Business Development & Marketing Coordinator February 2020 – January 2021
Reno & Cavanaugh, PLLC, Washington, DC

Legal Assistant May 2018 – January 2020
Reno & Cavanaugh, PLLC, Washington, DC
- Drafted, reviewed, and finalized real estate contracts for over 60 multifamily affordable housing financial closings involving federal housing programs, preserving 3,474 public housing units nationwide

Attachment D: Asset Management Evaluation of Project Sponsor

Mercy Housing California (MHC) will assume asset management duties for 1633 Valencia. Asset Management falls under the National Portfolio Management department of Mercy Housing Inc.

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 156 operating properties across the state; 55 Mercy owned and occupied properties are located in the City of San Francisco.

Developer's Current Asset Management Staffing Including Job Titles, Full Time Employees, an Organizational Chart and the Status of Each Position (filled/vacant)

Yelena Zilberfayn is the Vice President of Asset Management at Mercy Housing where she has worked for the past 22 years, 9 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, four in San Francisco, one 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), and Lilli Lew-Hailer, Vice President of Operations of 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 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. Once development is complete, a San Francisco based Asset Manager will assume asset management duties for 1530 18th Street.

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.

<u>Description of Developer's Coordination Between Asset Management and Other Functional Teams, Including Property Management, Accounting, Compliance, Facilities Management, etc.</u>
There is constant coordination between Property Management, related departments and Asset Management. Asset management oversees all aspects of operations so there is ongoing coordination with property management on a daily basis in regards to those issues. Asset and Property Management work together on the annual audits and budgets. In addition, there is constant coordination around cash management and the financial oversight of the property. There is also contact around preparation of the financials. Asset Management and Compliance primarily coordinate around compliance issues that directly affect ownership and the partnership. Asset management and facilities coordinate around preparation the budget and capital projects. The Asset Management staff also coordinates around emergencies.

<u>Developer's Budget for Asset Management Team Shown as Cost Center (nationwide)</u>
Asset Management staffing budget is $2,460,839.

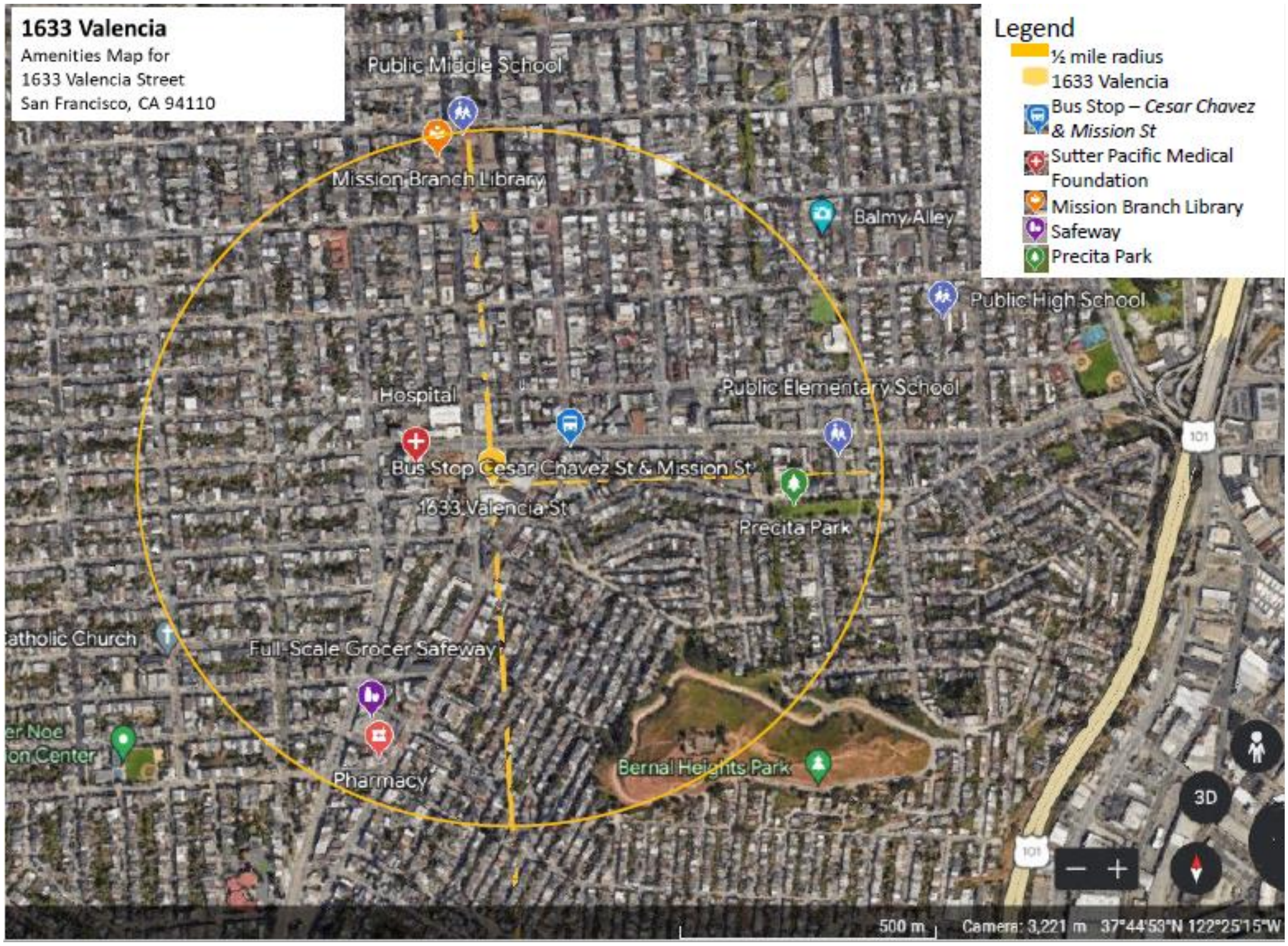
<u>Number of Projects Expected to be in Developer's Asset Management Portfolio in 5 Years and, If Applicable, Plans to Augment Staffing to Manage Growing Portfolio</u>
Mercy Housing anticipates that the portfolio will grow from 156 buildings to approximately 170 buildings in the next 5 years. Two new 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 demonstrate an adequate asset management operation for their existing portfolio. With 7 FTE asset managers statewide and a portfolio of 156 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 15-16 projects in the Sponsor's portfolio anticipated over the next 5 years, the ration will increase but remain within the industry standard.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

N/A as developer procured under HSH's Chapter 21 emergency powers

Attachment F: Site Map with amenities



Attachment G: Elevations and Floor Plans

Attachment H: Comparison of City Investment in Other Housing Developments

Affordable Multifamily Housing New Construction Cost Comparison - San Francisco

Updated 3/29/2024

	Acquisition costs by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Not including Land)			Subsidy	
	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/ sq.ft[6]	Soft/unit	Soft/BR	Soft/ sq.ft[6]	TDC/unit	TDC/BR	TDC/ sq.ft[6]	Subsidy / unit	Leveraging [7]
Delta of Subject and Comparable Projects	$ (659)	$ (654)	-4.374499724	$ (168,773)	$ (167,458)	$ 128	$ 34,051	$ 33,864	$ 205	$ (149,402)	$ (148,173)	$ 303	$ (249,729)	-67.2%
Delta Percentage	-67%	-67%	-63%	-30%	-29%	18%	22%	22%	103%	-20%	-20%	33%	-100%	-102%
1633 Valencia	$ 322	$ 320	$ 3	$ 403,026	$ 400,285	$ 855	$ 190,163	$ 188,869	$ 404	$ 579,490	$ 575,548	$ 1,230	$ -	100.0%
Comparable Projects Average:	$ 982	$ 975	$ 6.92	$ 571,799	$ 567,742	$ 727	$ 156,112	$ 155,005	$ 199	$ 728,892	$ 723,722	$ 927	$ 249,729	65.7%

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

	Delta Compared to 1633 Valencia		17%	17%	17%	147%	147%	147%	38%	38%	38%					
	Delta Compared to 1633 Valencia		$ 59,109	$ 58,723	$ 127	$ 113,060	$ 112,295	$ 240	$ 158,317	$ 157,260	$ 338		Building Type	Stories		
833 Bryant - HAF/Modular	154	153	$ 343,917	$ 341,561	$ 728	$ 77,102	$ 76,574	$ 163	$ 421,173	$ 418,288	$ 892	HAF/Modular	Type I/III	6	Cost Cert/small commercial space	

						Building Square Footage			Total Project Costs								
		Lot sq.ft	Completion/ start date	# of Units	# of BR[1]	Res.[2]	Non-Res. Sq. ft.	Total sg. ft.	Acq. Cost[3]	Constr. Cost[4]	Soft Cost	Total Dev. Cost w/acq costs	Local Subsidy	Notes on Financing (e.g., TCAC)	Building Type (e.g., Type III over Type I)	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as childcare center)
ALL PROJECTS	Average:	32,206		119	194	119,969	13,412	131,603	$ 170,790	$ 81,881,876	$ 20,655,167	$ 102,706,150	$ 30,739,292				
Comparable Projects Completed (filtered)	Average:	24,468		105	106	75,033	2,439	77,471	$277,033	$57,278,091	$9,057,920	$66,613,043	$22,370,005				
Comparable Projects Under Construction (filtered)	Average:	9,058		77	77	52,395	2,809	55,204	$15,813	$42,915,131	$17,628,631	$60,559,575	$19,710,358				
Comparable Projects In Predevelopment (filtered)	Average:	11,155		133	135	108,413	6,573	114,986	$16,250	$79,875,760	$22,475,732	$102,367,742	$36,563,593				
Total Comparable Projects	Average:	14,894		105	106	78,614	3,940	82,554	$103,032	$60,022,994	$16,387,427	$76,513,453	$26,214,652				
1633 Valencia		18,508		146	147	68,803	-	68,803	$ 47,072	$ 58,841,842	$ 27,763,736	$ 84,605,578		HAF	Type I/III	6	100% CD/priced/no commercial
Delta of Subject and Comp Project Averages		3,614		41	41	-9,811	-3,940	-13,751	($55,960)	($1,181,152)	$ 11,329,237	$8,092,125	($26,214,652)				
Delta Percentage		24%		39%	39%	-12%	-100%	-17%	-54%	-2%	69%	11%	-100%				

PROJECTS COMPLETED						Building Square Footage			Total Project Costs								
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/acquisition costs	Local Subsidy5	Notes on Financing	Building Type	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as childcare center)
95 Laguna Senior	95 Laguna	14,300	May-19	79	82	59,785	7,316	67,101	$ -	$ 39,212,122	$ 11,343,750	$ 50,555,872	$ 16,222,000	9% LIHTC	Type III over 2 Type IA	7	Incl Community Services space
1296 Shotwell Senior	1296 Shotwell	11,667	Jan-20	94	94	66,153	-	66,153	$ 831,098	$ 54,260,946	$ 231,384	$ 55,323,428	$ 27,812,014	4% LIHTC HOME AHF	Type IA	9	resilient seismic damper
Mission Bay S. Block 9	410 China Basin Street	47,437	Oct-22	141	141	99,160	-	99,160	$ -	$ 78,361,205	$ 15,598,625	$ 93,959,830	$ 23,076,000	HCD Loan	Type IIIA FBH Type I	4	Factory built
833 Bryant -- HAF Modular			Mar-22	145	146	67,000	1,500	68,500	22,268	49,867,941	11,179,853	61,070,062		HAF	Type I/III	6	Factory built

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs								
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/acq costs	Local Subsidy5	Notes on Financing	Building Type	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as childcare center)
180 Jones Street	180 Jones Street	4,853	Nov-24	70	70	36,166	3,304	39,470	$ 10,000	$ 38,293,496	$ 15,262,708	$ 53,566,204	$ 12,858,477	4% LIHTC + MHP	Type I	9	updated est at close)
Central Freeway Parcel U -- 78 Haight	78 Haight Street	5,583	May-25	63	63	44,185	3,216	47,401	$ 37,439	$ 35,861,808	$ 18,518,268	$ 54,417,515	$ 26,746,467	9% Fed & St. Credits,MHP	Type I	7	(GMP_Eval Jan 2022)
4200 Geary	4200 Geary	16,738	Dec-24	98	98	76,834	1,908	78,742	$ -	$ 54,590,088	$ 19,104,917	$ 73,695,005	$ 19,526,131	4% Credits; HCD MHP. AHP, Priva	Type III over Type I	7	Comml Sp, Urban Ag (95% CD/Add 1&2; est 3/2022&LC 6/2022)

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs								
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/acq costs	Local Subsidy	Notes on Financing	Building Type	Stories	Comments (stage of design/pricing; date of LC; unusual conditions such as childcare center)
Laguna Honda Senior (375 LH)	375 Laguna Honda Blvd		Jan-25	200	204	212,000	13,000	225,000	$ 15,000	$ 97,750,000	$ 20,222,441	$ 117,987,441	$ 47,272,441	4% Credits; IIG, HCD, AHP	Type III over Type I	7	
772 Pacific Avenue	772 Pacific Avenue	9,219	Apr-24	86	86	45,458	8,847	54,305	$ -	$ 58,265,200	$ 17,129,912	$ 75,395,112	$ 25,176,182	4% Credits; MHP, AHP	Type IA	8	Comml rpl of Asia SF rest (9/30/21 Loan Eval)
Transbay 2 WEST - Senior OCII (CCDC)	200 Folsom	13,091	Mar-24	151	152	106,710	2,945	109,655	$ -	$ 100,188,993	$ 31,986,544	$ 132,175,537	$ 64,957,065	4% Credits, no HCD	Type I	9	100% SD, 4/2023, TDC and Local Subsidy include commercial cost to warm shell (to be funded through a
Potrero Bus Yard Senior 1868 Bryant	1868 Bryant		Dec-25	96	96	69,484	1,500	70,984	$ 50,000	$ 63,298,848	$ 20,564,029	$ 83,912,877	$ 8,848,684		Type III over Type I	4-5	50% SD 2023

PROJECTS COMPLETED		Acquisition cost by Unit/Bed/SF (not including land cost)			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (incl acq costs, not including Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft[6]	TDC/unit	TDC/BR	TDC/sq.ft[6]	Subsidy / unit	Leveraging [7]
95 Laguna Senior	May-19	-	-	-	$ 496,356	$ 478,197	$ 584	$ 143,592	$ 138,338	$ 169	$ 639,948	$ 616,535	$ 753	$ 205,342	67.9%
Hunters View Phase II - Bl 7 & 11	May-17	-	-	-	$ 664,050	$ 297,294	$ 504	$ 86,654	$ 38,795	$ 66	$ 750,704	$ 336,089	$ 570	$ 184,460	75.4%
Hunters View Phase II - Block 10	Jun-18	-	-	-	$ 766,348	$ 383,174	$ 533	$ 121,284	$ 60,642	$ 84	$ 887,632	$ 443,816	$ 617	$ 241,575	72.8%
Mission Bay Block 7 West	Apr-17	-	-	-	$ 472,856	$ 288,327	$ 450	$ 70,474	$ 42,972	$ 67	$ 543,330	$ 331,299	$ 517	$ 84,875	84.4%
Booker T Washington	Feb-18	-	-	-	$ 803,957	$ 773,036	$ 659	$ 120,387	$ 115,757	$ 99	$ 924,344	$ 888,792	$ 757	$ 180,526	80.5%
Natalie Gubb Commons (TB7)	Oct-18	292	168	1	$ 609,210	$ 351,467	$ 593	$ 135,954	$ 78,435	$ 132	$ 745,456	$ 430,070	$ 726	$ 213,000	71.4%
Mission Family Housing	Oct-18	-	-	-	$ 561,367	$ 368,659	$ 497	$ 74,812	$ 49,130	$ 66	$ 636,179	$ 417,789	$ 563	$ 201,186	68.4%
Mission Bay S6E	Nov-18	1,036	537	2	$ 669,181	$ 346,713	$ 557	$ 106,454	$ 55,155	$ 89	$ 776,671	$ 402,406	$ 646	$ 250,000	67.8%
Mission Bay S. Block 3 East	Jan-20	-	-	-	$ 647,865	$ 401,541	$ 621	$ 21,049	$ 13,046	$ 20	$ 668,914	$ 414,587	$ 641	$ 168,854	66.4%
Potrero Block X (Vertical)	Sep-19	288	149	1	$ 1,006,832	$ 521,525	$ 628	$ 177,309	$ 91,843	$ 111	$ 1,184,428	$ 613,517	$ 738	$ 245,737	79.3%
Eddy & Taylor Family Housing	Jun-19	-	-	-	$ 603,369	$ 323,131	$ 526	$ 131,305	$ 70,320	$ 115	$ 734,674	$ 393,451	$ 641	$ 196,349	73.3%
Parcel O	Jun-19	-	-	-	$ 636,222	$ 416,437	$ 620	$ 92,538	$ 60,570	$ 160	$ 728,760	$ 477,007	$ 710	$ 160,271	78.0%
1296 Shotwell Sr	Jan-20	8,841	8,841	71	$ 577,244	$ 577,244	$ 820	$ 2,462	$ 2,462	$ 420	$ 588,547	$ 588,547	$ 836	$ 295,872	49.7%
Sunnydale Parcel Q	Jun-20	-	-	-	$ 764,798	$ 412,391	$ 560	$ 183,131	$ 98,747	$ 129	$ 947,929	$ 511,138	$ 694	$ 175,494	81.5%
490 South Van Ness	Apr-21	-	-	-	$ 696,469	$ 466,231	$ 700	$ 165,356	$ 110,693	$ 560	$ 861,824	$ 576,924	$ 866	$ 356,692	58.6%
1950 Mission Street	Mar-21	-	-	-	$ 692,703	$ 415,093	$ 673	$ 96,634	$ 57,906	$ 396	$ 789,337	$ 473,000	$ 767	$ 286,279	63.7%
2060 Folsom Street	May-21	1,062	535	5	$ 688,716	$ 347,091	$ 522	$ 158,269	$ 79,763	$ 204	$ 848,048	$ 427,389	$ 643	$ 249,584	70.6%
735 Davis Senior Housing	May-21	-	-	-	$ 689,969	$ 677,192	$ 771	$ 223,517	$ 219,378	$ 250	$ 913,486	$ 896,569	$ 1,021	$ 349,546	61.7%
88 Broadway - Family Housing	Jul-21	-	-	-	$ 683,697	$ 386,707	$ 574	$ 222,066	$ 125,603	$ 186	$ 905,763	$ 512,309	$ 760	$ 223,269	75.4%
691 China Basin (MB South 6W)	Aug-21	-	-	-	$ 809,449	$ 418,491	$ 665	$ 154,706	$ 79,984	$ 127	$ 964,155	$ 498,475	$ 792	$ 267,940	72.2%
410 China Basin (MBS 9)	Oct-22	-	-	-	$ 453,973	$ 453,973	$ 692	$ 160,836	$ 160,836	$ 245	$ 614,809	$ 614,809	$ 937	$ 264,154	57.0%
Casa de la Mision	Sep-21	-	-	-	$ 437,522	$ 437,522	$ 711	$ 175,456	$ 175,456	$ 285	$ 612,978	$ 612,978	$ 997	$ 29,193	95.2%
1900 Folsom	Sep-21	17,483	11,062	86	$ 660,205	$ 417,740	$ 613	$ 179,136	$ 113,347	$ 166	$ 856,824	$ 542,149	$ 796	$ 326,654	61.9%
Sunnydale Block 6	Feb-22	-	-	-	$ 708,312	$ 315,435	$ 430	$ 173,048	$ 77,064	$ 105	$ 881,360	$ 392,499	$ 535	$ 168,323	80.9%
Mission Bay S. Block 9	Oct-22	-	-	-	$ 555,753	$ 555,753	$ 790	$ 110,629	$ 110,629	$ 157	$ 666,382	$ 666,382	$ 948	$ 163,660	75.4%
53 Colton (bond only)	Jul-22	1,789	1,789	22	$ 428,629	$ 428,629	$ 858	$ 174,180	$ 174,180	$ 349	$ 604,597	$ 604,597	$ 1,210	$ 28,646	95.3%
1064 Mission Street	Dec-22	0	0	0	$ 476,182	$ 476,182	$ 778	$ 145,572	$ 145,572	$ 238	$ 621,754	$ 621,754	$ 1,016	$ 180,769	70.9%
Maceo May	Feb-23	143	109	0	$ 622,576	$ 473,699	$ 629	$ 83,719	$ 63,699	$ 85	$ 706,438	$ 537,507	$ 714	$ 230,714	67.3%
500 Turk Street (555 Larkin)	Dec-22	6,719	3,901	38	$ 580,002	$ 336,776	$ 573	$ 276,065	$ 160,296	$ 273	$ 862,787	$ 500,973	$ 852	$ 300,000	65.2%
681 Florida	Oct-22	962	629	7	$ 614,550	$ 401,465	$ 587	$ 158,045	$ 103,245	$ 151	$ 773,557	$ 505,339	$ 739	$ 260,204	66.4%
921 Howard Street	Aug-23	-	-	-	$ 616,007	$ 482,817	$ 526	$ 178,565	$ 139,957	$ 153	$ 794,573	$ 622,773	$ 679	$ 228,907	71.2%
BPUY - Kapuso	Sep-23	-	-	-	$ 770,558	$ 465,176	$ 576	$ 125,584	$ 75,813	$ 94	$ 896,142	$ 540,989	$ 669	$ 232,777	74.0%
Completed Projects:	Average:	3,861	2,772	23	$ 639,529	$ 434,222	$ 619	$ 138,400	$ 96,551	$ 180	$ 779,135	$ 531,639	$ 761	$ 217,214	72%

PROJECTS UNDER CONSTRUCTION		Acquisition cost by Unit/Bed/SF (not including land cost)			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			l Development Cost (incl acq costs, not including L			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft[6]	TDC/unit	TDC/BR	TDC/sq.ft[6]	Subsidy / unit	Leveraging [7]
4840 Mission Street	Apr-24	-	-	-	$ 611,601	$ 361,161	$ 693	$ 174,679	$ 103,151	$ 198	$ 786,281	$ 464,312	$ 891	$ 376,748	52.1%
180 Jones Street	Nov-24	143	143	2	$ 547,050	$ 547,050	$ 970	$ 218,039	$ 218,039	$ 387	$ 765,231	$ 765,231	$ 1,357	$ 183,693	76.0%
Central Freeway Parcel U -- 78 Haight	May-25	594	594	7	$ 569,235	$ 569,235	$ 757	$ 293,941	$ 293,941	$ 391	$ 863,770	$ 863,770	$ 1,148	$ 424,547	50.8%
Treasure Island C3.1	May-24	181	78	1	$ 712,287	$ 306,217	$ 467	$ 137,342	$ 59,044	$ 90	$ 849,810	$ 365,339	$ 557	$ 209,799	75.3%
600 7th Street	Jul-24	45	30	0	$ 568,638	$ 376,254	$ 677	$ 88,934	$ 58,846	$ 106	$ 657,617	$ 435,130	$ 782	$ 79,186	88.0%
Shirley Chisholm Village Ed Hsg	Dec-24	852	542	3	$ 640,207	$ 407,679	$ 523	$ 129,768	$ 82,635	$ 106	$ 770,827	$ 490,857	$ 630	$ 379,259	50.8%
Potrero Block B	Sep-23	72	32	0	$ 940,357	$ 424,242	$ 564	$ 239,604	$ 108,097	$ 144	$ 1,180,033	$ 532,371	$ 708	$ 99,925	91.5%
Mission Bay S. Block 9A (ownership)	Jul-24	-	-	-	$ 710,873	$ 374,410	$ 584	$ 202,273	$ 106,535	$ 166	$ 913,146	$ 480,945	$ 751	$ 508,004	44.4%
Sunnydale Block 3B	Feb-25	222	112	1	$ 795,242	$ 402,088	$ 446	$ 215,245	$ 108,832	$ 121	$ 1,010,487	$ 510,920	$ 566	$ 94,075	90.7%
Sunnydale Block 3A	Jan-25	250	122	1	$ 905,887	$ 441,896	$ 638	$ 285,312	$ 139,177	$ 201	$ 1,191,449	$ 581,195	$ 839	$ 325,562	72.7%
4200 Geary	Dec-24	-	-	-	$ 557,042	$ 557,042	$ 693	$ 194,948	$ 194,948	$ 243	$ 751,990	$ 751,990	$ 936	$ 199,246	73.5%
HPSY Block 52-54 OCII	May-25	-	-	-	$ 926,229	$ 478,054	$ 615	$ 261,182	$ 134,804	$ 173	$ 1,187,411	$ 612,857	$ 788	$ 549,270	53.7%
HPSY Block 56 OCII	Apr-25	-	-	-	$ 763,297	$ 379,052	$ 602	$ 229,120	$ 113,781	$ 181	$ 992,417	$ 492,833	$ 783	$ 476,896	51.9%
Hunters View Ph 3 Block 14 & 17	May-25	-	-	-	$ 960,245	$ 400,385	$ 783	$ 217,182	$ 90,556	$ 177	$ 1,178,037	$ 491,196	$ 961	$ 411,992	65.0%
730 Stanyan	Aug-25	-	-	$ -	$ 785,404	$ 445,619	$ 652	$ 162,150	$ 92,000	$ 135	$ 957,825	$ 543,447	$ 795	$ 428,306	55.3%
Under Construction:	Average:	$ 295	$ 207	$ 2	$ 732,906	$ 431,359	$ 644	$ 203,315	$ 126,959	$ 188	$ 937,089	$ 558,826	$ 833	$ 316,434	66%

PROJECTS IN PREDEVELOPMENT		Acquisition cost by Unit/Bed/SF (not including land cost)			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			l Development Cost (incl acq costs, not including L			Subsidy	
Project Name	Start Date (anticipated)	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft[6]	TDC/unit	TDC/BR	TDC/sq.ft[6]	Subsidy / unit	Leveraging [7]
Laguna Honda Senior	Jan-25	75	74		$ 488,750	$ 479,167	$ 434	$ 101,112	$ 99,130	$ 90	$ 589,937	$ 578,370	$ 524	$ 236,362	59.9%
The Kelsey	Dec-24	220	171	1	$ 617,875	$ 480,570	$ 726	$ 172,297	$ 134,009	$ 202	$ 790,392	$ 614,749	$ 928	$ 241,996	69.4%
2550 Irving	Apr-24	-	-	-	$ 788,659	$ 440,865	$ 660	$ 277,187	$ 154,949	$ 232	$ 1,065,846	$ 595,814	$ 891	$ 284,155	73.3%
Reservoir Buiding E	Jun-26	14,336	9,259	57	$ 614,081	$ 396,594	$ 547	$ 248,448	$ 160,456	$ 221	$ 876,866	$ 566,309	$ 781	$ 109,904	87.5%
Sunnydale Block 7	Jun-25	123	54	0	$ 964,051	$ 424,392	$ 569	$ 98,765	$ 43,478	$ 58	$ 1,062,940	$ 467,925	$ 628	$ 157,322	85.2%
Sunnydale Block 9	Jun-25	104	45	0	$ 984,140	$ 423,666	$ 575	$ 64,557	$ 27,791	$ 38	$ 1,048,801	$ 451,502	$ 612	$ 194,375	81.5%
772 Pacific Avenue	Apr-24	-	-	-	$ 677,502	$ 677,502	$ 1,073	$ 199,185	$ 199,185	$ 315	$ 876,687	$ 876,687	$ 1,388	$ 292,746	66.6%
1939 Market Street	Nov-24	-	-	-	$ 706,313	$ 706,313	$ 963	$ 121,837	$ 121,837	$ 166	$ 828,149	$ 828,149	$ 1,129	$ 366,117	55.8%
1515 S. Van Ness Avenue	Feb-25	-	-	-	$ 660,751	$ 347,764	$ 573	$ 93,449	$ 49,184	$ 81	$ 754,200	$ 396,948	$ 654	$ 151,397	79.9%
88 Bluxome	May-24	-	-	-	$ 469,913	$ 285,686	$ 558	$ 139,891	$ 85,048	$ 166	$ 609,804	$ 370,733	$ 724	$ 275,692	54.8%
160 Freelon	May-24	235	130	2	$ 885,374	$ 488,680	$ 736	$ 226,310	$ 124,911	$ 188	$ 1,111,919	$ 613,722	$ 925	$ 236,207	78.8%
2530 18th St (HPP)	Jan-26	-	-	-	$ 795,593	$ 496,396	$ 633	$ 197,444	$ 123,191	$ 157	$ 993,037	$ 619,587	$ 790	$ 275,374	72.3%
Transbay East - Family OCII	Jun-24	-	-	-	$ 908,714	$ 535,908	$ 833	$ 178,509	$ 105,275	$ 164	$ 1,087,224	$ 641,183	$ 997	$ 396,588	63.5%
Transbay West - Senior OCII	Mar-24	-	-	-	$ 663,503	$ 659,138	$ 914	$ 211,831	$ 210,438	$ 292	$ 875,335	$ 869,576	$ 1,205	$ 430,179	50.9%
Potrero Yard Senior 1868 Bryant		521	521		$ 659,363	$ 659,363	$ 892	$ 214,209	$ 214,209	$ 290	$ 874,092	$ 874,092	$ 1,182	$ 92,174	89.5%
750 Golden Gate	Nov-24	-	-	-	$ 711,366	$ 430,262	$ 776	$ 134,642	$ 81,436	$ 147	$ 846,008	$ 511,698	$ 923	$ 267	100.0%
IC4.3 Treasure Island	Nov-25	167	79	0	$ 821,193	$ 391,044	$ 547	$ 224,412	$ 106,863	$ 150	$ 1,045,772	$ 497,987	$ 697	$ 360,185	65.6%
3300 Mission	Mar-25	-	-	-	$ 559,452	$ 559,452	$ 904	$ 255,527	$ 255,527	$ 413	$ 814,979	$ 814,979	$ 1,317	$ 185,714	77.2%
1234 Great Highway	Jan-26	8,167	7,946	38	$ 589,684	$ 573,747	$ 673	$ 276,822	$ 269,340	$ 316	$ 866,506	$ 843,087	$ 990	$ 343,029	60.4%
249 Pennsylvania	Jun-26	5,153	3,067	30	$ 635,791	$ 378,447	$ 641	$ 257,800	$ 153,452	$ 260	$ 898,744	$ 534,967	$ 906	$ 167,858	81.3%
650 Divisadero	Jun-26	5,526	2,983	42	$ 738,765	$ 398,765	$ 731	$ 188,893	$ 101,959	$ 187	$ 933,185	$ 503,708	$ 923	$ 349,847	62.5%
967 Mission	Sep-25	568	568	6	$ 679,839	$ 679,839	$ 893	$ 256,102	$ 256,102	$ 336	$ 936,510	$ 936,510	$ 1,230	$ 247,368	73.6%
Reservoir Building A (Balboa)	Jan-26	13,145	6,837	50	$ 670,346	$ 348,657	$ 545	$ 309,563	$ 161,008	$ 252	$ 993,054	$ 516,502	$ 807	$ -	100.0%
2205 Mission	Jan-26	11,454	5,118	75	$ 713,309	$ 318,712	$ 649	$ 206,724	$ 92,366	$ 188	$ 920,033	$ 411,079	$ 837	$ -	100.0%
In Predevelopment	Average:	4,271	2,632	25	$ 708,514	$ 482,539	$ 710	$ 193,980	$ 138,798	$ 205	$ 904,167	$ 622,328	$ 916	$ 224,786	75%

		Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft[6]	Soft/unit	Soft/BR	Soft/sq.ft[6]	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft[6]	Subsidy / unit	Leveraging [7]
All Projects:	AVERAGE	2,809	1,870	17	$ 693,650	$ 449,373	$ 658	$ 178,565	$ 120,769	$ 191	$ 873,464	$ 570,931	$ 837	$ 252,811	70.8%

Attachment I:

N/A

Attachment J: Development Budget

Application Date:	2/1/24	**# Units:**	**146**
Project Name:	1633 Valencia	***# Bedrooms:***	**147**
Project Address:	1633 Valencia St	**# Beds:**	
Project Sponsor:	Mercy Housing California		

LOSP Project

SOURCES	-	16,000,000	39,036,048	27,569,430	100	2,000,000	**Total Sources** 84,605,578	**Comments**	
Name of Sources:	MOHCD/OCII	SFHAF Permanent Loan	SF Health & Recovery (HSH) Loan	Tax Credit Equity	Sponsor Contribution	AHP Bridge			
USES									
ACQUISITION									
Acquisition cost or value		5,209,464	45,230	330,240	100		5,585,034		
Legal / Closing costs / Broker's Fee		10,000					10,000		
Holding Costs							0		
Transfer Tax		35,399					35,399		
TOTAL ACQUISITION	**0**	**5,254,863**	**45,230**	**330,240**	**100**	**0**	**5,630,433**		
CONSTRUCTION (HARD COSTS)									Construction line item costs as a % of hard costs
* Unit Construction/Rehab		1,329,321	37,139,167	3,013,162		2,000,000	43,481,650	Include FF&E	
* Commercial Shell Construction							0		
* Demolition		456,786					456,786		
Environmental Remediation		196,022					196,022		
* Onsight Improvements/Landscaping		1,003,027	914,178				1,917,205		
* Offsite Improvements		739,728					739,728		
* Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes							0	Design-Builder contingency	**0.0%**
GC Overhead & Profit				5,281,417			5,281,417	Includes bond/insurance/taxes	**9.8%**
CG General Conditions				2,079,598			2,079,598		**3.8%**
Sub-total Construction Costs	*0*	*3,724,884*	*38,053,345*	*10,374,177*	*0*	*2,000,000*	*54,152,406*		
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**0.0%**
Hard Cost Construction Contingency		2,689,436					2,689,436	5% new construction / 15% rehab	**5.0%**
Sub-total Construction Contingencies	*0*	*2,689,436*	*0*	*0*	*0*	*0*	*2,689,436*		
TOTAL CONSTRUCTION COSTS	**0**	**6,414,320**	**38,053,345**	**10,374,177**	**0**	**2,000,000**	**56,841,842**		
SOFT COSTS									
Architecture & Design									
Architect design fees		1,213,664					1,213,664	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)		771,000		62,719			833,719		
Architect Construction Admin				489,586			489,586		
Reimbursables							0		
Additional Services							0		
Sub-total Architect Contract	*0*	*1,984,664*	*0*	*552,305*	*0*	*0*	*2,536,969*		
Other Third Party design consultants (not included under Architect contract)		636,997		600,043			1,237,040	Design-Build Engineering: $921,000 (Intermountain Electric-$375,000, Sullivan Plumbing-$146,000, O'Brien Mech-$200,000, Blackrock Concrete-$100,000, Sit-co-$10,000, OTIS-$10,000, Solar-$14,000, Site Lighting/fire protection/performance-$51,000) + Owner contract consultants $391,340 (Commissioning Agent-$65,000, Permit Consultant-$120,000, Peer Review Checkset-$41,040, Joint-Trench Engineer-$90,000)	
Total Architecture & Design	**0**	**2,621,661**	**0**	**1,152,348**	**0**	**0**	**3,774,009**		
Engineering & Environmental Studies									
Survey		34,282		5,718			40,000		
Geotechnical studies		29,105	90,000	6,195			125,300	Includes Corrosive and geotech engineering in construction	
Phase I & II Reports		13,000					13,000		
CEQA / Environmental Review consultants		38,783		129,667			168,450	Vapor Mat Engineering, SMP, final report, Const observation	
NEPA / 106 Review							0		
CNA/PNA (rehab only)							0		
Other environmental consultants				243,933			243,933	Kanyon Consulting (Tribal Monitoring)-$175,000, Precita Eyes Mural Restoration-$68,933	
Total Engineering & Environmental Studies	**0**	**115,170**	**90,000**	**385,513**	**0**	**0**	**590,683**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee				696,080			696,080	Tax-exempt construction loan, SFHAF Construction loan	
Construction Loan Interest			72,703	5,571,173			5,643,876	Tax-exempt construction loan, SFHAF Construction loan, SFHAF perm construction loan interest	
Title & Recording				75,000			75,000		
CDLAC & CDIAC fees				19,980			19,980		
Bond Issuer Fees				85,299			85,299	CalHFA App fee, Initial Fee and Monitoring Fee	
Other Bond Cost of Issuance				27,000			27,000	*Trustee Intial and Fees during construction*	
Construction Lender Expenses, Admin Fee for Loan Servicing				138,000			138,000		
Sub-total Const. Financing Costs	*0*	*0*	*72,703*	*6,612,532*	*0*	*0*	*6,685,235*		
Permanent Financing Costs									
Permanent Loan Origination Fee				160,000			160,000		
Credit Enhance. & Appl. Fee							0		
Title & Recording				30,000			30,000		
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*190,000*	*0*	*0*	*190,000*		
Total Financing Costs	**0**	**0**	**72,703**	**6,802,532**	**0**	**0**	**6,875,235**		
Legal Costs									
Borrower Legal fees		5,000	8,500	186,500			200,000		
Land Use / CEQA Attorney fees		5,652					5,652		
Tax Credit Counsel				50,000			50,000		
Bond Counsel				75,000			75,000		
Construction Lender Counsel		5,000		75,000			80,000		
Permanent Lender Counsel				175,000			175,000		
* COI Contingency				25,920			25,920		
Total Legal Costs	**0**	**15,652**	**8,500**	**587,420**	**0**	**0**	**611,572**		
Other Development Costs									
Appraisal		10,688		1,813			12,500		
Market Study		10,000					10,000		
* Insurance				694,000			694,000		
* Property Taxes							0		
Accounting / Audit				65,000			65,000		
* Organizational Costs		6,641		859			7,500		
Entitlement / Permit Fees		618,677		228,613			847,290	Includes Impact Fees, BOE Fees for Soil Offhaul	
* Marketing / Rent-up		11,283		280,718			292,000		
* Furnishings				900,000			900,000	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees		62,800		269,562			332,362		
TCAC App / Alloc / Monitor Fees		30,002		59,860			89,862		
* Financial Consultant fees		25,000		55,000			80,000	CHPC	
Construction Management fees / Owner's Rep		38,700		159,300			198,000		
Security during Construction							0		
* Relocation							0		
Predevelopment Loan and LOC Interest		152,482		6,478			158,960		
Special Inspections				279,000			279,000		Total Soft Cost Contingency as % of Total Soft Costs
Community Engagement				312,500			312,500		
Total Other Development Costs	**0**	**966,272**	**0**	**3,312,702**	**0**	**0**	**4,278,974**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	0	332,062	16,270	546,666	0	0	894,998	Should be either 10% or 5% of total soft costs.	**5.5%**
TOTAL SOFT COSTS	**0**	**4,050,817**	**187,473**	**12,787,181**	**0**	**0**	**17,025,471**		
RESERVES									
* Operating Reserves				1,857,832			1,857,832	Capitalized 6 mo	
Replacement Reserves							0		
* Tenant Improvements Reserves							0		
* Lease-up and stabilization reserve			750,000				750,000	See loan evaluation for background	
* Other (specify)							0		
* Other (specify)							0		
TOTAL RESERVES	**0**	**0**	**750,000**	**1,857,832**	**0**	**0**	**2,607,832**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones		280,000		500,000			780,000		
Developer Fee - Cash-out At Risk				1,720,000			1,720,000		
Commercial Developer Fee							0		
Developer Fee - GP Equity (also show as source)							0		
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
TOTAL DEVELOPER COSTS	**0**	**280,000**	**0**	**2,220,000**	**0**	**0**	**2,500,000**		
TOTAL DEVELOPMENT COST	**0**	**16,000,000**	**39,036,048**	**27,569,430**	**100**	**2,000,000**	**84,605,578**		
Development Cost/Unit by Source	0	109,589	267,370	188,832	1	13,699	579,490		
Development Cost/Unit as % of TDC by Source	0.0%	18.9%	46.1%	32.6%	0.0%	2.4%	100.0%		
Acquisition Cost/Unit by Source	0	35,681	310	2,262	1	0	38,254		
Construction Cost (inc Const Contingency)/Unit By Source	0	43,934	260,639	71,056	0	13,699	389,328		
Construction Cost (inc Const Contingency)/SF	0.00	93.23	553.08	150.78	0.00	29.07	826.17		

**Possible non-eligible GO Bond/COP Amount:*	*0*
City Subsidy/Unit	-
Tax Credit Equity Pricing:	0.965
Construction Bond Amount:	42,799,116
Construction Loan Term (in months):	28 months
Construction Loan Interest Rate (as %):	7.08%

Attachment K: 1st Year Operating Budget

Application Date:	**2/1/2024**	LOSP Units		**Project Name:**	**1633 Valencia**	
Total # Units:	**146**	145		**Project Address:**	**1633 Valencia St**	
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:**	**2026**			**Project Sponsor:**	**Mercy Housing California**	
						Correct errors noted in Col N!

INCOME	LOSP - A	LOSP - B	Total	Comments					PUPA	
Residential - Tenant Rents	391,500	0	391,500	Links from 'New Proj - Rent & Unit Mix' Worksheet	**Alternative LOSP Split**		**Master Leas**	Approved By (reqd)	2,682	
Residential - Tenant Assistance Payments (SOS Payments)		0	0	Comments						
Residential - Tenant Assistance Payments (Other Non-LOSP)		0	0	Links from 'New Proj - Rent & Unit Mix' Worksheet	Residential - Tenant Assistance Payments (Other Non-LOSP)				-	
Residential - LOSP Tenant Assistance Payments	2,235,309		2,235,309						15,416	
Commercial Space			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%					-	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet	**Alternative LOSP Split**		**Master Leas**	Approved By (reqd)	-	
"LOSP B" Funding	0	0	0	This is "LOSP B" funding of $1,158,969 for annual 18 year debt service; first payment due 1/1/2027 so zero for CY 2026.	"LOSP B" Funding	*0.00%*	*100.00%*	Anne/Mike	-	
Supportive Services Income	0	0			Supportive Services Income				-	
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet					-	
Laundry and Vending	8,760	0	8,760	Links from 'Utilities & Other Income' Worksheet	**Projected LOSP Split**	**LOSP**	**Master Leas**	(only acceptable if LOSP-specific	60	
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	Tenant Charges				-	
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet					-	
Other Commercial Income			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	**Alternative LOSP Split**		**Master Leas**	Approved By (reqd)	-	
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0			Withdrawal from Capitalized Reserve (deposit to operating account)				-	
Gross Potential Income	**2,635,569**	**0**	**2,635,569**							
Vacancy Loss - Residential - Tenant Rents	(19,575)	0	(19,575)	Vacancy loss is 5% of Tenant Rents.					(134)	
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0						-	
Vacancy Loss - Commercial			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%					-	
EFFECTIVE GROSS INCOME	**2,615,994**	**0**	**2,615,994**	***PUPA: 17,918***						
OPERATING EXPENSES										
Management					**Alternative LOSP Split**		**Master Leas**	Approved By (reqd)		
Management Fee	140,160	0	140,160	1st Year to be set according to HUD schedule.	Management Fee				960	
Asset Management Fee	26,009	0	26,009	$26,009 for Sponsor Asset Management Fee; $2,500 for MOHCD asset management fee	Asset Management Fee				178	
Sub-total Management Expenses	**166,169**	**0**	**166,169**	***PUPA: 1,138***						
Salaries/Benefits					**Alternative LOSP Split**		**Master Leas**	Approved By (reqd)		
Office Salaries	247,205	0	247,205	Links from 'Staffing' Worksheet	Office Salaries				1,693	
Manager's Salary	224,496	0	224,496	Links from 'Staffing' Worksheet	Manager's Salary				1,538	
Health Insurance and Other Benefits	152,518	0	152,518	Health Benefits; Retirements	Health Insurance and Other Benefits				1,045	
Other Salaries/Benefits	42,787	0	42,787	Office Salaries, Manager & Maintenance bonuses	Other Salaries/Benefits				293	
Administrative Rent-Free Unit	0	0			Administrative Rent-Free Unit				-	
Sub-total Salaries/Benefits	**667,006**	**0**	**667,006**	***PUPA: 4,569***						
Administration										
Advertising and Marketing	5,000	0	5,000						34	
Office Expenses	31,000	0	31,000	Office supplies, postage, computer support and software, commuter checks, staff training					212	
Office Rent	0	0			**Projected LOSP Split**	**LOSP**	**Master Leas**	(only acceptable if LOSP-specific	-	
Legal Expense - Property	15,000	0	15,000		Legal Expense - Property	*100.00%*	*0.00%*		103	
Audit Expense	11,500	0	11,500						79	
Bookkeeping/Accounting Services	24,000	0	24,000		**Projected LOSP Split**	**LOSP**	**Master Leas**	(only acceptable if LOSP-specific	164	
Bad Debts	0	0	0		Bad Debts				-	
Miscellaneous	2,200	0	2,200	Travel, Training, and Employee Recognition					15	
Sub-total Administration Expenses	**88,700**	**0**	**88,700**	***PUPA: 608***						
Utilities					**Projected LOSP Split**	**LOSP**	**Master Leas**	(only acceptable if LOSP-specific		
Electricity	255,000	0	255,000	Based on comparable project actuals, with addition of E hot water	Electricity	*100.00%*	*0.00%*		1,747	
Water	75,000	0	75,000	Based on comparable project actuals					514	
Gas	0	0		All Electric					-	
Sewer	96,500	0	96,500	Based on comparable project actuals					661	
Sub-total Utilities	**426,500**	**0**	**426,500**	***PUPA: 2,921***						
Taxes and Licenses					**Alternative LOSP Split**		**Master Leas**	Approved By (reqd)		
Real Estate Taxes	10,000	0	10,000	100% Welfare Tax Exemption	Real Estate Taxes				68	
Payroll Taxes	83,800	0	83,800		Payroll Taxes				574	
Miscellaneous Taxes, Licenses and Permits	1,500	0	1,500	Business Renewal, Loading Zone renewal					10	
Sub-total Taxes and Licenses	**95,300**	**0**	**95,300**	***PUPA: 653***						
Insurance										
Property and Liability Insurance	265,000	0	265,000	Based on quote dated 3/20/24					1,815	
Fidelity Bond Insurance	0	0			**Alternative LOSP Split**		**Master Leas**	Approved By (reqd)	-	
Worker's Compensation	15,000	0	15,000		Worker's Compensation				103	
Director's & Officers' Liability Insurance	0	0							-	
Sub-total Insurance	**280,000**	**0**	**280,000**	***PUPA: 1,918***						
Maintenance & Repair					**Alternative LOSP Split**	**LOSP**	**Master Leas**	Approved By (reqd)		
Payroll	341,688	0	341,688	Links from 'Staffing' Worksheet	Payroll				2,340	
Supplies	30,000	0	30,000	Janitorial and maintenance supplies	Supplies		*100.00%*	(LOSP-specific	205	
Contracts	126,500	0	126,500	Window washing (25K), FA/FS (30K), Elevator (37.5K), Exterminating (7.5K), Grounds	Contracts				866	
Garbage and Trash Removal	68,000	0	68,000		**Alternative LOSP Split**		**Master Leas**	Approved By (reqd)	466	
Security Payroll/Contract	146,032	0	146,032	Links from 'Staffing' Worksheet	Security Payroll/Contract				1,000	
HVAC Repairs and Maintenance	20,000	0	20,000						137	
Vehicle and Maintenance Equipment Operation and Repairs	0	0							-	
Miscellaneous Operating and Maintenance Expenses	25,000	0	25,000	Telecommunications					171	
Sub-total Maintenance & Repair Expenses	**757,220**	**0**	**757,220**	***PUPA: 5,186***						
					Alternative LOSP Split		**Master Leas**	Approved By (reqd)		
Supportive Services	0	0	0	Links from 'Staffing' Worksheet	Supportive Services				-	
Commercial Expenses			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%					-	
TOTAL OPERATING EXPENSES	***2,480,895***	***0***	***2,480,895***	***PUPA: 16,992***						
Reserves/Ground Lease Base Rent/Bond Fees										
Ground Lease Base Rent	0	0	0	Provide additional comments here, if needed.	**Alternative LOSP Split**		**Master Leas**	Approved By (reqd)	-	
Bond Monitoring Fee	14,000	0	14,000	Issuer Fee ($7.5K), Trustee Fee ($6.5K)	Bond Monitoring Fee	*100.00%*	*0.00%*	Anne/Mike	96	
Replacement Reserve Deposit	87,600	0	87,600	$600/PUPY	Replacement Reserve Deposit				600	
Operating Reserve Deposit	0	0			Operating Reserve Deposit				-	
Other Required Reserve 1 Deposit	0	0			Other Required Reserve 1 Deposit				-	
Other Required Reserve 2 Deposit	0	0							-	
Required Reserve Deposit/s, Commercial			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%					-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**101,600**	**0**	**101,600**	***PUPA: 696*** Min DSCR: 1.09						
				Mortgage Rate: 5.00%						
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond	**2,582,495**	**0**	**2,582,495**	***PUPA: 17,688*** Term (Years): 30						
				Supportable 1st Mortgage Pmt: 30,733						
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**33,499**	**0**	**33,499**	***PUPA: 229*** Supportable 1st Mortgage Amt: $477,083						
				Proposed 1st Mortgage Amt: $42,632,917						
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)					**Alternative LOSP Split**	**0%**	**Master Leas**	Approved By (reqd)		
Hard Debt - First Lender	0	0	0	SFHAF Permanent Loan First payment will be due 1/1/2027, so zero for 25&26	Hard Debt - First Lender	*0.00%*	*100.00%*			
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Le	0	0	0	Provide additional comments here, if needed.	Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0	Provide additional comments here, if needed.	Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					
Hard Debt - Fourth Lender	0	0	0	Provide additional comments here, if needed.	Hard Debt - Fourth Lender					
Commercial Hard Debt Service			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%						
TOTAL HARD DEBT SERVICE	**0**	**0**	**0**	***PUPA: 0***						
CASH FLOW (NOI minus DEBT SERVICE)	**33,499**	**0**	**33,499**							
Commercial Only Cash Flow			0							
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	0	0			Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)					
AVAILABLE CASH FLOW	**33,499**	**0**	**33,499**							
USES OF CASH FLOW BELOW (This row also shows DSCR.)										
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL					**Alternative LOSP Split**	**LOSP**	**Master Lea**	Approved By (reqd)		
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	2,500	0	2,500	MOHCD MONITORING FEE	"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)					
Partnership Management Fee (see policy for limits)	25,999	0	25,999	Y1 - 2025 AMF = 26,009; AMF/PMF total: 52,008; PMF = 25,999; "below 3	Partnership Management Fee (see policy for limits)			Anne/Mike		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	5,000	0	5,000	2	Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			Anne/Mike		Enter order fo
Other Payments	0	0		1	Other Payments	*0.00%*	*100.00%*	Anne/Mike		
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0		Provide additional comments here, if needed.	Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)					
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0		Provide additional comments here, if needed.		***0%***				
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0		#DIV/0! Provide additional comments here, if needed.	Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	*0.00%*	*100.00%*			
TOTAL PAYMENTS PRECEDING MOHCD	**33,499**	**0**	**33,499**	***PUPA: 229***						
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS	**0**	**0**	**0**							

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 1:	33%			Sum of DD F from LOSP and non-LOSP:	0
% of Residual Receipts available for distribution to **soft debt lenders** *ir*	67%			Ratio of Sum of DDF and calculated 50%:	#VALUE!

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. rects		0.00%	Enter Total MOHCD/(
MOHCD/OCII - Ground Lease Value or Land Acq Cost		Acquisition Cost	$5,848,928	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

Proposed MOHCD Residual Receipts Amount to Replacement Reserve		0	MOHCD res rects to Rep Res (RR) until RR balance >= 1.5 Original Capitalized RR amt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS		**0**	

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

Attachment L: 20-year Operating Proforma

1633 Valencia

Total # Units:	LOSP Units											
146	***145***			Year 1			Year 2			Year 3		
	100.00%			2026			2027			2028		
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP - A***	***LOSP - B***	**Total**	***LOSP - A***	***LOSP - B***	**Total**	***LOSP - A***	***LOSP - B***	**Total**
Residential - Tenant Rents	1.0%	2.5%		*391,500*	-	391,500	*395,415*	-	395,415	*399,369*	-	399,369
Residential - SOS Payments		4.0%				-			-	-	-	
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a	n/a		-	-	-	-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*2,235,309*		2,235,309	*2,317,201*		2,317,201	*2,403,841*		2,403,841
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
"LOSP B" Funding	0.0%	0.0%	This is "LOSP B" funding of $1,158,979 for annual payment of HAF loan starting in 2027	-	-	-	-	*1,158,969*	1,158,969	-	*1,158,969*	1,158,969
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		*8,760*	-	8,760	*8,979*	-	8,979	*9,203*	-	9,203
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a		-	-	-	-	-	-	-	-	-
Gross Potential Income				***2,635,569***	**-**	**2,635,569**	***2,721,595***	***1,158,969***	**3,880,564**	***2,812,413***	***1,158,969***	**3,971,382**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	*(19,575)*	-	(19,575)	*(19,771)*	-	(19,771)	*(19,968)*	-	(19,968)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***2,615,994***	**-**	**2,615,994**	***2,701,824***	***1,158,969***	**3,860,793**	***2,792,445***	***1,158,969***	**3,951,414**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*140,160*	-	140,160	*145,066*	-	145,066	*150,143*	-	150,143
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*26,009*	-	26,009	*26,919*	-	26,919	*27,861*	-	27,861
Sub-total Management Expenses				***166,169***	**-**	**166,169**	***171,985***	**-**	**171,985**	***178,004***	**-**	**178,004**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		*247,205*	-	247,205	*255,857*	-	255,857	*264,812*	-	264,812
Manager's Salary	3.5%	3.5%		*224,496*	-	224,496	*232,353*	-	232,353	*240,486*	-	240,486
Health Insurance and Other Benefits	3.5%	3.5%		*152,518*	-	152,518	*157,856*	-	157,856	*163,381*	-	163,381
Other Salaries/Benefits	3.5%	3.5%		*42,787*	-	42,787	*44,285*	-	44,285	*45,835*	-	45,835
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***667,006***	**-**	**667,006**	***690,351***	**-**	**690,351**	***714,514***	**-**	**714,514**
Administration												
Advertising and Marketing	3.5%	3.5%		*5,000*	-	5,000	*5,175*	-	5,175	*5,356*	-	5,356
Office Expenses	3.5%	3.5%		*31,000*	-	31,000	*32,085*	-	32,085	*33,208*	-	33,208
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		*15,000*	-	15,000	*15,525*	-	15,525	*16,068*	-	16,068
Audit Expense	3.5%	3.5%		*11,500*	-	11,500	*11,903*	-	11,903	*12,319*	-	12,319
Bookkeeping/Accounting Services	3.5%	3.5%		*24,000*	-	24,000	*24,840*	-	24,840	*25,709*	-	25,709
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		*2,200*	-	2,200	*2,277*	-	2,277	*2,357*	-	2,357
Sub-total Administration Expenses				***88,700***	**-**	**88,700**	***91,805***	**-**	**91,805**	***95,018***	**-**	**95,018**
Utilities												
Electricity	3.5%	3.5%		*255,000*	-	255,000	*263,925*	-	263,925	*273,162*	-	273,162
Water	3.5%	3.5%		*75,000*	-	75,000	*77,625*	-	77,625	*80,342*	-	80,342
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		*96,500*	-	96,500	*99,878*	-	99,878	*103,373*	-	103,373
Sub-total Utilities				***426,500***	**-**	**426,500**	***441,428***	**-**	**441,428**	***456,877***	**-**	**456,877**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		*10,000*	-	10,000	*10,350*	-	10,350	*10,712*	-	10,712
Payroll Taxes	3.5%	3.5%		*83,800*	-	83,800	*86,733*	-	86,733	*89,769*	-	89,769
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		*1,500*	-	1,500	*1,553*	-	1,553	*1,607*	-	1,607
Sub-total Taxes and Licenses				***95,300***	**-**	**95,300**	***98,636***	**-**	**98,636**	***102,088***	**-**	**102,088**
Insurance												
Property and Liability Insurance	3.5%	3.5%		*265,000*	-	265,000	*274,275*	-	274,275	*283,875*	-	283,875
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		*15,000*	-	15,000	*15,525*	-	15,525	*16,068*	-	16,068
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***280,000***	**-**	**280,000**	***289,800***	**-**	**289,800**	***299,943***	**-**	**299,943**
Maintenance & Repair												
Payroll	3.5%	3.5%		*341,688*	-	341,688	*353,647*	-	353,647	*366,025*	-	366,025
Supplies	3.5%	3.5%		*30,000*	-	30,000	*31,050*	-	31,050	*32,137*	-	32,137
Contracts	3.5%	3.5%		*126,500*	-	126,500	*130,928*	-	130,928	*135,510*	-	135,510
Garbage and Trash Removal	3.5%	3.5%		*68,000*	-	68,000	*70,380*	-	70,380	*72,843*	-	72,843
Security Payroll/Contract	3.5%	3.5%		*146,032*	-	146,032	*151,143*	-	151,143	*156,433*	-	156,433
HVAC Repairs and Maintenance	3.5%	3.5%		*20,000*	-	20,000	*20,700*	-	20,700	*21,425*	-	21,425
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		*25,000*	-	25,000	*25,875*	-	25,875	*26,781*	-	26,781
Sub-total Maintenance & Repair Expenses				***757,220***	**-**	**757,220**	***783,723***	**-**	**783,723**	***811,153***	**-**	**811,153**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				***2,480,895***	**-**	***2,480,895***	**2,567,726**	**-**	**2,567,726**	**2,657,597**	**-**	**2,657,597**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						*16,992*						
Reserves/Ground Lease Base Rent/Bond Fees									*Note: Hidden columns are in between total columns. To updat*			
Ground Lease Base Rent				-	-	-	-	-	-	-	-	-
Bond Monitoring Fee				*14,000*	-	14,000	*14,000*	-	14,000	*14,000*	-	14,000
Replacement Reserve Deposit				*87,600*	-	87,600	*87,600*	-	87,600	*87,600*	-	87,600
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***101,600***	**-**	**101,600**	***101,600***	**-**	**101,600**	***101,600***	**-**	**101,600**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***2,582,495***	**-**	**2,582,495**	***2,669,326***	**-**	**2,669,326**	***2,759,197***	**-**	**2,759,197**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						*17,688*						
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***33,499***	**-**	**33,499**	***32,498***	***1,158,969***	**1,191,467**	***33,248***	***1,158,969***	**1,192,217**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									*Note: Hidden columns are in between total columns. To updat*			
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	*1,158,969*	1,158,969	-	*1,158,969*	1,158,969
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	***1,158,969***	**1,158,969**	**-**	***1,158,969***	**1,158,969**
CASH FLOW (NOI minus DEBT SERVICE)				***33,499***	**-**	**33,499**	***32,498***	**-**	**32,498**	***33,248***	**-**	**33,248**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				***33,499***	**-**	**33,499**	***32,498***	**-**	**32,498**	***33,248***	**-**	**33,248**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***						***1.03***			***1.03***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									*Note: Hidden columns are in between total columns. To updat*			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	MOHCD Asset Management Fee	*2,500*	-	2,500	*2,500*	-	2,500	*2,500*	-	2,500
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	*25,999*	-	25,999	*24,998*	-	24,998	*25,748*	-	25,748
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	*5,000*	-	5,000	*5,000*	-	5,000	*5,000*	-	5,000
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-	-	-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***33,499***	***-***	***33,499***	***32,498***	***-***	***32,498***	***33,248***	***-***	***33,248***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	-	-	-	-	-	-	-
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		*67% / 33%*										
				Max Deferred Developer Fee Amt:								
		Dist. Soft Debt Loans		*Cum. Deferred Developer Fee:*		-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						**-**			**-**			**-**
REMAINDER (Should be zero unless there are distributions below)						**-**			**-**			**-**
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses						-			-			-
Final Balance (should be zero)						**-**			**-**			**-**
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						-			**87,600**			**175,200**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						**87,600**			**175,200**			**262,800**
			RR Balance/Unit			*$600*			*$1,200*			*$1,800*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						**-**			**-**			**-**
		OR Balance as a % of Prior Yr Op Exps + Debt Service							*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance									-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						**-**			**-**			**-**
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance									-			-
Other Reserve 2 Deposits						-			-			-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						**-**			**-**			**-**

1633 Valencia

				Year 4 2029			Year 5 2030			Year 6 2031		
Total # Units: 146	LOSP Units *145* *100.00%*											
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP - A***	***LOSP - B***	**Total**	***LOSP - A***	***LOSP - B***	**Total**	***LOSP - A***	***LOSP - B***	**Total**
Residential - Tenant Rents	1.0%	2.5%		403,363	-	403,363	407,396	-	407,396	411,470	-	411,470
Residential - SOS Payments		4.0%		-	-		-	-		-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		2,493,604		2,493,604	2,586,604		2,586,604	2,682,953		2,682,953
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
"LOSP B" Funding	0.0%	0.0%	This is "LOSP B" funding of $1,158,979 for annual payment of HAF loan starting in 2027	-	1,158,969	1,158,969	-	1,158,969	1,158,969	-	1,158,969	1,158,969
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		9,434	-	9,434	9,669	-	9,669	9,911	-	9,911
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a		-	-	-	-	-	-	-	-	-
Gross Potential Income				**2,906,401**	**1,158,969**	**4,065,370**	**3,003,670**	**1,158,969**	**4,162,639**	**3,104,335**	**1,158,969**	**4,263,304**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(20,168)	-	(20,168)	(20,370)	-	(20,370)	(20,574)	-	(20,574)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				**2,886,233**	**1,158,969**	**4,045,202**	**2,983,300**	**1,158,969**	**4,142,269**	**3,083,761**	**1,158,969**	**4,242,730**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	155,398	-	155,398	160,837	-	160,837	166,466	-	166,466
Asset Management Fee	3.5%	3.5%	per MOHCD policy	28,837	-	28,837	29,846	-	29,846	30,891	-	30,891
Sub-total Management Expenses				**184,235**	**-**	**184,235**	**190,683**	**-**	**190,683**	**197,357**	**-**	**197,357**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		274,081	-	274,081	283,673	-	283,673	293,602	-	293,602
Manager's Salary	3.5%	3.5%		248,903	-	248,903	257,614	-	257,614	266,631	-	266,631
Health Insurance and Other Benefits	3.5%	3.5%		169,099	-	169,099	175,018	-	175,018	181,144	-	181,144
Other Salaries/Benefits	3.5%	3.5%		47,439	-	47,439	49,099	-	49,099	50,818	-	50,818
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				**739,521**	**-**	**739,521**	**765,405**	**-**	**765,405**	**792,194**	**-**	**792,194**
Administration												
Advertising and Marketing	3.5%	3.5%		5,544	-	5,544	5,738	-	5,738	5,938	-	5,938
Office Expenses	3.5%	3.5%		34,370	-	34,370	35,573	-	35,573	36,818	-	36,818
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		16,631	-	16,631	17,213	-	17,213	17,815	-	17,815
Audit Expense	3.5%	3.5%		12,750	-	12,750	13,197	-	13,197	13,658	-	13,658
Bookkeeping/Accounting Services	3.5%	3.5%		26,609	-	26,609	27,541	-	27,541	28,504	-	28,504
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		2,439	-	2,439	2,525	-	2,525	2,613	-	2,613
Sub-total Administration Expenses				**98,343**	**-**	**98,343**	**101,785**	**-**	**101,785**	**105,348**	**-**	**105,348**
Utilities												
Electricity	3.5%	3.5%		282,723	-	282,723	292,618	-	292,618	302,860	-	302,860
Water	3.5%	3.5%		83,154	-	83,154	86,064	-	86,064	89,076	-	89,076
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		106,991	-	106,991	110,736	-	110,736	114,612	-	114,612
Sub-total Utilities				**472,868**	**-**	**472,868**	**489,419**	**-**	**489,419**	**506,548**	**-**	**506,548**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		11,087	-	11,087	11,475	-	11,475	11,877	-	11,877
Payroll Taxes	3.5%	3.5%		92,911	-	92,911	96,162	-	96,162	99,528	-	99,528
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		1,663	-	1,663	1,721	-	1,721	1,782	-	1,782
Sub-total Taxes and Licenses				**105,661**	**-**	**105,661**	**109,359**	**-**	**109,359**	**113,187**	**-**	**113,187**
Insurance												
Property and Liability Insurance	3.5%	3.5%		293,810	-	293,810	304,094	-	304,094	314,737	-	314,737
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		16,631	-	16,631	17,213	-	17,213	17,815	-	17,815
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				**310,441**	**-**	**310,441**	**321,306**	**-**	**321,306**	**332,552**	**-**	**332,552**
Maintenance & Repair												
Payroll	3.5%	3.5%		378,836	-	378,836	392,095	-	392,095	405,818	-	405,818
Supplies	3.5%	3.5%		33,262	-	33,262	34,426	-	34,426	35,631	-	35,631
Contracts	3.5%	3.5%		140,253	-	140,253	145,162	-	145,162	150,242	-	150,242
Garbage and Trash Removal	3.5%	3.5%		75,393	-	75,393	78,032	-	78,032	80,763	-	80,763
Security Payroll/Contract	3.5%	3.5%		161,908	-	161,908	167,575	-	167,575	173,440	-	173,440
HVAC Repairs and Maintenance	3.5%	3.5%		22,174	-	22,174	22,950	-	22,950	23,754	-	23,754
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		27,718	-	27,718	28,688	-	28,688	29,692	-	29,692
Sub-total Maintenance & Repair Expenses				**839,543**	**-**	**839,543**	**868,927**	**-**	**868,927**	**899,340**	**-**	**899,340**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				**2,750,613**	**-**	**2,750,613**	**2,846,884**	**-**	**2,846,884**	**2,946,525**	**-**	**2,946,525**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees				*e/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*								
Ground Lease Base Rent				-	-	-	-	-	-	-	-	-
Bond Monitoring Fee				14,000	-	14,000	14,000	-	14,000	14,000	-	14,000
Replacement Reserve Deposit				87,600	-	87,600	87,600	-	87,600	87,600	-	87,600
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				**101,600**	**-**	**101,600**	**101,600**	**-**	**101,600**	**101,600**	**-**	**101,600**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				**2,852,213**	**-**	**2,852,213**	**2,948,484**	**-**	**2,948,484**	**3,048,125**	**-**	**3,048,125**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**34,020**	**1,158,969**	**1,192,989**	**34,816**	**1,158,969**	**1,193,785**	**35,636**	**1,158,969**	**1,194,605**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				*e/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*								
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	1,158,969	1,158,969	-	1,158,969	1,158,969	-	1,158,969	1,158,969
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				**-**	**1,158,969**	**1,158,969**	**-**	**1,158,969**	**1,158,969**	**-**	**1,158,969**	**1,158,969**
CASH FLOW (NOI minus DEBT SERVICE)				**34,020**	**-**	**34,020**	**34,816**	**-**	**34,816**	**35,636**	**-**	**35,636**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				**34,020**	**-**	**34,020**	**34,816**	**-**	**34,816**	**35,636**	**-**	**35,636**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***			**1.03**			**1.03**			**1.03**
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				*e/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*								
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	MOHCD Asset Management Fee	2,500	-	2,500	2,500	-	2,500	2,500	-	2,500
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	26,520	-	26,520	27,316	-	27,316	28,136	-	28,136
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***34,020***	***-***	***34,020***	***34,816***	***-***	***34,816***	***35,636***	***-***	***35,636***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	-	**0**	-	-	**-**	-	-	**(0)**
Does Project have a MOHCD Residual Receipt Obligation?	***Yes***											
Will Project Defer Developer Fee?	***No***											
Residual Receipts split for all years. - Lender/Owner	*67% / 33%*											

			Year 4 Total	Year 5 Total	Year 6 Total
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Dist. Soft Debt Loans*		-	-	-
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	0	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			0	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**-**	**-**	**-**
REMAINDER (Should be zero unless there are distributions below)			**0**	**-**	**-**
Owner Distributions/Incentive Management Fee			0	-	-
Other Distributions/Uses					
Final Balance (should be zero)			**-**	**-**	**-**
REPLACEMENT RESERVE - RUNNING BALANCE					
Replacement Reserve Starting Balance			**262,800**	**350,400**	**438,000**
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-
Replacement Reserve Interest					
RR Running Balance			**350,400**	**438,000**	**525,600**
		RR Balance/Unit	*$2,400*	*$3,000*	*$3,600*
OPERATING RESERVE - RUNNING BALANCE					
Operating Reserve Starting Balance			-	-	-
Operating Reserve Deposits			-	-	-
Operating Reserve Withdrawals					
Operating Reserve Interest					
OR Running Balance			**-**	**-**	**-**
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE					
Other Reserve 1 Starting Balance			-	-	-
Other Reserve 1 Deposits			-	-	-
Other Reserve 1 Withdrawals					
Other Reserve 1 Interest					
Other Required Reserve 1 Running Balance			**-**	**-**	**-**
OTHER RESERVE 2 - RUNNING BALANCE					
Other Reserve 2 Starting Balance			-	-	-
Other Reserve 2 Deposits			-	-	-
Other Reserve 2 Withdrawals					
Other Reserve 2 Interest					
Other Required Reserve 2 Running Balance			**-**	**-**	**-**

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Total # Units:	LOSP Units											
146	***145***			**Year 7**	**2032**		**Year 8**	**2033**		**Year 9**	**2034**	
	100.00%											
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP - A***	***LOSP - B***	**Total**	***LOSP - A***	***LOSP - B***	**Total**	***LOSP - A***	***LOSP - B***	**Total**
Residential - Tenant Rents	1.0%	2.5%		*415,585*	-	415,585	*419,741*	-	419,741	*423,938*	-	423,938
Residential - SOS Payments		4.0%		-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*2,781,925*		2,781,925	*2,885,304*		2,885,304	*2,992,399*		2,992,399
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
"LOSP B" Funding	0.0%	0.0%	This is "LOSP B" funding of $1,158,979 for annual payment of HAF loan starting in 2027	-	*1,158,969*	1,158,969	-	*1,158,969*	1,158,969	-	*1,158,969*	1,158,969
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		*10,159*	-	10,159	*10,413*	-	10,413	*10,673*	-	10,673
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a		-	-	-	-	-	-	-	-	-
Gross Potential Income				***3,207,669***	***1,158,969***	**4,366,638**	***3,315,458***	***1,158,969***	**4,474,427**	***3,427,011***	***1,158,969***	**4,585,980**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	*(20,779)*	-	(20,779)	*(20,987)*	-	(20,987)	*(21,197)*	-	(21,197)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***3,186,889***	***1,158,969***	**4,345,858**	***3,294,471***	***1,158,969***	**4,453,440**	***3,405,814***	***1,158,969***	**4,564,783**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*172,292*	-	172,292	*178,323*	-	178,323	*184,564*	-	184,564
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*31,972*	-	31,972	*33,091*	-	33,091	*34,249*	-	34,249
Sub-total Management Expenses				***204,264***	**-**	**204,264**	***211,413***	**-**	**211,413**	***218,813***	**-**	**218,813**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		*303,878*	-	303,878	*314,514*	-	314,514	*325,522*	-	325,522
Manager's Salary	3.5%	3.5%		*275,963*	-	275,963	*285,622*	-	285,622	*295,618*	-	295,618
Health Insurance and Other Benefits	3.5%	3.5%		*187,484*	-	187,484	*194,045*	-	194,045	*200,837*	-	200,837
Other Salaries/Benefits	3.5%	3.5%		*52,596*	-	52,596	*54,437*	-	54,437	*56,342*	-	56,342
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***819,921***	**-**	**819,921**	***848,618***	**-**	**848,618**	***878,320***	**-**	**878,320**
Administration												
Advertising and Marketing	3.5%	3.5%		*6,146*	-	6,146	*6,361*	-	6,361	*6,584*	-	6,584
Office Expenses	3.5%	3.5%		*38,107*	-	38,107	*39,441*	-	39,441	*40,821*	-	40,821
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		*18,439*	-	18,439	*19,084*	-	19,084	*19,752*	-	19,752
Audit Expense	3.5%	3.5%		*14,136*	-	14,136	*14,631*	-	14,631	*15,143*	-	15,143
Bookkeeping/Accounting Services	3.5%	3.5%		*29,502*	-	29,502	*30,535*	-	30,535	*31,603*	-	31,603
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		*2,704*	-	2,704	*2,799*	-	2,799	*2,897*	-	2,897
Sub-total Administration Expenses				***109,035***	**-**	**109,035**	***112,851***	**-**	**112,851**	***116,801***	**-**	**116,801**
Utilities												
Electricity	3.5%	3.5%		*313,460*	-	313,460	*324,431*	-	324,431	*335,786*	-	335,786
Water	3.5%	3.5%		*92,194*	-	92,194	*95,421*	-	95,421	*98,761*	-	98,761
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		*118,623*	-	118,623	*122,775*	-	122,775	*127,072*	-	127,072
Sub-total Utilities				***524,277***	**-**	**524,277**	***542,627***	**-**	**542,627**	***561,619***	**-**	**561,619**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		*12,293*	-	12,293	*12,723*	-	12,723	*13,168*	-	13,168
Payroll Taxes	3.5%	3.5%		*103,012*	-	103,012	*106,617*	-	106,617	*110,349*	-	110,349
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		*1,844*	-	1,844	*1,908*	-	1,908	*1,975*	-	1,975
Sub-total Taxes and Licenses				***117,148***	**-**	**117,148**	***121,248***	**-**	**121,248**	***125,492***	**-**	**125,492**
Insurance												
Property and Liability Insurance	3.5%	3.5%		*325,753*	-	325,753	*337,154*	-	337,154	*348,954*	-	348,954
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		*18,439*	-	18,439	*19,084*	-	19,084	*19,752*	-	19,752
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***344,191***	**-**	**344,191**	***356,238***	**-**	**356,238**	***368,707***	**-**	**368,707**
Maintenance & Repair												
Payroll	3.5%	3.5%		*420,022*	-	420,022	*434,723*	-	434,723	*449,938*	-	449,938
Supplies	3.5%	3.5%		*36,878*	-	36,878	*38,168*	-	38,168	*39,504*	-	39,504
Contracts	3.5%	3.5%		*155,501*	-	155,501	*160,943*	-	160,943	*166,576*	-	166,576
Garbage and Trash Removal	3.5%	3.5%		*83,589*	-	83,589	*86,515*	-	86,515	*89,543*	-	89,543
Security Payroll/Contract	3.5%	3.5%		*179,511*	-	179,511	*185,793*	-	185,793	*192,296*	-	192,296
HVAC Repairs and Maintenance	3.5%	3.5%		*24,585*	-	24,585	*25,446*	-	25,446	*26,336*	-	26,336
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		*30,731*	-	30,731	*31,807*	-	31,807	*32,920*	-	32,920
Sub-total Maintenance & Repair Expenses				***930,817***	**-**	**930,817**	***963,395***	**-**	**963,395**	***997,114***	**-**	**997,114**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				***3,049,653***	**-**	**3,049,653**	***3,156,391***	**-**	**3,156,391**	***3,266,865***	**-**	**3,266,865**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				-	-	-	-	-	-	-	-	-
Bond Monitoring Fee				*14,000*	-	14,000	*14,000*	-	14,000	*14,000*	-	14,000
Replacement Reserve Deposit				*87,600*	-	87,600	*87,600*	-	87,600	*87,600*	-	87,600
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***101,600***	**-**	**101,600**	***101,600***	**-**	**101,600**	***101,600***	**-**	**101,600**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***3,151,253***	**-**	**3,151,253**	***3,257,991***	**-**	**3,257,991**	***3,368,465***	**-**	**3,368,465**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***35,636***	***1,158,969***	**1,194,605**	***36,480***	***1,158,969***	**1,195,449**	***37,349***	***1,158,969***	**1,196,318**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	*1,158,969*	1,158,969	-	*1,158,969*	1,158,969	-	*1,158,969*	1,158,969
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				**-**	***1,158,969***	**1,158,969**	**-**	***1,158,969***	**1,158,969**	**-**	***1,158,969***	**1,158,969**
CASH FLOW (NOI minus DEBT SERVICE)				***35,636***	**-**	**35,636**	***36,480***	**-**	**36,480**	***37,349***	**-**	**37,349**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				***35,636***	**-**	**35,636**	***36,480***	**-**	**36,480**	***37,349***	**-**	**37,349**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***			***1.03***			***1.03***			***1.03***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	MOHCD Asset Management Fee	*2,500*	-	2,500	*2,500*	-	2,500	*2,500*	-	2,500
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	*28,136*	-	28,136	*28,980*	-	28,980	*29,849*	-	29,849
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	*5,000*	-	5,000	*5,000*	-	5,000	*5,000*	-	5,000
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***35,636***	**-**	***35,636***	***36,480***	**-**	***36,480***	***37,349***	**-**	***37,349***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				(0)	-	**-**	-	-	**(0)**	-	-	**(0)**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		*67% / 33%*										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*				-			-			-
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						**-**			**-**			**-**
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						**-**			**-**			**-**
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**525,600**			**613,200**			**700,800**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						**613,200**			**700,800**			**788,400**
			RR Balance/Unit			*$4,200*			*$4,800*			*$5,400*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						**-**			**-**			**-**
			OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*			*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						**-**			**-**			**-**
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						**-**			**-**			**-**

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Total # Units:	LOSP Units											
146	*145*			Year 10 2035			Year 11 2036			Year 12 2037		
	100.00%											
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP - A***	***LOSP - B***	**Total**	***LOSP - A***	***LOSP - B***	**Total**	***LOSP - A***	***LOSP - B***	**Total**
Residential - Tenant Rents	1.0%	2.5%		*428,178*	-	428,178	*432,460*	-	432,460	*436,784*	-	436,784
Residential - SOS Payments		4.0%		-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*3,103,341*		3,103,341	*3,218,264*		3,218,264	*3,337,310*		3,337,310
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
"LOSP B" Funding	0.0%	0.0%	This is "LOSP B" funding of $1,158,979 for annual payment of HAF loan starting in 2027	-	*1,158,969*	1,158,969	-	*1,158,969*	1,158,969	-	*1,158,969*	1,158,969
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		*10,940*	-	10,940	*11,214*	-	11,214	*11,494*	-	11,494
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a		-	-	-	-	-	-	-	-	-
Gross Potential Income				***3,542,459***	***1,158,969***	**4,701,428**	***3,661,937***	***1,158,969***	**4,820,906**	***3,785,588***	***1,158,969***	**4,944,557**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	*(21,409)*	-	(21,409)	*(21,623)*	-	(21,623)	*(21,839)*	-	(21,839)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***3,521,050***	***1,158,969***	**4,680,019**	***3,640,314***	***1,158,969***	**4,799,283**	***3,763,749***	***1,158,969***	**4,922,718**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*191,024*	-	191,024	*197,710*	-	197,710	*204,629*	-	204,629
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*35,448*	-	35,448	*36,688*	-	36,688	*37,972*	-	37,972
Sub-total Management Expenses				***226,471***	**-**	**226,471**	***234,398***	**-**	**234,398**	***242,602***	**-**	**242,602**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		*336,915*	-	336,915	*348,707*	-	348,707	*360,912*	-	360,912
Manager's Salary	3.5%	3.5%		*305,965*	-	305,965	*316,674*	-	316,674	*327,757*	-	327,757
Health Insurance and Other Benefits	3.5%	3.5%		*207,866*	-	207,866	*215,142*	-	215,142	*222,672*	-	222,672
Other Salaries/Benefits	3.5%	3.5%		*58,314*	-	58,314	*60,355*	-	60,355	*62,468*	-	62,468
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***909,061***	**-**	**909,061**	***940,878***	**-**	**940,878**	***973,809***	**-**	**973,809**
Administration												
Advertising and Marketing	3.5%	3.5%		*6,814*	-	6,814	*7,053*	-	7,053	*7,300*	-	7,300
Office Expenses	3.5%	3.5%		*42,250*	-	42,250	*43,729*	-	43,729	*45,259*	-	45,259
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		*20,443*	-	20,443	*21,159*	-	21,159	*21,900*	-	21,900
Audit Expense	3.5%	3.5%		*15,673*	-	15,673	*16,222*	-	16,222	*16,790*	-	16,790
Bookkeeping/Accounting Services	3.5%	3.5%		*32,710*	-	32,710	*33,854*	-	33,854	*35,039*	-	35,039
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		*2,998*	-	2,998	*3,103*	-	3,103	*3,212*	-	3,212
Sub-total Administration Expenses				***120,889***	**-**	**120,889**	***125,120***	**-**	**125,120**	***129,499***	**-**	**129,499**
Utilities												
Electricity	3.5%	3.5%		*347,539*	-	347,539	*359,703*	-	359,703	*372,292*	-	372,292
Water	3.5%	3.5%		*102,217*	-	102,217	*105,795*	-	105,795	*109,498*	-	109,498
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		*131,520*	-	131,520	*136,123*	-	136,123	*140,887*	-	140,887
Sub-total Utilities				***581,276***	**-**	**581,276**	***601,620***	**-**	**601,620**	***622,677***	**-**	**622,677**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		*13,629*	-	13,629	*14,106*	-	14,106	*14,600*	-	14,600
Payroll Taxes	3.5%	3.5%		*114,211*	-	114,211	*118,208*	-	118,208	*122,345*	-	122,345
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		*2,044*	-	2,044	*2,116*	-	2,116	*2,190*	-	2,190
Sub-total Taxes and Licenses				***129,884***	**-**	**129,884**	***134,430***	**-**	**134,430**	***139,135***	**-**	**139,135**
Insurance												
Property and Liability Insurance	3.5%	3.5%		*361,168*	-	361,168	*373,809*	-	373,809	*386,892*	-	386,892
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		*20,443*	-	20,443	*21,159*	-	21,159	*21,900*	-	21,900
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***381,611***	**-**	**381,611**	***394,968***	**-**	**394,968**	***408,792***	**-**	**408,792**
Maintenance & Repair												
Payroll	3.5%	3.5%		*465,686*	-	465,686	*481,985*	-	481,985	*498,854*	-	498,854
Supplies	3.5%	3.5%		*40,887*	-	40,887	*42,318*	-	42,318	*43,799*	-	43,799
Contracts	3.5%	3.5%		*172,407*	-	172,407	*178,441*	-	178,441	*184,686*	-	184,686
Garbage and Trash Removal	3.5%	3.5%		*92,677*	-	92,677	*95,921*	-	95,921	*99,278*	-	99,278
Security Payroll/Contract	3.5%	3.5%		*199,027*	-	199,027	*205,993*	-	205,993	*213,202*	-	213,202
HVAC Repairs and Maintenance	3.5%	3.5%		*27,258*	-	27,258	*28,212*	-	28,212	*29,199*	-	29,199
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		*34,072*	-	34,072	*35,265*	-	35,265	*36,499*	-	36,499
Sub-total Maintenance & Repair Expenses				***1,032,013***	**-**	**1,032,013**	***1,068,134***	**-**	**1,068,134**	***1,105,518***	**-**	**1,105,518**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				***3,381,205***	**-**	**3,381,205**	***3,499,547***	**-**	**3,499,547**	***3,622,032***	**-**	**3,622,032**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				-	-	-	-	-	-	-	-	-
Bond Monitoring Fee				*14,000*	-	14,000	*14,000*	-	14,000	*14,000*	-	14,000
Replacement Reserve Deposit				*87,600*	-	87,600	*87,600*	-	87,600	*87,600*	-	87,600
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***101,600***	**-**	**101,600**	***101,600***	**-**	**101,600**	***101,600***	**-**	**101,600**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***3,482,805***	**-**	**3,482,805**	***3,601,147***	**-**	**3,601,147**	***3,723,632***	**-**	**3,723,632**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***38,245***	***1,158,969***	**1,197,214**	***39,167***	***1,158,969***	**1,198,136**	***40,117***	***1,158,969***	**1,199,086**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	*1,158,969*	1,158,969	-	*1,158,969*	1,158,969	-	*1,158,969*	1,158,969
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				**-**	***1,158,969***	**1,158,969**	**-**	***1,158,969***	**1,158,969**	**-**	***1,158,969***	**1,158,969**
CASH FLOW (NOI minus DEBT SERVICE)				***38,245***	**-**	**38,245**	***39,167***	**-**	**39,167**	***40,117***	**-**	**40,117**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				***38,245***	**-**	**38,245**	***39,167***	**-**	**39,167**	***40,117***	**-**	**40,117**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***			***1.03***			***1.03***			***1.04***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	MOHCD Asset Management Fee	*2,500*	-	2,500	*2,500*	-	2,500	*2,500*	-	2,500
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	*30,745*	-	30,745	*31,667*	-	31,667	*32,617*	-	32,617
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	*5,000*	-	5,000	*5,000*	-	5,000	*5,000*	-	5,000
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***38,245***	**-**	***38,245***	***39,167***	**-**	***39,167***	***40,117***	**-**	***40,117***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	**(0)**	(0)	-	**(0)**	-	-	**0**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		*67% / 33%*										
		Dist. Soft Debt Loans				-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			0
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			0
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						**-**			**-**			**-**
REMAINDER (Should be zero unless there are distributions below)						**-**			**-**			**0**
Owner Distributions/Incentive Management Fee						-			-			0
Other Distributions/Uses												
Final Balance (should be zero)						**-**			**-**			**-**
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**788,400**			**876,000**			**963,600**
Replacement Reserve Withdrawals (ideally tied to CNA)						**-**			**-**			**-**
Replacement Reserve Interest												
RR Running Balance						**876,000**			**963,600**			**1,051,200**
			RR Balance/Unit			*$6,000*			*$6,600*			*$7,200*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						**-**			**-**			**-**
Operating Reserve Deposits						**-**			**-**			**-**
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						**-**			**-**			**-**
			OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*			*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						**-**			**-**			**-**
Other Reserve 1 Deposits						**-**			**-**			**-**
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						**-**			**-**			**-**
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						**-**			**-**			**-**
Other Reserve 2 Deposits						**-**			**-**			**-**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						**-**			**-**			**-**

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				Year 13			Year 14			Year 15		
Total # Units: 146	LOSP Units 145 100.00%			2038			2039			2040		
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP - A***	***LOSP - B***	**Total**	***LOSP - A***	***LOSP - B***	**Total**	***LOSP - A***	***LOSP - B***	**Total**
Residential - Tenant Rents	1.0%	2.5%		441,152	-	441,152	445,564	-	445,564	450,019	-	450,019
Residential - SOS Payments		4.0%		-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		3,459,644		3,459,644	3,587,345		3,587,345	3,719,618		3,719,618
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
"LOSP B" Funding	0.0%	0.0%	This is "LOSP B" funding of $1,158,979 for annual payment of HAF loan starting in 2027	-	1,158,969	1,158,969	-	1,158,969	1,158,969	-	1,158,969	1,158,969
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		11,781	-	11,781	12,076	-	12,076	12,378	-	12,378
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a		-	-	-	-	-	-	-	-	-
Gross Potential Income				3,912,577	1,158,969	5,071,546	4,044,984	1,158,969	5,203,953	4,182,015	1,158,969	5,340,984
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(22,058)	-	(22,058)	(22,278)	-	(22,278)	(22,501)	-	(22,501)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				3,890,520	1,158,969	5,049,489	4,022,706	1,158,969	5,181,675	4,159,514	1,158,969	5,318,483
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	211,791	-	211,791	219,204	-	219,204	226,876	-	226,876
Asset Management Fee	3.5%	3.5%	per MOHCD policy	39,301	-	39,301	40,677	-	40,677	42,101	-	42,101
Sub-total Management Expenses				251,093	-	251,093	259,881	-	259,881	268,977	-	268,977
Salaries/Benefits												
Office Salaries	3.5%	3.5%		373,544	-	373,544	386,618	-	386,618	400,149	-	400,149
Manager's Salary	3.5%	3.5%		339,229	-	339,229	351,102	-	351,102	363,390	-	363,390
Health Insurance and Other Benefits	3.5%	3.5%		230,465	-	230,465	238,531	-	238,531	246,880	-	246,880
Other Salaries/Benefits	3.5%	3.5%		64,654	-	64,654	66,917	-	66,917	69,259	-	69,259
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				1,007,892	-	1,007,892	1,043,168	-	1,043,168	1,079,679	-	1,079,679
Administration												
Advertising and Marketing	3.5%	3.5%		7,555	-	7,555	7,820	-	7,820	8,093	-	8,093
Office Expenses	3.5%	3.5%		46,843	-	46,843	48,483	-	48,483	50,180	-	50,180
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		22,666	-	22,666	23,459	-	23,459	24,280	-	24,280
Audit Expense	3.5%	3.5%		17,377	-	17,377	17,985	-	17,985	18,615	-	18,615
Bookkeeping/Accounting Services	3.5%	3.5%		36,266	-	36,266	37,535	-	37,535	38,849	-	38,849
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		3,324	-	3,324	3,441	-	3,441	3,561	-	3,561
Sub-total Administration Expenses				134,032	-	134,032	138,723	-	138,723	143,578	-	143,578
Utilities												
Electricity	3.5%	3.5%		385,323	-	385,323	398,809	-	398,809	412,767	-	412,767
Water	3.5%	3.5%		113,330	-	113,330	117,297	-	117,297	121,402	-	121,402
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		145,818	-	145,818	150,922	-	150,922	156,204	-	156,204
Sub-total Utilities				644,471	-	644,471	667,027	-	667,027	690,373	-	690,373
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		15,111	-	15,111	15,640	-	15,640	16,187	-	16,187
Payroll Taxes	3.5%	3.5%		126,628	-	126,628	131,060	-	131,060	135,647	-	135,647
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		2,267	-	2,267	2,346	-	2,346	2,428	-	2,428
Sub-total Taxes and Licenses				144,005	-	144,005	149,045	-	149,045	154,262	-	154,262
Insurance												
Property and Liability Insurance	3.5%	3.5%		400,433	-	400,433	414,448	-	414,448	428,954	-	428,954
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		22,666	-	22,666	23,459	-	23,459	24,280	-	24,280
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				423,099	-	423,099	437,908	-	437,908	453,234	-	453,234
Maintenance & Repair												
Payroll	3.5%	3.5%		516,314	-	516,314	534,385	-	534,385	553,088	-	553,088
Supplies	3.5%	3.5%		45,332	-	45,332	46,919	-	46,919	48,561	-	48,561
Contracts	3.5%	3.5%		191,150	-	191,150	197,840	-	197,840	204,765	-	204,765
Garbage and Trash Removal	3.5%	3.5%		102,753	-	102,753	106,349	-	106,349	110,071	-	110,071
Security Payroll/Contract	3.5%	3.5%		220,664	-	220,664	228,388	-	228,388	236,381	-	236,381
HVAC Repairs and Maintenance	3.5%	3.5%		30,221	-	30,221	31,279	-	31,279	32,374	-	32,374
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		37,777	-	37,777	39,099	-	39,099	40,467	-	40,467
Sub-total Maintenance & Repair Expenses				1,144,211	-	1,144,211	1,184,259	-	1,184,259	1,225,708	-	1,225,708
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				3,748,803	-	3,748,803	3,880,011	-	3,880,011	4,015,811	-	4,015,811
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				-	-	-	-	-	-	-	-	-
Bond Monitoring Fee				14,000	-	14,000	14,000	-	14,000	14,000	-	14,000
Replacement Reserve Deposit				87,600	-	87,600	87,600	-	87,600	87,600	-	87,600
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				101,600	-	101,600	101,600	-	101,600	101,600	-	101,600
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				3,850,403	-	3,850,403	3,981,611	-	3,981,611	4,117,411	-	4,117,411
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				40,117	1,158,969	1,199,086	41,095	1,158,969	1,200,064	42,103	1,158,969	1,201,072
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	1,158,969	1,158,969	-	1,158,969	1,158,969	-	1,158,969	1,158,969
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				-	1,158,969	1,158,969	-	1,158,969	1,158,969	-	1,158,969	1,158,969
CASH FLOW (NOI minus DEBT SERVICE)				40,117	-	40,117	41,095	-	41,095	42,103	-	42,103
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				40,117	-	40,117	41,095	-	41,095	42,103	-	42,103
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***			1.04			1.04			1.04
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	MOHCD Asset Management Fee	2,500	-	2,500	2,500	-	2,500	2,500	-	2,500
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	32,617	-	32,617	33,595	-	33,595	34,603	-	34,603
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	5,000	-	5,000	5,000	-	5,000	5,000	-	5,000
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				40,117	-	40,117	41,095	-	41,095	42,103	-	42,103
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	-	-	-	-	-	-	(0)
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***										
Will Project Defer Developer Fee?		***No***										
Residual Receipts split for all years. - Lender/Owner		*67% / 33%*										
		Dist. Soft Debt Loans				-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						1,051,200			1,138,800			1,226,400
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						1,138,800			1,226,400			1,314,000
			RR Balance/Unit			*$7,800*			*$8,400*			*$9,000*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						-			-			-
			OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*			*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

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	LOSP Units			Year 16 2041			Year 17 2042			Year 18 2043		
Total # Units: 146	*145*											
	100.00%											
INCOME	**annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP - A***	***LOSP - B***	**Total**	***LOSP - A***	***LOSP - B***	**Total**	***LOSP - A***	***LOSP - B***	**Total**
Residential - Tenant Rents	1.0%	2.5%		454,519	-	454,519	459,065	-	459,065	463,655	-	463,655
Residential - SOS Payments		4.0%		-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		3,813,484		3,813,484	3,954,322		3,954,322	4,100,200		4,100,200
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
"LOSP B" Funding	0.0%	0.0%	This is "LOSP B" funding of $1,158,979 for annual payment of HAF loan starting in 2027	-	1,158,969	1,158,969	-	1,158,969	1,158,969	-	1,158,969	1,158,969
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		12,687	-	12,687	13,004	-	13,004	13,329	-	13,329
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a		-	-	-	-	-	-	-	-	-
Gross Potential Income				**4,280,691**	**1,158,969**	**5,439,660**	**4,426,391**	**1,158,969**	**5,585,360**	**4,577,184**	**1,158,969**	**5,736,153**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(22,726)	-	(22,726)	(22,953)	-	(22,953)	(23,183)	-	(23,183)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				**4,257,965**	**1,158,969**	**5,416,934**	**4,403,437**	**1,158,969**	**5,562,406**	**4,554,002**	**1,158,969**	**5,712,971**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	234,817	-	234,817	243,035	-	243,035	251,542	-	251,542
Asset Management Fee	3.5%	3.5%	per MOHCD policy	43,574	-	43,574	45,099	-	45,099	46,678	-	46,678
Sub-total Management Expenses				**278,391**	**-**	**278,391**	**288,135**	**-**	**288,135**	**298,219**	**-**	**298,219**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		414,155	-	414,155	428,650	-	428,650	443,653	-	443,653
Manager's Salary	3.5%	3.5%		376,109	-	376,109	389,273	-	389,273	402,897	-	402,897
Health Insurance and Other Benefits	3.5%	3.5%		255,521	-	255,521	264,464	-	264,464	273,720	-	273,720
Other Salaries/Benefits	3.5%	3.5%		71,683	-	71,683	74,192	-	74,192	76,789	-	76,789
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				**1,117,468**	**-**	**1,117,468**	**1,156,579**	**-**	**1,156,579**	**1,197,059**	**-**	**1,197,059**
Administration												
Advertising and Marketing	3.5%	3.5%		8,377	-	8,377	8,670	-	8,670	8,973	-	8,973
Office Expenses	3.5%	3.5%		51,936	-	51,936	53,754	-	53,754	55,635	-	55,635
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		25,130	-	25,130	26,010	-	26,010	26,920	-	26,920
Audit Expense	3.5%	3.5%		19,267	-	19,267	19,941	-	19,941	20,639	-	20,639
Bookkeeping/Accounting Services	3.5%	3.5%		40,208	-	40,208	41,616	-	41,616	43,072	-	43,072
Bad Debts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		3,686	-	3,686	3,815	-	3,815	3,948	-	3,948
Sub-total Administration Expenses				**148,603**	**-**	**148,603**	**153,805**	**-**	**153,805**	**159,188**	**-**	**159,188**
Utilities												
Electricity	3.5%	3.5%		427,214	-	427,214	442,166	-	442,166	457,642	-	457,642
Water	3.5%	3.5%		125,651	-	125,651	130,049	-	130,049	134,601	-	134,601
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		161,671	-	161,671	167,330	-	167,330	173,186	-	173,186
Sub-total Utilities				**714,536**	**-**	**714,536**	**739,545**	**-**	**739,545**	**765,429**	**-**	**765,429**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		16,753	-	16,753	17,340	-	17,340	17,947	-	17,947
Payroll Taxes	3.5%	3.5%		140,394	-	140,394	145,308	-	145,308	150,394	-	150,394
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		2,513	-	2,513	2,601	-	2,601	2,692	-	2,692
Sub-total Taxes and Licenses				**159,661**	**-**	**159,661**	**165,249**	**-**	**165,249**	**171,033**	**-**	**171,033**
Insurance												
Property and Liability Insurance	3.5%	3.5%		443,967	-	443,967	459,506	-	459,506	475,589	-	475,589
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		25,130	-	25,130	26,010	-	26,010	26,920	-	26,920
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				**469,098**	**-**	**469,098**	**485,516**	**-**	**485,516**	**502,509**	**-**	**502,509**
Maintenance & Repair												
Payroll	3.5%	3.5%		572,447	-	572,447	592,482	-	592,482	613,219	-	613,219
Supplies	3.5%	3.5%		50,260	-	50,260	52,020	-	52,020	53,840	-	53,840
Contracts	3.5%	3.5%		211,932	-	211,932	219,349	-	219,349	227,026	-	227,026
Garbage and Trash Removal	3.5%	3.5%		113,924	-	113,924	117,911	-	117,911	122,038	-	122,038
Security Payroll/Contract	3.5%	3.5%		244,655	-	244,655	253,217	-	253,217	262,080	-	262,080
HVAC Repairs and Maintenance	3.5%	3.5%		33,507	-	33,507	34,680	-	34,680	35,894	-	35,894
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		41,884	-	41,884	43,350	-	43,350	44,867	-	44,867
Sub-total Maintenance & Repair Expenses				**1,268,608**	**-**	**1,268,608**	**1,313,009**	**-**	**1,313,009**	**1,358,964**	**-**	**1,358,964**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				**4,156,365**	**-**	**4,156,365**	**4,301,837**	**-**	**4,301,837**	**4,452,402**	**-**	**4,452,402**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				-	-	-	-	-	-	-	-	-
Bond Monitoring Fee				14,000	-	14,000	14,000	-	14,000	14,000	-	14,000
Replacement Reserve Deposit				87,600	-	87,600	87,600	-	87,600	87,600	-	87,600
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				**101,600**	**-**	**101,600**	**101,600**	**-**	**101,600**	**101,600**	**-**	**101,600**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				**4,257,965**	**-**	**4,257,965**	**4,403,437**	**-**	**4,403,437**	**4,554,002**	**-**	**4,554,002**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**-**	**1,158,969**	**1,158,969**	**-**	**1,158,969**	**1,158,969**	**-**	**1,158,969**	**1,158,969**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	1,158,969	1,158,969	-	1,158,969	1,158,969	-	1,158,969	1,158,969
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				**-**	**1,158,969**	**1,158,969**	**-**	**1,158,969**	**1,158,969**	**-**	**1,158,969**	**1,158,969**
CASH FLOW (NOI minus DEBT SERVICE)				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***			***1.00***			***1.00***			***1.00***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	MOHCD Asset Management Fee	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-		-	-	
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Does Project have a MOHCD Residual Receipt Obligation?	***Yes***			
Will Project Defer Developer Fee?	***No***			
Residual Receipts split for all years. - Lender/Owner	*67% / 33%*			

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Dist. Soft Debt Loans*		Year 16 Total	Year 17 Total	Year 18 Total
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-
Total Non-MOHCD Residual Receipts Debt Service			**-**	**-**	**-**
REMAINDER (Should be zero unless there are distributions below)			-	-	-
Owner Distributions/Incentive Management Fee			-	-	-
Other Distributions/Uses					
Final Balance (should be zero)			-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE					
Replacement Reserve Starting Balance			**1,314,000**	**1,401,600**	**1,489,200**
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-
Replacement Reserve Interest					
RR Running Balance			**1,401,600**	**1,489,200**	**1,576,800**
		RR Balance/Unit	*$9,600*	*$10,200*	*$10,800*
OPERATING RESERVE - RUNNING BALANCE					
Operating Reserve Starting Balance			-	-	-
Operating Reserve Deposits			-	-	-
Operating Reserve Withdrawals					
Operating Reserve Interest					
OR Running Balance			-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE					
Other Reserve 1 Starting Balance			-	-	-
Other Reserve 1 Deposits			-	-	-
Other Reserve 1 Withdrawals			-	-	-
Other Reserve 1 Interest					
Other Required Reserve 1 Running Balance			-	-	-
OTHER RESERVE 2 - RUNNING BALANCE					
Other Reserve 2 Starting Balance			-	-	-
Other Reserve 2 Deposits			-	-	-
Other Reserve 2 Withdrawals					
Other Reserve 2 Interest					
Other Required Reserve 2 Running Balance			-	-	-

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Total # Units:	LOSP Units								
146	145			Year 19	2044		Year 20	2045	
	100.00%								
INCOME	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP - A	LOSP - B	Total	LOSP - A	LOSP - B	Total
Residential - Tenant Rents	1.0%	2.5%		468,292	-	468,292	472,975	-	472,975
Residential - SOS Payments		4.0%		-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	n/a	n/a		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		4,251,296		4,251,296	4,407,794		4,407,794
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-
"LOSP B" Funding	0.0%	0.0%	This is "LOSP B" funding of $1,158,979 for annual payment of HAF loan starting in 2027	-	1,158,969	1,158,969	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		13,663	-	13,663	14,004	-	14,004
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a		-	-	-	-	-	-
Gross Potential Income				**4,733,250**	**1,158,969**	**5,892,219**	**4,894,773**	**-**	**4,894,773**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(23,415)	-	(23,415)	(23,649)	-	(23,649)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-
EFFECTIVE GROSS INCOME				**4,709,836**	**1,158,969**	**5,868,805**	**4,871,124**	**-**	**4,871,124**
OPERATING EXPENSES									
Management									
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	260,346	-	260,346	269,458	-	269,458
Asset Management Fee	3.5%	3.5%	per MOHCD policy	48,311	-	48,311	50,002	-	50,002
Sub-total Management Expenses				**308,657**	**-**	**308,657**	**319,460**	**-**	**319,460**
Salaries/Benefits									
Office Salaries	3.5%	3.5%		459,181	-	459,181	475,252	-	475,252
Manager's Salary	3.5%	3.5%		416,999	-	416,999	431,594	-	431,594
Health Insurance and Other Benefits	3.5%	3.5%		283,301	-	283,301	293,216	-	293,216
Other Salaries/Benefits	3.5%	3.5%		79,476	-	79,476	82,258	-	82,258
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-
Sub-total Salaries/Benefits				**1,238,956**	**-**	**1,238,956**	**1,282,320**	**-**	**1,282,320**
Administration									
Advertising and Marketing	3.5%	3.5%		9,287	-	9,287	9,613	-	9,613
Office Expenses	3.5%	3.5%		57,582	-	57,582	59,598	-	59,598
Office Rent	3.5%	3.5%		-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		27,862	-	27,862	28,838	-	28,838
Audit Expense	3.5%	3.5%		21,361	-	21,361	22,109	-	22,109
Bookkeeping/Accounting Services	3.5%	3.5%		44,580	-	44,580	46,140	-	46,140
Bad Debts	3.5%	3.5%		-	-	-	-	-	-
Miscellaneous	3.5%	3.5%		4,086	-	4,086	4,230	-	4,230
Sub-total Administration Expenses				**164,759**	**-**	**164,759**	**170,526**	**-**	**170,526**
Utilities									
Electricity	3.5%	3.5%		473,660	-	473,660	490,238	-	490,238
Water	3.5%	3.5%		139,312	-	139,312	144,188	-	144,188
Gas	3.5%	3.5%		-	-	-	-	-	-
Sewer	3.5%	3.5%		179,248	-	179,248	185,521	-	185,521
Sub-total Utilities				**792,219**	**-**	**792,219**	**819,947**	**-**	**819,947**
Taxes and Licenses									
Real Estate Taxes	3.5%	3.5%		18,575	-	18,575	19,225	-	19,225
Payroll Taxes	3.5%	3.5%		155,658	-	155,658	161,106	-	161,106
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		2,786	-	2,786	2,884	-	2,884
Sub-total Taxes and Licenses				**177,019**	**-**	**177,019**	**183,214**	**-**	**183,214**
Insurance									
Property and Liability Insurance	3.5%	3.5%		492,235	-	492,235	509,463	-	509,463
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		27,862	-	27,862	28,838	-	28,838
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-
Sub-total Insurance				**520,097**	**-**	**520,097**	**538,300**	**-**	**538,300**
Maintenance & Repair									
Payroll	3.5%	3.5%		634,682	-	634,682	656,896	-	656,896
Supplies	3.5%	3.5%		55,725	-	55,725	57,675	-	57,675
Contracts	3.5%	3.5%		234,972	-	234,972	243,196	-	243,196
Garbage and Trash Removal	3.5%	3.5%		126,309	-	126,309	130,730	-	130,730
Security Payroll/Contract	3.5%	3.5%		271,253	-	271,253	280,747	-	280,747
HVAC Repairs and Maintenance	3.5%	3.5%		37,150	-	37,150	38,450	-	38,450
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		46,437	-	46,437	48,063	-	48,063
Sub-total Maintenance & Repair Expenses				**1,406,528**	**-**	**1,406,528**	**1,455,756**	**-**	**1,455,756**
Supportive Services	3.5%	3.5%		-	-	-	-	-	-
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
TOTAL OPERATING EXPENSES				**4,608,236**	**-**	**4,608,236**	**4,769,524**	**-**	**4,769,524**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)									
Reserves/Ground Lease Base Rent/Bond Fees									
Ground Lease Base Rent				-	-	-	-	-	-
Bond Monitoring Fee				14,000	-	14,000	14,000	-	14,000
Replacement Reserve Deposit				87,600	-	87,600	87,600	-	87,600
Operating Reserve Deposit				-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				**101,600**	**-**	**101,600**	**101,600**	**-**	**101,600**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				**4,709,836**	**-**	**4,709,836**	**4,871,124**	**-**	**4,871,124**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)									
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**-**	**1,158,969**	**1,158,969**	**-**	**-**	**-**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	1,158,969	1,158,969	-	-	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
TOTAL HARD DEBT SERVICE				**-**	**1,158,969**	**1,158,969**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				**-**	**-**	**-**	**-**	**-**	**-**
Commercial Only Cash Flow						-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-	
AVAILABLE CASH FLOW				**-**	**-**	**-**	**-**	**-**	**-**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			**DSCR:**			**1.00**			
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	MOHCD Asset Management Fee	-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-	
Other Payments				-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				**-**	**-**	**-**	**-**	**-**	**-**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	-	**-**	-	-	**-**
Does Project have a MOHCD Residual Receipt Obligation?		**Yes**							
Will Project Defer Developer Fee?		**No**							
Residual Receipts split for all years. - Lender/Owner		67% / 33%							
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		Dist. Soft Debt Loans							
MOHCD Residual Receipts Amount Due		100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE									
HCD Residual Receipts Amount Due		0.00%	No HCD Financing			-			-
Lender 4 Residual Receipts Due		0.00%				-			-
Lender 5 Residual Receipts Due		0.00%				-			-
Total Non-MOHCD Residual Receipts Debt Service						**-**			**-**
REMAINDER (Should be zero unless there are distributions below)						**-**			**-**
Owner Distributions/Incentive Management Fee						-			-
Other Distributions/Uses									
Final Balance (should be zero)						**-**			**-**
REPLACEMENT RESERVE - RUNNING BALANCE									
Replacement Reserve Starting Balance						**1,576,800**			**1,664,400**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-
Replacement Reserve Interest									
RR Running Balance						**1,664,400**			**1,752,000**
			RR Balance/Unit			*$11,400*			*$12,000*
OPERATING RESERVE - RUNNING BALANCE									
Operating Reserve Starting Balance						-			-
Operating Reserve Deposits						-			-
Operating Reserve Withdrawals									
Operating Reserve Interest									
OR Running Balance						**-**			**-**
		OR Balance as a % of Prior Yr Op Exps + Debt Service				*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE									
Other Reserve 1 Starting Balance						-			-
Other Reserve 1 Deposits						-			-
Other Reserve 1 Withdrawals						-			-
Other Reserve 1 Interest									
Other Required Reserve 1 Running Balance						**-**			**-**
OTHER RESERVE 2 - RUNNING BALANCE									
Other Reserve 2 Starting Balance						-			-
Other Reserve 2 Deposits						-			-
Other Reserve 2 Withdrawals									
Other Reserve 2 Interest									
Other Required Reserve 2 Running Balance						**-**			**-**

LOSP FUNDING SCHEDULE

Project Address:	1633 Valencia
Project Start Date:	1/1/2026

Exhibit A

annual %age increase (uses Full Year Funding Amount)	Calendar Year		Full Year Funding Amount	# Months to Fund	Total "LOSP - A" Disbursement for Calendar Year	Total "LOSP - B" Disbursement for Calendar Year	Total Disbursement for Calendar Year	Estimated Disbursement Date
	CY-1	2026	$2,235,309	12	$2,235,309	$0	$2,235,309	1/1/2026
3.66%	CY-2	2027	$2,317,201	12	$2,317,201	$1,158,969	$3,476,170	1/1/2027
3.74%	CY-3	2028	$2,403,841	12	$2,403,841	$1,158,969	$3,562,810	1/1/2028
3.73%	CY-4	2029	$2,493,604	12	$2,493,604	$1,158,969	$3,652,573	1/1/2029
3.73%	CY-5	2030	$2,586,604	12	$2,586,604	$1,158,969	$3,745,573	1/1/2030
3.72%	CY-6	2031	$2,682,953	12	$2,682,953	$1,158,969	$3,841,922	1/1/2031
3.69%	CY-7	2032	$2,781,925	12	$2,781,925	$1,158,969	$3,940,894	1/1/2032
3.72%	CY-8	2033	$2,885,304	12	$2,885,304	$1,158,969	$4,044,273	1/1/2033
3.71%	CY-9	2034	$2,992,399	12	$2,992,399	$1,158,969	$4,151,368	1/1/2034
3.71%	CY-10	2035	$3,103,341	12	$3,103,341	$1,158,969	$4,262,310	1/1/2035
3.70%	CY-11	2036	$3,218,264	12	$3,218,264	$1,158,969	$4,377,233	1/1/2036
3.70%	CY-12	2037	$3,337,310	12	$3,337,310	$1,158,969	$4,496,279	1/1/2037
3.67%	CY-13	2038	$3,459,644	12	$3,459,644	$1,158,969	$4,618,613	1/1/2038
3.69%	CY-14	2039	$3,587,345	12	$3,587,345	$1,158,969	$4,746,314	1/1/2039
3.69%	CY-15	2040	$3,719,618	12	$3,719,618	$1,158,969	$4,878,587	1/1/2040
2.52%	CY-16	2041	$3,813,484	12	$3,813,484	$1,158,969	$4,972,453	1/1/2041
3.69%	CY-17	2042	$3,954,322	12	$3,954,322	$1,158,969	$5,113,291	1/1/2042
3.69%	CY-18	2043	$4,100,200	12	$4,100,200	$1,158,969	$5,259,169	1/1/2043
3.69%	CY-19	2044	$4,251,296	12	$4,251,296	$1,158,969	$5,410,265	1/1/2044
3.64%			**Total "LOSP - A" Amount-->**		**$59,923,964**	**$20,861,442**	**<--Total "LOSP - B" Amount**	
					Total Contract Amount:		**$80,785,406**	