

File No. 220094

Committee Item No. 5

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date March 16, 2022

Board of Supervisors Meeting Date _____

Cmte Board

- Motion
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- Grant Budget
- Subcontract Budget
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- Draft Loan Agreement
- Draft Developer Fee Agreement
- Draft Secured Promissory Note
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- Declaration of Restrictions
- Secured Promissory Note - BMR
- Secured Promissory Note - Deferred Loan
- Secured Promissory Note - Market Rate Loan
- Loan Committee - Gap, PASS, Loan Evaluation Request - 10/15/2021
- General Plan Referral - 2/10/22

Completed by: Brent Jalipa Date March 8, 2022

Completed by: Brent Jalipa Date _____

1 [Loan Agreement - CCDC Throughline, L.L.C.- 777 Broadway Street, 1525 Grant Avenue, and
2 1207 Mason Street - Not to Exceed \$26,286,000]

3 **Resolution approving and authorizing the execution of a Loan Agreement with CCDC**
4 **Throughline L.L.C., a California limited liability corporation, in an aggregate total**
5 **amount not to exceed \$26,286,000 for a minimum term of 55 years for a portion of**
6 **the loan amount and maximum terms of 40 years for other portions of the loan**
7 **amount based on the requirements of the funding sources, to finance the acquisition**
8 **and rehabilitation of three existing 100% affordable multifamily rental housing**
9 **projects for low income households, known as “Throughline Apartments,”**
10 **consisting of 88 rental units and four commercial spaces in three buildings located**
11 **at 777 Broadway, 1525 Grant Avenue, and 1207 Mason Street; and adopting findings**
12 **that the Loan Agreement is consistent with the General Plan, and the eight priority**
13 **policies of Planning Code, Section 101.1.**

14
15 WHEREAS, The City and County of San Francisco, acting through the Mayor’s
16 Office of Housing and Community Development (“MOHCD”), administers a variety of
17 housing programs that provide financing for the development of new housing and the
18 rehabilitation of single- and multi-family housing for low- and moderate-income households
19 in San Francisco; and

20 WHEREAS, The City and County of San Francisco is authorized under a contract
21 with the United States Department of Housing and Urban Development ("HUD") pursuant
22 to Title I of the Housing and Community Development Act of 1974 (42 U.S.C. §§ 5301 et
23 seq.), to distribute Community Development Block Grant ("CDBG") funds for the specific
24 and special purpose of increasing the housing stock in the City for low- and very low-
25 income persons; and

1 WHEREAS, In November 2012, the voters of the City approved Proposition C, which
2 established a Housing Trust Fund to provide funds for the creation, acquisition, and
3 rehabilitation of rental and ownership housing affordable to households earning up to 120%
4 of the area median income, including, without limitation, the acquisition of land for such
5 purpose (the “HTF Funds”); under Section 16.110 *et seq.* of the San Francisco City
6 Charter, the City is authorized to provide funds from the Housing Trust Fund for the
7 development of affordable housing; and

8 WHEREAS, Among its programs, MOHCD administers the Preservation and
9 Seismic Safety Program (“PASS Program”), which provides low-cost and long-term
10 financing for the acquisition, rehabilitation, and preservation of multi-family housing as well
11 as seismic retrofits. The PASS Program plays a critical role in advancing the City’s anti-
12 eviction and preservation strategies by providing access to a nimble source of financing not
13 currently available on the conventional market; and

14 WHEREAS, MOHCD enters into loan agreements with affordable housing
15 developers and operators; administers loan agreements; reviews annual audits and
16 monitoring reports; monitors compliance with affordable housing requirements in
17 accordance with capital funding regulatory agreements; and if necessary, takes appropriate
18 action to enforce compliance; and

19 WHEREAS, CCDC Throughline L.L.C., (or an affiliate thereof or successor thereto)
20 (the “Borrower”) desires to acquire and rehabilitate 88 units of affordable residential rental
21 housing and four commercial spaces located at 777 Broadway (“Bayside”), 1525 Grant
22 Avenue (“Tower”), and 1207 Mason Street (“Consortia”), San Francisco, California 94133-
23 108 (the “Project”); and

24 WHEREAS, The Project is found to be categorically exempt from the California
25 Environmental Quality Act (“CEQA”) as all three buildings are categorized as Historic

1 Resources, with no preservation designation under The Planning Department's
2 Preservation Bulletin No. 16, which outlines the CEQA review process for Historic
3 Resources and limits the Planning Department's review of the Project to the exterior
4 façade, and is consistent, on balance, with the General Plan, and with the eight priority
5 policies of Planning Code, Section 101.1, and made findings in connection therewith (the
6 "General Plan Consistency Determination"), a copy of which is on file with the Clerk of the
7 Board of Supervisors in File No. 220094 and is incorporated into this Resolution by
8 reference; and

9 WHEREAS, On October 15, 2021, the Citywide Affordable Housing Loan
10 Committee, consisting of MOHCD, Department of Homeless and Supportive Housing, the
11 Office of Community Investment and Infrastructure, and the Controller's Office of Public
12 Finance, recommended approval to the Mayor of a loan for the Project in an amount not to
13 exceed \$26,286,000; and

14 WHEREAS, The City and County of San Francisco previously provided several
15 loans for acquisition and rehabilitation of the Project, and MOHCD and Borrower have
16 agreed to consolidate such existing loans to the Project in an amount up to \$6,125,000;
17 and

18 WHEREAS, On October 15, 2021, the Citywide Affordable Housing Loan
19 Committee, consisting of MOHCD, Department of Homeless and Supportive Housing, the
20 Office of Community Investment and Infrastructure, and the Controller's Office of Public
21 Finance agreed to forgive the accrued interest on the existing loans to the Project in an
22 amount up to \$2,399,000; and

23 WHEREAS, The Borrower has requested a senior permanent loan in an amount up
24 to \$8,499,000 of PASS Program funds and \$14,840,000 in HTF-CDBG funds for costs of
25

1 rehabilitation and acquisition, for a total aggregate loan for the Project not to exceed
2 \$26,286,000; and

3 WHEREAS, To leverage equity from an allocation of low-income housing tax credits,
4 issuance of tax exempt bonds, and other funding sources in order for the Sponsor to
5 construct the Project, MOHCD desires to provide a loan in the amount not to exceed
6 \$26,286,000 to the Sponsor pursuant to a Loan Agreement (“Agreement”) in substantially
7 the form on file with the Clerk of the Board of Supervisors in File No. 220094, and in such
8 final form as approved by the Director of MOHCD and the City Attorney; and

9 WHEREAS, The material terms of the Agreement include: (i) a minimum term of 55
10 years for a portion of the loan amount; 40 years for the portion of the loan amount based on
11 the requirements of the PASS Program funding sources; (ii) interest rates shall be set at
12 distinct rates for portions of the funds as follows: up to the Applicable Federal Rate,
13 compounded annually, for the existing consolidated loan, and PASS Program interest rates
14 of up to 3.87289%, 0.95763%, and 0.95763%; (iii) annual repayment of a portion of the
15 loan through residual receipts Project; (iv) the Project shall be restricted for (a) the Seventy
16 Fifth (75th) anniversary of the date the Deed of Trust is recorded in the Recorder’s Office of
17 San Francisco County, even if the Loan is repaid or otherwise satisfied or the Deed of Trust
18 is reconveyed or (b) the end of the Life of the Project; provided, however, that if the Life of
19 the Project is less than 75 years due to casualty, then the end date of the Life of the Project
20 controls, as affordable housing to low-income households with annual maximum rent and
21 income established by MOHCD; (v) the loan shall be secured by a deed of trust recorded
22 against the Sponsor’s interest in the Project; now, therefore, be it

23 RESOLVED, That the Board of Supervisors hereby finds that Project is consistent
24 with the General Plan, and eight priority policies of Planning Code, Section 101.1, or the
25 same reasons as set forth in the General Plan Consistency Determination; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby approves the
2 Agreement and authorizes the Mayor and the Director of MOHCD or his designee to enter
3 into any amendments or modifications to the Agreement (including, without limitation,
4 preparation and attachment or, or changes to, any of all of the exhibits and ancillary
5 agreements) and any other documents or instruments necessary in connection therewith
6 that the Acting Director determines, in consultation with the City Attorney, are in the best
7 interest of the City, do not materially increase the obligations or liabilities for the City or
8 materially diminish the benefits of the City, are necessary or advisable to effectuate the
9 purposes and intent of this Resolution and are in compliance with all applicable laws,
10 including the City Charter; and, be it

11 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and
12 delegates to the Mayor and Director of MOHCD, and his designee, the authority to
13 undertake any actions necessary to protect the City’s financial security in the Project and
14 enforce the affordable housing restrictions, which may include, curing the default under a
15 senior loan; and, be it

16 FURTHER RESOLVED, That all actions authorized and directed by this Resolution
17 and heretofore taken are hereby ratified, approved and confirmed by this Board of
18 Supervisors; and, be it

19 FURTHER RESOLVED, That within thirty (30) days of the Agreement being fully
20 executed by all parties, MOHCD shall provide the final Agreement to the Clerk of the Board
21 for inclusion into the official file.

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RECOMMENDED:

/s/ Eric D. Shaw

Eric D. Shaw

Director, Mayor’s Office of Housing and Community Development

<p>Item 5 File 22-0094</p>	<p>Department: Mayor’s Office of Housing and Community Development</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would approve a loan amount not to exceed \$26,286,000 for the acquisition and rehabilitation of three existing affordable multi-family buildings, known as the “Throughline Apartments,” with 88 residential and four commercial units, located at 777 Broadway (Bayside), 1204 Mason Street (Consortia) and 1525-1529 Grant Avenue (Tower). <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • Two of the three properties—Consortia and Tower—were placed in Tier 4 of the Mandatory Soft Story Retrofit Program (MSSP) in 2013 by the Department of Building Inspection. The deadline to complete the mandatory seismic retrofitting of these buildings has been extended to October and November 2023, respectively. Chinatown Community Development Center (CCDC) sponsored an application to the Mayor’s Office of Housing and Community Development (MOHCD) to finance the acquisition and rehabilitation of these properties as a single project in order to achieve savings in legal and financing costs. • At the recommendation of the Budget & Legislative Analyst, the Department is expected to request an amendment to the proposed resolution that memorializes the Department’s intention to include an option and right of first refusal to acquire the Throughline properties upon transfer of sale. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The cost of the rehabilitation project for the three project sites is \$31,223,750, or \$354,815 per unit. The proposed \$26,286,000 loan agreement’s primary sources of funds are the Community Development Block Grant and Preservation and Seismic Safety Program bond funds. <p style="text-align: center;">Policy Consideration</p> <ul style="list-style-type: none"> • The current project proforma makes two assumptions about the ability to generate increased rent revenue: (1) that newly vacant units can be rented at the maximum allowable income level; and (2) that HUD will approve a Rent Comparison Study, which will restore the recently reduced Section 8 subsidies associated with the Bayside units. In addition, current contingencies for both soft and hard development costs for the project are below MOHCD standards. Given that actual tenant rents may be less than assumed in the project proforma included in the proposed loan package, outside or additional City funding may need to be identified for ongoing operating costs for the three projects. <p style="text-align: center;">Recommendation</p> <p>Approve the proposed resolution, as amended by the Department.</p>	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

Mandatory Soft Story Retrofit Program

In 2013, the Board of Supervisors passed an ordinance amending the Building Code to establish a Mandatory Soft Story Retrofit Program (MSSP) to ensure the safety of San Francisco’s housing stock through the retrofit of older, wood-framed multi-family buildings that include housing over a non-housing ground floor space that has less stability for lateral load resistance, creating a soft-story condition. The Department of Building Inspection (DBI) enforces compliance for the 2,800 buildings that were determined to have a soft-story vulnerability, and established a tiered system to create timelines for submitting permit applications and completing work. DBI placed 1204 Mason (Consortia) and 1525-29 Grant Avenue (Tower) in Tier 4, which requires permit applications for the seismic retrofit work by September 15, 2018, with work completed by September 16, 2020. The deadline for completion of work has been extended to October and November 2023 for Consortia and Tower, respectively.

Preservation and Seismic Safety Program

The Preservation and Seismic Safety Program (PASS) provides low-cost and long-term financing to fund seismic retrofits, as well as the acquisition, rehabilitation, and preservation of affordable multi-family housing. PASS was created to complement the City’s anti-displacement and preservation strategy. PASS is funded by repurposing \$260.7 million in underutilized bond authority from the 1992 Seismic Safety Loan Program, as approved by the voters in 2016. PASS loans may include market interest rate, below market interest rates, and deferred interest payments.

Chinatown Community Development Center (CCDC)

Chinatown Community Development Center (CCDC) has built and rehabilitated 36 properties in San Francisco, including 874 units for seniors and 314 supportive housing units. According to the loan evaluation for the proposed loan, starting in 2015, CCDC assumed ownership of all 526 public housing units in Chinatown through HUD’s Rental Assistance Demonstration Program and completed \$150 million in renovations. In 2017, CCDC launched its Small Sites and Single Room Occupancy (SRO) Programs to acquire and renovate Chinatown buildings housing vulnerable residents.

Throughline Apartments Project

According to the Project's Affordable Housing Loan Committee Evaluation Report, in March 2018, CCDC proposed to MOHCD the syndication¹ of three properties in its portfolio (Bayside, Consorcia, and Tower) as a single scattered site development project called the Throughline Apartments, to: (1) achieve some economies of scale by bundling three project rehabilitations into one project – saving in administrative, financing and legal costs, (2) leverage Bayside's Section 8 contracts to support two relatively lower rental income properties, and (3) efficiently use CDBG to put funds back into the project for acquisition.

CCDC planned to finance the project using Low Income Housing Tax Credits, but the project's application was denied due to the competitive nature of the CDLAC/TCAC program, where only one rehab project in the City and County of San Francisco was awarded funds in the 3rd round of the 2020 Notice of Funding Availability (NOFA).

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve an amendment and restated loan agreement not to exceed \$26,286,000 for the acquisition and rehabilitation of three existing affordable multi-family buildings, known as the "Throughline Apartments," with 88 residential and four commercial units, located at 777 Broadway (Bayside), 1204 Mason Street (Consorcia) and 1525-1529 Grant Avenue (Tower) and (2) affirm the Planning Department's determination that this project is consistent with the General Plan and the priority policies of Planning Code Section 101.1. The proposed loan agreement adds \$25,486,000 to an existing City loan of \$800,000 made in 2020.

Overview of Properties

Chinatown Community Development Corporation currently owns the land at Consorcia and Tower. Bayside Elderly Housing Corporation, a subsidiary company of CCDC, holds an air rights lease with the San Francisco Housing Authority (SFHA) for an annual rent equal to 1.4 percent of the gross income from Bayside, as well as a non-exclusive easement agreement which allows CCDC to access the structural supports for long-term maintenance of Bayside improvements.

CCDC created the entity CCDC Throughline LLC for ownership of the "Throughline Apartments," which include Consorcia, Tower, and Bayside.

The Consorcia Apartments, built in 1909, consists of 24 units (studios and 1 bedrooms). The last major rehabilitation of this property was completed in 1982. In addition to the seismic retrofit required by the Mandatory Soft Story Retrofit Program, the building needs include accessibility improvements and fire and life safety code upgrades, estimated to cost \$8.7 million.

Tower Hotel, built in 1911, is a Single Room Occupancy building with 33 units. The last major rehabilitation of this property was completed in 1985. In addition to the seismic retrofit required

¹ Syndication refers to selling tax credit to investors to fund development and rehabilitation costs.

by the Mandatory Soft Story Retrofit Program, the building needs include accessibility improvements and fire and life safety code upgrades, estimated to cost \$6.6 million.

Bayside Elderly Housing, built in 1990, includes 31 studio units built on the air rights above the parking lot for Ping Yuen, a former SFHA public housing building now owned by CCDC. The renovation needs in these units include accessibility improvements, seismic retrofitting, and energy efficiency upgrades, estimated to cost \$7 million.

Prior City Financing

Since 1981, the City has made investments in these properties through loans and grants, as shown in Table 1 below.

Table 1: Existing Debt on Properties from Previous City Loans, estimated at closing 3/15/22

Property	Loan Year	Original Loan Amount	Outstanding Principal	Accrued Interest	Total Outstanding Debt
Consortia	1981	\$330,898	\$330,898	\$402,979	\$733,877
Tower	1983	645,286	645,286	392,872	1,038,158
Bayside	1989	829,387	829,387	2,732,139	3,561,526
Consortia	2004	101,423	10,625	713	11,338
Total		\$1,906,994	\$1,816,196	\$3,528,702	\$5,344,898

Note that as part of the proposed project financing, MOHCD will forgive \$2,398,821.31 on the 1989 Bayside loan in order to reduce the sales price. This forgiveness will bring the total remaining debt on this project to \$2,946,077 at the estimated date of closing (March 15, 2022). The final amount of the forgiven date may change, depending on the actual final closing date.

In addition, MOHCD provided a loan of \$800,000 in Housing Trust Funds to Throughline LLC as a predevelopment loan, at a 3 percent interest rate for a 57-year term. The principal and accrued interest on this loan will be rolled into MOHCD’s loan to the project.

Tenant Relocation

CCDC estimates a 17-month construction schedule, with three phases of relocation, during which current residents will be required to relocate off-site for approximately six months. The project budget includes \$1.9 million for relocation: \$1.3 million for residential relocation, \$457,000 for commercial relocation, and \$195,000 for relocation consultant fees.

The planned sequence of renovations is:

- Consortia April 2022 to September 2022
- Tower October 2022 to February 2023
- Bayside March 2023 to July 2023

CCDC will make 24 market-rate units at Hamlin House available to relocate residents from all three buildings.

FISCAL IMPACT**Sources and Uses**

The proposed \$26,286,000 loan agreement's primary sources of funds are \$14,840,000 provided by a Community Development Block Grant, \$8,499,000 PASS funds, and \$2,947,077 in loan forgiveness funded by Community Development Block Grant funds. Additional resources include community project funding (made available through Congresswoman Pelosi's Office), Bayside's existing project reserves, and refinanced loans previously made on the properties, as shown in Table 2 below.

Table 2: Sources of Funds for Throughline Project

Sources	Amount
<u>New City Funding</u>	
CDBG/Housing Trust Fund	\$13,519,791
PASS - Market Rate Loan	5,175,891
PASS - Below Market Rate Loan	2,855,664
PASS - Deferred	467,445
<i>Subtotal, New City Funding</i>	<i>\$22,018,791</i>
<u>City Loan Forgiveness</u>	
Consortia 1981 CDBG Debt	\$733,877
Tower 1983 CDBG Debt	1,038,158
Bayside 1989 CDBG Debt	1,162,698
Consortia 2004 CDBG Debt	11,344
<i>Subtotal, City Loan Forgiveness</i>	<i>\$2,946,077</i>
Subtotal, City Loan	\$24,964,868
Community Project Fund	\$2,500,000
CCDC Sponsor Loan	309,523
GP Project Reserves	2,723,968
GP Project Reserves (Hamlin)	600,000
Predevelopment Expenses pre 12/31/19	125,391
Total Sources	\$31,223,750

Source: MOHCD

Notes: CDBG refers to Community Development Block Grant, a federal source. Community Project Fund is also a federal source.

The uses of funds for the proposed loan agreement are shown in Table 3 below.

Table 3: Uses of Funds for Throughline Project

Uses	Amount
Acquisition	\$0
Construction	20,429,668
<i>Hard Cost Contingency</i>	2,323,792
Architecture & Design	895,000
Engineering	105,000
Financing	242,988
Legal	40,000
Other Development	6,010,397
<i>Soft Cost Contingency</i>	163,565
Reserves	513,341
Developer Costs	500,000
Total Uses	\$31,223,750

Source: MOHCD

Loan Terms

The details of the loan terms included in the proposed gap loan for this project are detailed in Table 4 below.

Table 4: Repayment Terms

Loan Fund	Amount	Term Years	Interest Rate
CDBG/HTF	14,840,000	55	3%
PASS - Market	5,175,891	40	3.87%
PASS - Below Market	2,855,664	40	0.96%
PASS - Deferred	467,445	40	0.96%
Total	\$23,339,000		

Source: MOHCD and Proposed Promissory Notes

As shown in Table 4 above, total new funding is \$23,339,000. The remaining \$2,946,000 of the proposed \$26,286,000 loan is \$2,946,000 in forgiveness of previously loaned City funds, noted above. The CDBG/Housing Trust Fund (HTF) loan amount of \$14,840,000 includes the \$13,519,791 in new funding noted above in Table 2 as well as a mortgage payment of \$987,209 and a transfer tax payment of \$333,000.

Rehabilitation Cost per Unit

The cost per unit for the proposed rehabilitation is estimated at \$354,815, with the estimated cost per residential square foot estimated at \$626, as shown in Table 5 below.

Table 5: Rehabilitation Costs per Unit and Square Foot

Residential Units	88
Residential Square Footage (SF)	49,870
Total Cost	\$31,223,750
Cost per Residential Unit	\$354,815
Cost per Residential SF	\$626

Source: BLA Analysis

POLICY CONSIDERATION

Hard and Soft Cost Contingencies

The hard and soft cost contingencies currently estimated in the project costs as detailed in the Loan Committee Evaluation Report and the Proforma do not meet MOHCD standards. Although the MOHCD hard cost contingency is 15 percent; the project's hard cost contingency is only 11.4 percent of hard costs.

Further, the MOHCD soft cost contingency typically ranges between five and 10 percent of total soft costs related to the project (including legal, financing and developer costs). This project's soft cost contingency equals 2.2 percent of soft costs.

As shown in Table 6 below, total project costs would increase \$0.9 million to bring the contingencies up to MOHCD standards for contingencies, at the lowest end of the range for soft cost contingencies.

Table 6: Hard and Soft Cost Contingencies

Hard Costs	\$20,429,668
Current Hard Cost Contingency (11.4%)	\$2,323,792
15% Hard Cost Contingency	\$3,064,450
Difference in Current vs. Standard Hard Cost Contingency	\$740,658
Soft Costs	\$7,293,385
Current Soft Cost Contingency (2.2%)	\$163,565
5% Soft Cost Contingency	\$364,669
Difference in Current vs. Standard Soft Cost Contingency	\$201,105
Total Cost of Increasing Contingency Costs	\$941,763

Source: MOHCD

Current versus Allowable Rent Levels

According to the Affordable Housing Loan Evaluation Report, CCDC acknowledged in its 2018 Annual Monitoring Report a "large discrepancy between current rents and maximum allowed rents" at both Consorcía and Tower. The average rent currently collected at Consorcía is 23 percent of Area Median Income (AMI), and the average rent currently collected at Tower is 13 percent of AMI. According to the Affordable Housing Loan Evaluation Report, CCDC "plans to increase revenue at the Consorcía by charging the maximum allowed rents to incoming tenants.

However, there is very little turnover at the Consorcia. The last time a unit was vacated was in 2015 and currently, there are no vacancies.” The discrepancy between current and maximum allowed rents impact the ability of these buildings to sustain sufficient reserves to cover future maintenance costs.

Bayside Section 8 Subsidy

The units at Bayside are subsidized through HUD’s Section 8 subsidy program. In November 2020, a Rent Comparability Study was conducted that reduced the Section 8 subsidy for these units by \$500 per month from \$2,731 to \$2,231. CCDC has appealed this evaluation and has requested a new Rent Comparability Study; according to MOHCD, HUD has not yet approved this request. The current proforma assumes that the subsidy will be increased from \$2,231 to \$2,400 per month.

Given that actual tenant rents may be less than assumed in the project proforma included in the proposed loan package, outside or additional City funding may need to be identified for ongoing operating costs for the three projects.

Ensuring Affordability

At the recommendation of the Budget & Legislative Analyst, the Department is expected to request an amendment to the proposed resolution that memorializes the Department’s intention to include an option and right of first refusal to acquire the Throughline properties upon transfer of sale.

RECOMMENDATION

Approve the proposed resolution, as amended by the Department.

**AMENDED AND RESTATED LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO)**

By and Between

THE CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing and Community Development,

and

CCDC THROUGHLINE, LLC
a California limited liability corporation

for

THROUGHLINE APARTMENTS
777 Broadway
1525 Grant Avenue
1204 Mason Street

Total Loan: \$26,286,000
MOHCD CDBG Housing Trust Fund Gap: \$14,840,000
CDBG Consolidated Debt: \$2,946,077
2016 G.O. Bond (PASS-Series 2020C): \$8,499,000
PASS - Market Rate Loan: \$5,175,891
PASS - Market Rate Loan: \$2,855,664
PASS - Deferred Loan: \$467,445

Dated as of March 22, 2022

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AMENDED AND RESTATED LOAN AGREEMENT

(City and County of San Francisco)

(777 Broadway)

(1525 Grant Avenue)

(1204 Mason Street)

THIS AMENDED AND RESTATED LOAN AGREEMENT ("Agreement") is entered into as of March 22, 2022, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (the "City"), represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"), and **CCDC THROUGHLINE, LLC**, a California limited liability corporation ("Borrower").

RECITALS

A. In November 1996, the voters of the City approved Proposition A, which provided for the issuance of general obligation bonds to fund, among other things, the development of housing in the City affordable to low-income households (the "1996 GO Bond"). Under Chapter 43, Article III of the San Francisco Administrative Code and the regulations approved by the City's Board of Supervisors, the City is authorized to provide funds under this Agreement (the "Funds") to Borrower for the development of affordable housing.

B. The City is authorized under a contract with the United States Department of Housing and Urban Development ("HUD") pursuant to Title I of the Housing and Community Development Act of 1974 (42 U.S.C. §§ 5301 *et seq.*), to distribute Community Development Block Grant ("CDBG") funds under this Agreement (the "CDBG Funds") for the specific and special purpose of increasing the housing stock in the City for low- and very low-income persons.

C. In November 2012, the voters of the City approved Proposition C, which established a Housing Trust Fund to provide funds for the creation, acquisition, and rehabilitation of rental and ownership housing affordable to households earning up to 120% of the area median income, including, without limitation, the acquisition of land for such purpose (the "HTF Funds"). Under Section 16.110 *et seq.* of the San Francisco City Charter, the City is authorized to provide funds from the Housing Trust Fund under this Agreement to Borrower for the development of affordable housing. The funds provided from the Housing Trust Fund under this Agreement shall be referred to herein as the "HTF Funds."

D. On November 3, 1992, the voters of the City and County of San Francisco approved Proposition A, which provided for the issuance of up to \$350 million in general obligation bonds to establish and fund a Seismic Safety Loan Program. On November 8, 2016, the voters of the City and County of San Francisco approved Proposition C expanding the permitted use of the bonds to finance the costs to acquire, improve, rehabilitate and convert at-risk multi-unit residential buildings to permanent affordable housing. Under Chapter 66 of the San Francisco Administrative Code and the Preservation and Seismic Safety ("PASS") Program Regulations adopted by MOHCD, the City is authorized to provide a portion of proceeds of the

bonds (the “2016 GO Bond (Series 2020C)” or the “PASS Bonds”) under this Agreement to Borrower for the preservation of affordable housing. The proceeds of the PASS Bonds and the Fees are collectively referred to as the "PASS Funds." The 1996 GO Bonds, the CDBG Funds, the HOME Funds, the OFT Proceeds Funds, and the PASS Funds, are collectively referred to as the “Funds.”

E. CCDC Throughline, LLC, a California Limited Liability Corporation ("Borrower"), will acquire a fee interest in real property located at 1204 Mason Street (the “Consortia Apartments”), 1525 Grant Avenue (the “Tower Hotel”), and 777 Broadway (the “Bayside Elderly Housing”), all in San Francisco, California (collectively, the "Site"). Borrower intends to rehabilitate three buildings located on the Site, comprised of 88 units, affordable to low-income households, including three commercial spaces located at 1200, 1206, and 1208 Mason Street below apartments at 1204 Mason Street (2,945 SF) and a commercial space at 1525 and 1529 Grant Avenue below the 1527 Grant Avenue SRO units (5,260 SF) (the “Commercial Spaces”) which will be known collectively as Throughline Apartments (the "Project").

F. Borrower’s affiliates secured prior loans or grants from the City and outstanding loans from other sources in connection with the Site as described below:

1. An Agreement for 1204 Mason Street dated November 16, 1981, amended on April 12, 1999, pursuant to which the City loaned Chinatown Community Development Center (“CCDC”) (the “First Borrower”) Three Hundred Thirty Thousand Eight Hundred Ninety-Eight and No/100 Dollars (\$330,898.00) of Community Development Block Grant (“CDBG”) funds (“First CDBG Loan”), which is evidenced by that certain second amended Promissory Note dated April 12, 1999 (“First CDBG Note”) and secured by a Deed of Trust recorded in the City and County of San Francisco as Document number 99-G551746-00 (“First CDBG Deed of Trust”) executed by Borrower’s affiliate in Favor of the City;
2. A Community Housing Rehabilitation Program Agreement for 1525 Grant Avenue dated August 15, 1983, amended on March 23, 1984, March 22, 1985, and April 12, 1999, pursuant to which the City loaned Tower Hotel Partners Limited, Ltd. , the predecessor in interest to CCDC (the “Second Borrower”), Six Hundred Forty Five Thousand Two Hundred Eighty Six and No/100 Dollars (\$645,286) of CDBG funds the (“Second CDBG Loan”), which is evidenced by that certain amended Promissory Note dated April 12, 1999 (“Second CDBG Note”) and secured by a Deed of Trust recorded in the City and County of San Francisco as Document number 99-G551749-00 (“Second CDBG Deed of Trust”) executed by Borrower’s affiliate in Favor of the City;
3. An Agreement for 777 Broadway dated September 25, 1989 pursuant to which the City loaned Bayside Elderly Housing Corporation (the “Third Borrower”) Eight Hundred Twenty-Nine Thousand Three Hundred Eighty-Seven and No/100 Dollars (\$829,387.00) of San Francisco Hotel Room Tax Funds and CDBG Site Acquisition Pool funds (“Third CDBG Loan”), which is evidenced by that certain Deed of Trust dated September 25, 1989 (“Third CDBG Deed of Trust”) executed by Borrower’s affiliate in Favor of the City.

4. An Agreement for 1204 Mason Street dated December 9, 2004 pursuant to which the City loaned CCDC (the “Fourth Borrower”). One Hundred One Thousand Four Hundred Twenty-Three and No/100 Dollars (\$101,423.00) of CDBG funds (“Fourth CDBG Loan”), which is evidenced by that certain Promissory Note dated December 9, 2004 (“Fourth CDBG Note”) and secured by a Deed of Trust recorded in the City and County of San Francisco as Document number 2004-H879036-00 (“Fourth CDBG Deed of Trust”) executed by Borrower’s affiliate in Favor of the City; and
5. A Predevelopment Loan Agreement for the Project dated September 11, 2020 pursuant to which the City loaned CCDC (the “Fifth Borrower”). Eight Hundred Thousand and No/100 Dollars (\$800,000.00) of Prop C Housing Trust Funds (“Predevelopment Loan”), which is evidenced by that certain Promissory Note dated September 11, 2020 (“Predevelopment Loan Note”) executed by Borrower’s affiliate in Favor of the City.

The First CDBG Loan, Second CDBG Loan, Third CDBG Loan, Fourth CDBG Loan, and Predevelopment Loan are hereinafter collectively referred to as the “Original City Loans.”

The First Borrower, Second Borrower, Third Borrower, Fourth Borrower and Fifth Borrower are herein collectively referred to as the “Original Borrowers”.

G. The Borrower intends to acquire, from the Original Borrowers the fee interest in the real property and improvements commonly known as the Consorcia Apartments and the Tower Hotel, each pursuant to a Purchase and Sale Agreement, and a ground leasehold interest in the underlying fee plus a fee interest in the improvements commonly known as Bayside Elderly Housing pursuant to an option to lease and purchase agreement for a total of 88 residential units and four commercial spaces, which will be known collectively as Throughline Apartments (the "Project").

H. Original Borrowers also intend to assign to Borrower, and Borrower intends to assume, all of Original Borrowers’ rights and duties with respect to the existing loans described in **Recital F** (the “Assignment and Assumption”). Borrower has also requested that the City modify certain terms of the existing loans, including consolidation of the Original City Loans, interest rate, term, and affordability restrictions associated with each of the Original City Loans (the “Loan Modifications”).

I. The consent of the City is required for the Assignment and Assumption and the Loan Modifications. The City has reviewed Borrower's request for the Assignment and Assumption and Loan Modifications and, in reliance on the accuracy of the information provided by Borrower, has consented to these requests. The City and Borrower have agreed to the following: (1) Forgive Two Million Three Hundred Ninety Eight Thousand Eight Hundred Twenty one and No/100 Dollars (\$2,398,821) in accrued interest on the Third CDBG Loan reducing the balance of the Third CDBG Loan to One Million One Hundred Sixty Two Thousand Seven Hundred and Four No/100 (\$1,162,704.64) (2) and consolidate the remaining principal and accrued interest associated with the Original City Loans for a total consolidated loan of Funds to the Borrower in an amount equal to Two Million Nine Hundred Forty Six

Thousand Seventy Seven and No/100 Dollars (\$2,946,077) (“Consolidated Loan Amount”) be governed by the terms of this Agreement.

J. The City will make a new loan of CDBG and HTF Funds (“CDBG-HTF Loan”) to the Borrower in an amount equal to Fourteen Million Eight Hundred Forty Thousand Dollars (\$14,840,000). The Borrower will pay off (1) an existing HUD 202 Mortgage in the approximate amount of Nine Hundred Eighty-Seven Thousand Two Hundred and Nine No/100 Dollars (\$987,209) to acquire Bayside Elderly Housing and (2) the balance of City and County of San Francisco transfer taxes. The remaining balance of the CDBG-HTF Loan will be used as a construction loan to fund the rehabilitation of the Project.

K. In addition, the City has reviewed Borrower's application for PASS Funds under the PASS Program, and in reliance on the accuracy of the statements in that application, has agreed to make a new aggregate total loan of PASS Funds (the “PASS Loan,” and together with the Consolidated Loan, the “Loan”) to Borrower in an amount equal to Eight Million Four Hundred Ninety Nine Thousand Dollars (\$8,499,000) (the “PASS Loan Amount,” and together with the Consolidated Loan Amount and CDBG-HTF Loan Amount, the “Funding Amount”) for permanent financing of the Project under this Agreement comprised of the following:

(1) a market rate loan of PASS Funds to Borrower (the “Market Rate Loan”) in the amount of Five Million One Hundred Seventy Five Thousand Eight Hundred Ninety One and No/100 Dollars (\$5,175,891) (the “Market Rate Loan Amount”),

(2) a below market rate loan of PASS Funds to Borrower (the “BMR Loan”) in the amount of Two Million Eight Hundred Fifty Five Thousand Six Hundred Sixty Four and No/100 Dollars (\$2,855,664) (the “BMR Loan Amount”),

(3) a deferred loan of PASS Funds to Borrower (the Deferred Loan”) in the amount of Four Hundred Sixty Seven Thousand Four Hundred Forty Five and No/100 Dollars (\$467,445) (the “Deferred Loan Amount”).

The Market Rate Loan, the BMR Loan, and the Deferred Loan will collectively be known as the “PASS Loans.”

L. In addition, Borrower has secured the following additional financing sources to fund the rehabilitation of the Project: (1) approximately Two Million Seven Hundred Twenty Four Thousand Dollars (\$2,724,000) in existing Bayside Elderly Housing replacement reserves previously approved by HUD; (2) a HUD-Economic Development Initiative Grant (“HUD-EDIG”) in the amount of Two Million Five Hundred Thousand Dollars (\$2,500,000) federally appropriated by Congresswoman Nancy Pelosi’s Office ; (3) Six Hundred Thousand Dollars (\$600,000) in excess rent proceeds from Section 8 subsidies as a result of the 2019 Rental Assistance Demonstration program transfer of an existing property located at 385 Eddy Street (the “Hamlin Hotel”) ; (4) a Deferred Developer Fee of \$500,000;

M. On the Agreement Date, this Agreement will amend, restate, supersede and replace the First CDBG Loan Agreement, the Second CDBG Loan Agreement, the Third CDBG Loan Agreement, the Fourth CDBG Loan Agreement, and the Predevelopment Loan Agreement. Concurrently herewith, Borrower will also (i) execute an amended and restated promissory note in favor of the City to supersede and replace the First CDBG Note, the Second CDBG Note, the Third CDBG Note, the Fourth CDBG Note, and Predevelopment Loan Note, (ii) reconvey the existing deeds of trust and enter into and record new Deeds of Trust against the Site to secure such amended and restated note, and (iii) execute and record a new declaration of restrictions against the Site. As of the Agreement Date, the City will (i) cancel and return the First CDBG Note, the Second CDBG Note, the Third CDBG Note, the Fourth CDBG Note, and the Predevelopment Loan Note; (ii) reconvey the First CDBG Deed of Trust, The Second CDBG Deed of Trust, the Third CDBG Deed of Trust, and the Fourth CDBG Deed of Trust; and (iii) reconvey the existing declaration of restrictions.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the parties agree as follows:

ARTICLE 1 DEFINITIONS.

1.1 Defined Terms. As used in this Agreement, the following words and phrases have the following meanings:

"Accounts" means all depository accounts, including reserve and trust accounts, required or authorized under this Agreement or otherwise by the City in writing. All Accounts must be maintained in accordance with **Section 2.3**.

"Agreement" means this Loan Agreement.

"Agreement Date" means the date first written above.

"Annual Monitoring Report" has the meaning set forth in **Section 10.3**.

"Annual Operating Budget" means an annual operating budget for the Project attached hereto as **Exhibit B-2**, which may not be adjusted without the City's prior written approval.

"Approved Plans" has the meaning set for in **Section 5.2**.

"Approved Specifications" has the meaning set forth in **Section 5.2**.

"Authorizing Resolutions" means: (a) in the case of a corporation, a certified copy of resolutions adopted by its board of directors; (b) in the case of a partnership (whether general or limited), a certificate signed by all of its general partners; and (c) in the case of a limited liability

company, a certified copy of resolutions adopted by its board of directors or members, satisfactory to the City and evidencing Borrower's authority to execute, deliver and perform the obligations under the City Documents to which Borrower is a party or by which it is bound.

"Borrower" means CCDC THROUHGLINE, LLC, a California limited liability company, whose sole member and manager, CCDC, is a California nonprofit public benefit corporation, and its authorized successors and assigns.

"CCDC" means Chinatown Community Development Center, a California public benefit nonprofit corporation.

"CDBG" has the meaning set forth in **Recital B**.

"CFR" means the Code of Federal Regulations.

"Charter Documents" means: (a) in the case of a corporation, its articles of incorporation and bylaws; (b) in the case of a partnership, its partnership agreement and any certificate or statement of partnership; and (c) in the case of a limited liability company, its operating agreement and any LLC certificate or statement. The Charter Documents must be delivered to the City in their original form and as amended from time to time and be accompanied by a certificate of good standing for Borrower issued by the California Secretary of State and, if Borrower is organized under the laws of a state other than California, a certificate of good standing issued by the Secretary of State of the state of organization, issued no more than ninety (90) days before the Agreement Date.

"City" means the City and County of San Francisco, a municipal corporation, represented by the Mayor, acting by and through MOHCD. Whenever this Agreement provides for a submission to the City or an approval or action by the City, this Agreement refers to submission to or approval or action by MOHCD unless otherwise indicated.

"City Documents" means this Agreement, the Notes, the Deeds of Trust, the Declarations of Restrictions, and any other documents executed or, delivered in connection with this Agreement.

"CNA" means a 20-year capital needs assessment or analysis of replacement reserve requirements, as further described under the CNA Policy.

"CNA Policy" means MOHCD's Policy For Capital Needs Assessments dated November 5, 2013, as it may be amended from time to time.

“Commercial Income” means all receipts received by Borrower from the operation of the Commercial Space, including rents, fees, deposits (other than security deposits), any accrued interest disbursed from any reserve account authorized under this Agreement for a purpose other than that for which the reserve account was established, reimbursements and other charges paid to Borrower in connection with the Commercial Space.

“Commercial Shell” means all components of an unfinished Commercial Space as further defined by MOHCD’s commercial space policy, as it may be amended from time to time.

"Commercial Space" has the meaning set forth in **Recital E** and further defined in MOHCD’s commercial space policy as it may be amended from time to time. As used in this Agreement, the term excludes non-residential space in the Project to be used primarily for the benefit of the Tenants.

"Completion Date" has the meaning set forth in **Section 5.6**.

"Compliance Term" has the meaning set forth in **Section 3.2**.

“Consolidated Loan” has the meaning set forth in **Recital I**.

“Consolidated Loan Amount” has the meaning set forth in **Recital I**.

“Construction Contract” has the meaning set forth in **Section 5.2**.

“Contracting Manual” means the Contracting Manual (2006 Amendment) for Federally Funded Construction Projects Financed by the Mayor’s Office of Housing, issued by MOHCD on November 18, 2002, as amended on May 22, 2007, as the same may be further amended from time to time.

“Conversion Date” means the date on which construction financing for the Project is converted into permanent financing, if applicable.

"Declarations of Restrictions" means a recorded declaration of restrictions in form and substance acceptable to the City that requires Borrower and the Project to comply with the use restrictions in this Agreement for the Compliance Term, even if the Loan is repaid or otherwise satisfied, this Agreement terminates or the Deeds of Trust are reconveyed.

"Deeds of Trust" means, collectively, the deeds of trust executed by Borrower granting the City a lien on the Site and the Project to secure Borrower's performance under this Agreement and the Notes, in form and substance acceptable to the City.

“Deferred Loan” has the same meaning set forth in **Recital K**.

“Deferred Loan Amount” has the same meaning set forth in **Recital K**.

“Deferred Note” means the promissory note executed by Borrower in favor of the City in the original principal amount of the Deferred Loan Amount in the form attached hereto as **Exhibit N**.

“Department of Building Inspection” has the meaning set forth in **Section 5.2**.

"Developer" means Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation, and its authorized successors and assigns.

"Developer Fees" has the meaning set forth in **Section 15.1**.

“Developer Fee Policy” means the MOHCD Policy on Development Fees for Tax Credit Projects dated October 16, 2020, as amended from time to time, attached hereto as **Exhibit J**.

"Disbursement" means the disbursement of all or a portion of the Funding Amount by the City as described in **Article 4**.

"Distributions" has the meaning set forth in **Section 13.1**.

“Early Retention Release Contractors” means contractors who will receive retention payments upon satisfaction of requirements set forth in **Section 4.7**.

"Environmental Activity" means any actual, proposed or threatened spill, leak, pumping, discharge, leaching, storage, existence, release, generation, abatement, removal, disposal, handling or transportation of any Hazardous Substance from, under, into or on the Site.

"Environmental Laws" means all present and future federal, state, local and administrative laws, ordinances, statutes, rules and regulations, orders, judgments, decrees, agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements relating to health and safety, industrial hygiene or the environment or to any Hazardous Substance or Environmental Activity, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (commonly known as the "Superfund" law) (42 U.S.C. §§ 9601 *et seq.*), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (42 U.S.C. §§ 6901 *et seq.*); the National Environmental Policy Act of 1969 (“NEPA”) (24 CFR §§ 92 and 24 CFR §§ 58); the California Hazardous Substance Account Act (also known as the Carpenter-Presley-Tanner Hazardous Substance Account Law and commonly known as the "California Superfund" law) (Cal. Health & Safety Code §§ 25300 *et seq.*); and the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (Cal. Health & Safety Code §§ 25249.2 *et seq.*); and Sections 25117 and 25140 of the California Health & Safety Code.

"Escrow Agent" has the meaning set forth in **Section 4.2**.

"Event of Default" has the meaning set forth in **Section 19.1**.

"Expenditure Request" means a written request by Borrower for a Disbursement from the Funding Amount, which must certify that the Project costs covered by the Expenditure Request have been paid or incurred by Borrower.

"Federal Funding" means funding provided by the federal government for capital improvements, operations or other direct financial assistance of the Project.

"Funding Amount" has the meaning set forth in **Recital K**.

"Funds" has the meaning set forth in **Recital D**.

"GAAP" means generally accepted accounting principles in effect on the date of this Agreement and at the time of any required performance.

"Governmental Agency" means: (a) any government or municipality or political subdivision of any government or municipality; (b) any assessment, improvement, community facility or other special taxing district; (c) any governmental or quasi-governmental agency, authority, board, bureau, commission, corporation, department, instrumentality or public body; or (d) any court, administrative tribunal, arbitrator, public utility or regulatory body.

"Hazardous Substance" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any Governmental Agency to pose a present or potential hazard to human health or safety or to the environment. Hazardous Substance includes any material or substance listed, defined or otherwise identified as a "hazardous substance," "hazardous waste," "hazardous material," "pollutant," "contaminant," "pesticide" or is listed as a chemical known to cause cancer or reproductive toxicity or is otherwise identified as "hazardous" or "toxic" under any Environmental Law, as well as any asbestos, radioactive materials, polychlorinated biphenyls and any materials containing any of them, and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. Materials of a type and quantity normally used in the rehabilitation, operation or maintenance of developments similar to the Project will not be deemed "Hazardous Substances" for the purposes of this Agreement if used in compliance with applicable Environmental Laws.

"Hold Harmless Policy" means the Hold Harmless Policy for MOHCD's Income Limits & Maximum Rents dated May 3, 2019, as amended from time to time, attached hereto as **Exhibit K**.

"HUD" means the United States Department of Housing and Urban Development acting by and through the Secretary of Housing and Urban Development and any authorized agents.

"HUD-EDIG" means a HUD-Economic Development Initiative Grant ("HUD-EDIG").

"In Balance" means that the sum of undisbursed Funds and any other sources of funds that Borrower has closed or for which Borrower has firm commitments will be sufficient to complete acquisition/construction/rehabilitation of the Project, as determined by the City in its sole discretion.

"Income Restrictions" means the maximum household income limits for Qualified Tenants, as set forth in **Exhibit A**.

"Indemnitee" means, individually or collectively, (i) City, including MOHCD and all commissions, departments, agencies and other subdivisions of City; (ii) City's elected officials, directors, officers, employees, agents, successors and assigns; and (iii) all persons or entities acting on behalf of any of the foregoing.

"Laws" means all statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or Governmental Agency.

"Life of the Project" means the period of time in which the Project continues to operate as a multi-family apartment project substantially similar to its current condition in terms of square footage and number of units, and in the event the Project is substantially damaged or destroyed by fire, the elements, an act of any public authority or other casualty, and is subsequently replaced by a multi-family residential project substantially similar to its current condition in terms of square footage and number of units, the life of such replacement project will be deemed to be a continuation of the life of the Project.

"Loan" has the meaning set forth in **Recital K**.

"Loss" or "Losses" includes any and all loss, liability, damage, obligation, penalty, claim, action, suits, judgment, fee, cost, expense or charge and reasonable attorneys' fees and costs, including those incurred in an investigation or a proceeding in court or by mediation or arbitration, on appeal or in the enforcement of the City's rights or in defense of any action in a bankruptcy proceeding.

"Manager" means CCDC.

"Marketing and Tenant Selection Plan" has the meaning set forth in **Section 6.1**.

"Maturity Date" has the meaning set forth in **Section 3.1**.

"Median Income" means median income as published annually by MOHCD for the City and County of San Francisco, derived in part from the income limits and area median income determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area, also referred to as "Unadjusted Median Income."

"Member" means CCDC.

“Modified Loan” has the meaning set forth in **Recital H**.

“Modified Loan Amount” has the meaning set forth in **Recital H**.

“Modified Note” means the promissory note executed by Borrower in favor of the City in the original principal amount of the Modified Loan Amount, in form and substance acceptable to the City.

"MOHCD" means the Mayor’s Office of Housing and Community Development or its successor.

“MOHCD Monthly Project Update” has the meaning set forth in **Section 10.2**.

"Notes" means, collectively, the promissory notes executed by Borrower in favor of the City in the original principal amount of the Funding Amount, in form and substance acceptable to the City.

“Official Records” means the official records of San Francisco County.

"Operating Reserve Account" has the meaning set forth in **Section 12.2**.

"Opinion" means an opinion of Borrower's California legal counsel, satisfactory to the City and its legal counsel, that Borrower is a duly formed, validly existing California limited liability company in good standing under the laws of the State of California, has the power and authority to enter into the City Documents and will be bound by their terms when executed and delivered, and that addresses any other matters the City reasonably requests.

“Original Borrowers” means the entities in which Borrower’s affiliates secured prior loans or grants from the City and outstanding loans from other sources in connection with the Site and includes Original City Loans.

"Out of Balance" means that the sum of undisbursed Funds and any other sources of funds that Borrower has closed or for which Borrower has firm commitments will not be sufficient to complete acquisition/construction/rehabilitation of the Project, as determined by the City in its sole discretion.

“Original City Loans” has the meaning set forth in **Recital F**.

“PASS BMR Note” means the promissory note executed by Borrower in favor of the City in the original principal amount of the BMR Loan Amount in the form attached hereto as **Exhibit M**.

“PASS Deferred Note” means the promissory note executed by Borrower in favor of the City in the original principal amount of the Deferred Loan Amount in the form attached hereto as **Exhibit M**.

“PASS Market Rate Note” means the promissory note executed by Borrower in favor of the City in the original principal amount of the Market Rate Loan Amount in the form attached hereto as **Exhibit M**.

"PASS Loans" has the meaning set forth in **Recital K**.

“PASS Deed of Trust" means the deed of trust executed by Borrower granting the City a lien on the Ambassador Site and the Project to secure Borrower's performance under this Agreement, the Declaration of Restrictions, the Market Rate Notes, the BMR Note, and the Deferred Note, in form attached hereto as **Exhibit N**.

“PASS Program Regulations” means the Preservation and Seismic Safety Program (PASS) Regulations attached hereto as **Exhibit O**.

"Payment Date" means the first June 30th following the Completion Date and each succeeding June 30th until the Maturity Date.

"Permitted Exceptions" means liens in favor of the City, real property taxes and assessments that are not delinquent, and any other liens and encumbrances the City expressly approves in writing in its escrow instructions.

“Preferences and Lottery Manual” means MOHCD’s Housing Preferences and Lottery Procedures Manual dated March 31, 2017, as amended from time to time.

“Preferences Ordinance” means Chapter 47 of the San Francisco Administrative Code, as amended from time to time.

"Project" means the development described in **Recital G**. If indicated by the context, "Project" means the Site and the improvements developed on the Site.

"Project Expenses" means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and assessments and premiums for insurance required under this Agreement or by other lenders providing secured financing for the Project; (b) salaries, wages and any other compensation due and payable to the employees or agents of Borrower employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) required payments of interest and principal, if any, on any junior or senior financing secured by the Site and used to finance the Project that has been approved by the City; (d) all other expenses actually incurred to cover operating costs of the Project, including maintenance and repairs and the fee of any managing agent as indicated in the Annual Operating Budget; (e) required deposits to the Replacement Reserve Account, Operating Reserve Account and any other reserve account required under this Agreement; (f) the approved annual asset management fees indicated in the Annual Operating Budget and approved by the City; (g) any extraordinary expenses approved in advance by the City (other than expenses paid from any reserve account);

and (h) the approved annual Supportive Services indicated in the Annual Operating Budget. Project Fees are not Project Expenses.

"Project Income" means all income and receipts in any form received by Borrower from the operation of the Project, including rents, fees, deposits (other than tenant security deposits), any accrued interest disbursed from any reserve account required under this Agreement for a purpose other than that for which the reserve account was established, reimbursements and other charges paid to Borrower in connection with the Project. Interest accruing on any portion of the Funding Amount is not Project Income.

"Project Operating Account" has the meaning set forth in **Section 11.1**.

"Public Benefit Purposes" means activities or programs that primarily benefit low-income persons, are implemented by one or more nonprofit 501(c)(3) public benefit organizations, or have been identified by a City agency or a community planning process as a priority need in the neighborhood in which the Project is located.

"Qualified Tenant" means a Tenant household earning no more than the maximum permissible annual income level allowed under this Agreement as set forth in **Exhibit A**. The term "Qualified Tenant" includes each category of Tenant designated in **Exhibit A**.

"Rent" means the aggregate annual sum charged to Tenants for rent and utilities in compliance with **Article 7**, with utility charges to Qualified Tenants limited to an allowance determined by the SFHA.

"Replacement Reserve Account" has the meaning set forth in **Section 12.1**.

"Residual Receipts" means Project Income remaining after payment of Project Expenses and Project Fees. The amount of Residual Receipts must be based on figures contained in audited financial statements.

"Residual Receipts Policy" means the Mayor's Office of Housing and Community Development Residual Receipts Policy effective April 1, 2016, as amended from time to time, attached hereto as **Exhibit P**.

"Retention" has the meaning set forth in **Section 4.7**.

"SBE Manual" means that certain Small Business Enterprise Program manual dated July 1, 2015, as the same may be amended from time to time.

"Section 8" means rental assistance provided under Section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. § 1437f) or any successor or similar rent subsidy programs.

"Senior Lien" has the meaning set forth in **Section 22.1**.

"SFHA" means the San Francisco Housing Authority.

"Site" means, the real property described in **Recital B** of this Agreement.

"Supportive Services" means services provided by the Borrower or service partners for low income adults to offer linkages, service coordination, case management, health and wellness advocacy and referrals, employment coaching and resources, and community building; see also **Section 3.9**.

"Surplus Cash" means Commercial Income remaining after payment of the sum of commercial debt service, operating expenses for the Commercial Space and reserve deposits for the Commercial Space but excludes depreciation, amortization, depletion, other non-cash expenses or expenditures from reserve accounts.

"Table" means: (a) the Table of Sources and Uses, (b) the Annual Operating Budget, and (c) the 20-Year Cash Flow Proforma.

"Table of Sources and Uses" means a table of sources and uses of funds attached hereto as **Exhibit B-1**, including a line item budget for the use of the Funding Amount, which table may not be adjusted without the City's prior written approval.

"TCAC" means the California Tax Credit Allocation Committee.

"Tenant" means any residential household in the Project, whether or not a Qualified Tenant.

"Tenant Screening Criteria Policy" has the meaning set forth in **Section 6.3**.

"Title Policy" means an ALTA extended coverage lender's policy of title insurance in form and substance satisfactory to the City, issued by an insurer selected by Borrower and satisfactory to the City, together with any endorsements and policies of coinsurance and/or reinsurance required by the City, in a policy amount equal to the Funding Amount, insuring the Deed of Trust and indicating the Declaration of Restrictions as valid liens on the Site, each subject only to the Permitted Exceptions.

"20-Year Cash Flow Proforma" means the 20-year cash flow proforma for the Project attached as **Exhibit B-3**.

"Unit" means a residential rental unit within the Project.

"Waiting List" has the meaning set forth in **Section 6.5**.

1.2 Interpretation. The following rules of construction will apply to this Agreement and the other City Documents.

(a) The masculine, feminine or neutral gender and the singular and plural forms include the others whenever the context requires. The word "include(s)" means "include(s) without limitation" and "include(s) but not limited to," and the word "including" means "including without limitation" and "including but not limited to" as the case may be. No listing of specific instances, items or examples in any way limits the scope or generality of any language in this Agreement. References to days, months and years mean calendar days, months and years unless otherwise specified. References to a party mean the named party and its successors and assigns.

(b) Headings are for convenience only and do not define or limit any terms. References to a specific City Document or other document or exhibit mean the document, together with all exhibits and schedules, as supplemented, modified, amended or extended from time to time in accordance with this Agreement. References to Articles, Sections and Exhibits refer to this Agreement unless otherwise stated.

(c) Accounting terms and financial covenants will be determined, and financial information must be prepared, in compliance with GAAP as in effect on the date of performance. References to any Law, specifically or generally, will mean the Law as amended, supplemented or superseded from time to time.

(d) The terms and conditions of this Agreement and the other City Documents are the result of arms'-length negotiations between and among sophisticated parties who were represented by counsel, and the rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not apply to the construction and interpretation of the City Documents. The language of this Agreement must be construed as a whole according to its fair meaning.

1.3 Contracting Manual. Borrower shall use the Contracting Manual as a guide to Borrower's responsibilities under Laws and regulations regarding soliciting, awarding and administering contracts associated with projects assisted by Federal Funds and some City funds. In the event of a conflict between the terms of the Contracting Manual and this Agreement, the terms of the Agreement shall prevail.

ARTICLE 2 FUNDING.

2.1 Funding Amount. The City agrees to lend to Borrower a maximum principal amount equal to the Funding Amount in order to refinance and consolidate the Original City Loans, and permanently finance the acquisition and rehabilitation of the Project. The PASS Funding Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

2.2 Use of Funds. Borrower acknowledges that the City's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely for the purpose set forth in **Section 2.1** and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses. Notwithstanding anything to the contrary contained herein, City will

not approve expenditure of Funds for expenses incurred by Borrower prior to the Agreement Date.

2.3 Accounts; Interest. Each Account to be maintained by Borrower under this Agreement must be held in a bank or savings and loan institution acceptable to the City as a segregated account that is insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program. With the exception of tenant security deposit trust accounts, any interest earned on funds in any Account must be used for the benefit of the Project.

2.4 Records. Borrower must maintain and provide to the City upon request records that accurately and fully show the date, amount, purpose and payee of all expenditures from each Account authorized under this Agreement or by the City in writing and keep all estimates, invoices, receipts and other documents related to expenditures from each Account. In addition Borrower must provide to the City promptly following Borrower's receipt, complete copies of all monthly bank statements, together with a reconciliation, for each Account until all funds (including accrued interest) in each Account have been disbursed for eligible uses.

2.5 Conditions to Additional Financing. The City may grant or deny any application by Borrower for additional financing for the Project in its sole discretion.

ARTICLE 3 TERMS. Borrower's repayment obligations with respect to the Funding Amount will be evidenced and governed by the Note, which will govern in the event of any conflicting provision in this Agreement.

3.1 Maturity Date.

(a) Consolidated Loan. For the Consolidated Loan, Borrower must repay all amounts owing under the Modified Note on the date that is the later of (a) the Fifty-Seventh (57th) anniversary of the date the Deed of Trust is recorded in the Recorder's Office of San Francisco County or (b) the Fifty Fifth (55th) Anniversary of the Conversion Date (the "Consolidated Loan Maturity Date").

(b) PASS Loans. For the PASS Loans, (i) Borrower must repay all amounts owing under the Market Rate Note, BMR Note, and Deferred Note on the date that is the fortieth (40th) anniversary of the date that is the first day of the first full month following the date the PASS Deed of Trust is recorded in the Official Records (the "Maturity Date").

3.2 Compliance Term; Declaration of Restrictions. If the Borrower acquires Control of the Site, Borrower must comply with all provisions of the City Documents relating to the use of the Site and the Project as set forth in the Declarations of Restrictions to be recorded in the Official Records, for the period commencing on the date the Consolidated Deed of Trust is recorded in the Official Records and continue for the Life of the Project (the "Compliance Term"), even if the Loans are repaid or otherwise satisfied or the Deed of Trust is reconveyed before the end of the Compliance Term.

3.3 Interest.

- (a) Consolidated Loan. The outstanding principal balance of the Consolidated Loan will bear interest as follows: (1) the Modified Loan Amount will bear interest at the rate of One and 73/100 percent (1.73%) per annum, for the balance of the Modified Loan, as provided in the Modified Note.
- (b) PASS Loans. The PASS Loans will bear interest rates as follows:
 - (i) The outstanding principal balance of the Market Rate Loan will bear interest at a rate of 3.87289% per annum, compounding monthly, as provided in the Market Rate Note;
 - (ii) The outstanding principal balance of the BMR Loan will bear interest at a rate of 0.95763% per annum, compounding monthly, as provided in the Tranche A BMR Note;
 - (iii) The outstanding principal balance of the Deferred Loan will bear interest at a rate of 0.95763% per annum compounding monthly, as provided in the Deferred Note.

3.4 Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, the principal balance of the Loan will bear interest at the default interest rate set forth in the Note, with such default interest rate commencing as of the date an Event of Default occurs and continuing until such Event of Default is fully cured. In addition, the default interest rate will apply to any amounts to be reimbursed to the City under any City Document if not paid when due or as otherwise provided in any City Document.

3.5 Repayment of Principal and Interest. The outstanding principal balance of the Loan, together with all accrued and unpaid interest, if any, will be due and payable on the Maturity Date according to the terms set forth in full in the Note.

3.6 Changes In Funding Streams. The City's agreement to make the Loan on the terms set forth in this Agreement and the Note is based in part on Borrower's projected sources and uses of all funds for the Project, as set forth in the Table of Sources and Uses. Borrower covenants to give written notice to the City within thirty (30) days of any significant changes in budgeted funding or income set forth in documents previously provided to the City. Examples of significant changes include loss or adjustments (other than regular annual adjustments) in funding under CoC, Section 8 or similar programs.

3.9 Failure to Provide Budgeted Supportive Services. If Borrower fails to provide Supportive Services in the amount shown in the approved 20-Year Cash Flow Proforma, Borrower shall provide notice to the City within 10 business days of the date the Supportive Services were terminated, which notice shall include, at a minimum, a proposed plan to restore the Supportive Services within a reasonable period of time. If at the time such notice is provided, Borrower is unable to propose a feasible plan for restoring the Supportive Service, Borrower shall include in the notice a detailed explanation as to the cause of the termination of Supportive Services and the reasons why it would not be feasible to restore the Supportive Services within a reasonable period of time. Notwithstanding the foregoing, Borrower is responsible for insuring that residents or clients residing in the HOPWA Units have access to appropriate case management, psychosocial supportive services, and other support services, as well as to health care, where required. For any Person with HIV/AIDS who requires more intensive care than can be provided at the Project, Borrower shall use its best efforts to locate a care provider who can appropriately care for the individual and shall refer the individual to the care provider.

3.10 Default Requires Repayment of Loan and Payment of Liquidated Damages.

3.10.1 Repayment of Loan. Following the occurrence of an Event of Default under any City Document, the City will have the right to repayment of the Loan in full from Borrower, together with liquidated damages, as provided in **Section 3.10.2** below.

3.10.2 Liquidated Damages.

- (a) Upon the occurrence of an Event of Default under any City Document, without waiving any other remedy of the City, interest will be deemed to have accrued on the t Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to the City.
- (b) Borrower acknowledges and agrees that the default interest that must be paid in the event of an Event of Default under this Section represents a reasonable sum considering all the circumstances existing on the date of this Agreement and represents a fair and reasonable estimate of the costs that will be sustained by the City if Borrower defaults. Borrower further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to the City's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document. In addition, the default interest rate will apply to any amounts to be reimbursed to the City under any City Document if not paid when due or as otherwise provided in any City Document.

3.11 Additional City Approvals. Borrower understands and agrees that City is entering into this Agreement in its proprietary capacity and not as a regulatory agency with

certain police powers. Borrower understands and agrees that neither entry by City into this Agreement nor any approvals given by City under this Agreement shall be deemed to imply that Borrower will obtain any required approvals from City departments, boards or commissions which have jurisdiction over the Property. By entering into this Agreement, City is in no way modifying or limiting the obligations of Borrower to develop the Property in accordance with all local laws. Borrower understands that any development of the Property shall require approvals, authorizations and permits from governmental agencies with jurisdiction over the Property, which may include, without limitation, the San Francisco City Planning Commission and the San Francisco Board of Supervisors. Notwithstanding anything to the contrary in this Agreement, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the Project, including but not limited to a party hereto, from exercising any discretion available to such department, board or commission with respect thereto, including but not limited to the discretion to (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts, including the “No Project” alternative; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed Project.

ARTICLE 4 CLOSING; DISBURSEMENTS.

4.1 Generally. Subject to the terms of this Agreement, the City will make Disbursements in an aggregate sum not to exceed the Funding Amount to or for the account of Borrower in accordance with this Agreement and the approved line item budget contained in the Table of Sources and Uses.

4.2 Closing. Unless otherwise agreed by the City and Borrower in writing, Borrower will establish an escrow account with the title company issuing the Title Policy, or any other escrow agent Borrower chooses, subject to the City’s approval (the “Escrow Agent”). The parties will execute and deliver to the Escrow Agent written instructions consistent with the terms of this Agreement. In the event the escrow does not close on or before the expiration date of escrow instructions signed by the City, or any other mutually agreed date, the City may declare this Agreement to be null and void.

4.3 Conditions Precedent to Closing. The City will authorize the close of the Loan upon satisfaction of the conditions in this Section.

(a) Borrower must have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) the Modified Note; (ii) this Agreement (in duplicate); (iii) the Consolidated Deed of Trust; (iv) the Declaration of Restrictions; (v) the Opinion; (vi) the Authorizing Resolutions; (vii) the Developer Fee Agreement; (viii) subordination, nondisturbance and attornment agreements from any commercial tenant in possession, or holding any right of possession, of any portion of the Site; and (ix) any other City Documents reasonably requested by the City.

(b) Borrower must have delivered to the City: (i) Borrower's Charter Documents; (ii) a comprehensive maintenance and operating plan for the Project duly approved by Borrower's governing body that includes, but is not limited to, plans for emergencies and emergency maintenance, vacant unit turnover, preventive maintenance and inspection schedule, and marketing and resident selection; and (iii) a CNA that has been duly approved by Borrower's governing body.

(c) Borrower must have delivered to the City insurance endorsements and, if requested by the City, copies of policies for all insurance required under **Exhibit L** of this Agreement.

(d) Borrower must have delivered to the City satisfactory evidence that Borrower has obtained commitments for any additional financing that may be required for the Project, in amounts and from lenders or investors satisfactory to the City in its sole discretion, including, but not limited to, the following:

- (1) Withdrawal of existing Bayside Elderly Housing project reserves in the amount of \$2,7223,968;
- (2) Federal appropriations grant in the form of a HUD-EDIG award in the amount of \$2,500,000;
- (3) Deferred Developer fee in the amount of \$500,000
- (4) Withdrawal of Hamlin Hotel Funds in the amount of \$600,000;
- (5) CCDC 1985 Tower Loan in the amount of \$309,523; and
- (6) Withdrawal of Predevelopment Loan Project Reserves in the amount of \$125,391;

(e) Borrower must have delivered to the City a preliminary report on title for the Site dated no earlier than thirty (30) days before the Agreement Date.

(f) Borrower must have submitted a "Phase I" environmental report for the Site, or any other report reasonably requested by the City, prepared by a professional hazardous materials consultant acceptable to the City.

(g) The Declaration of Restrictions and the Consolidated Deed of Trust must have been recorded as valid liens in the Official Records, subject only to the Permitted Exceptions, at the close of construction financing.

(h) The Escrow Agent must have committed to provide to the City the Title Policy in form and substance satisfactory to the City.

(j) Borrower must have submitted into escrow for disbursement to the City the following PASS program costs and fees associated with the PASS Loans: - this section under CCDC AM review.

(i) Borrower will pay the City an origination fee equal to the greater \$15,000 or 1.25% of the total PASS Loan funds disbursed (“Origination Fee”).

(ii) Borrower will pay MOHCD a fee equal to \$15,000 for the City Attorney expenses.

(iii) Borrower will pay the initial installment of the compliance monitoring fee of \$2,500 (“Compliance Fee”), to cover the first year of monitoring under this Agreement. Thereafter, the compliance monitoring fee for the coming year, which is due on the anniversary of the Agreement Date, is \$2,500. For Properties subject to City-imposed affordability restrictions, the fee is payable annually in advance for the duration of the Compliance Term. For Properties not subject to such restrictions, the fee is payable annually in advance through Loan maturity or prepayment.

(iv) Borrower will pay the first installment of the loan servicing fee of \$2,500 annually for the PASS loans in advance, which covers the first year of servicing. Thereafter, the loan servicing fee for the coming year is due on the anniversary of the Agreement Date through Loan maturity or prepayment.

The Origination Fee and Compliance Fee will be increased proportionately in the event of an increase in the PASS Loans, but shall not be decreased in the event of a reduction in the PASS Loans.

4.4 Disbursement of Funds. Following satisfaction of the conditions in **Section 4.3**, the City will authorize the Escrow Agent to disburse Funds as provided in the City's escrow instructions.

4.5 Disbursements. The City's obligation to approve any expenditure of PASS Funds after Loan closing is subject to Borrower's satisfaction of the following conditions precedent.

(a) Borrower must have delivered to the City an Expenditure Request in form and substance satisfactory to the City, together with: (i) copies of invoices, contracts or other documents covering all amounts requested; (ii) a line item breakdown of costs to be covered by the Expenditure Request; and (iii) copies of checks issued to pay expenses covered in the previous Expenditure Request. The City may grant or withhold its approval of any line item contained in the Expenditure Request that, if funded, would cause it to exceed the budgeted line item as previously approved by the City. Additionally, the City must approve all requested reallocations of Funds for line items previously approved by the City.

(b) No Event of Default, or event that with notice or the passage of time or both could constitute an Event of Default, may have occurred that remains uncured as of the date of the Expenditure Request.

(c) With respect to any Expenditure Request that covers rehabilitation or construction costs, Borrower must have certified to the City that the Project complies with the labor standards set forth in **Exhibit E, Section 1**, if applicable.

(d) With respect to any Expenditure Request that covers travel expenses, Borrower's travel expenses must be reasonable and must comply with the following:

(i) Lodging, meals and incidental expenses shall not exceed the then-current per diem rates set forth by the United States General Services Administration for the County of San Francisco found at: <https://www.gsa.gov/portal/category/104711>.

(ii) Air transportation expenses must use fares for coach-class accommodations, provided that purchases for air travel must occur no less than one week before the travel day.

(iii) If ground transportation is required, the City urges the use of public transit or courtesy shuttles if provided by a lodging. If courtesy transportation is not provided by a lodging, ground transportation expenses for travel to or from regional airports must not exceed Fifty Dollars (\$50.00) each way. Other ground transportation expenses must not exceed then-current San Francisco taxi rates found at: <https://www.sfmta.com/getting-around/taxi/taxi-rates>. Ground transportation must not include any expenses for luxury transportation services, such as a limousine, or any expenses related to travel to or from Project site meetings by Borrower's employees.

(iv) Miscellaneous travel expenses must not exceed Fifty Dollars (\$50.00) without prior written approval of the City.

(v) Any Expenditure Request for travel expenses must include supporting documentation, including, without limitation, original itemized receipts showing rates and cost, air travel itinerary, proof of payment, and any written justification requested by the City. For the purpose of this Section, the terms "lodging," "meals" and "incidental expenses" shall have the same meanings defined in 41 CFR Part 300-3; the term "coach-class" shall have the same meaning defined in 41 CFR Part 301-10.121(a); and the term "miscellaneous" means copying services, printing services, communication services, or other services reasonably related to travel for the Project and approved by the City.

(e) The Loan must be In Balance.

(f) The Project has achieved substantial completion pursuant to the Plans and Specifications, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection.

(g) A certificate, satisfactory to MOHCD, from either the Borrower's architect or engineer, stating that (i) the Project has been constructed substantially in accordance with the Plans and Specifications and is free from defects in materials and workmanship, and (ii) the construction of the Project and the intended operation of the Project are in substantial

compliance with the applicable zoning, environmental, preservation and all other applicable laws, ordinances, rules, regulations, restrictions and governmental requirements.

(h) The construction lender shall have delivered to MOHCD an estoppel certificate that states that no Event of Default of which it has given written notice remains uncured (or has not otherwise been waived by the Construction Lender) under their construction loan mortgage.

(i) The Borrower shall provide MOHCD with a certificate, substantially in the form attached hereto as **Exhibit R** and satisfactory to MOHCD stating that the Project meets the requirements of the PASS Program Regulations underwriting guidelines including, but not limited to, the following:

(i) Loan-to-value ratio (“LTV”) that does not exceed the lesser of (a) 90% of appraised value or (b) 80% of total development costs

(ii) Debt service coverage ratio (“DSC”) of at least 1.15x

(iii) Budgets must assume no more than 2.0% annual growth in operating income and no less than 3.0% annual growth in operating expenses.

(iv) Residential Vacancy Loss assumption of 10%

(v) Tenant Assistance Vacancy Loss assumption of 10%

(j) Omitted.

(k) All escrows, reserves and accounts for the Project required as of such date to be funded shall be fully funded in their required amounts, as evidenced by bank statements.

(l) Borrower must have delivered to the City sufficient evidence that all additional permanent sources of financing have been secured including the following:

(1) Income from Operations in the anticipated amount of \$409,373; and

(2) Member equity Contribution of \$3,324,000.

(m) Borrower shall have delivered a final 95/5 Certification (including the qualified guaranty summary).

(n) Borrower delivered the PASS Deed of Trust to the City, duly executed and acknowledged by Borrower. The PASS Deed of Trust must have been recorded as a valid lien in the Official Records, subject only to the Permitted Exceptions. A title company shall have committed to issue the Title Policy to City, and Borrower shall have delivered all documents reasonably required by such title company to issue the Title Policy, including, but not limited to, subordination agreements with HCD and Borrower. Borrower shall pay all amounts charged by the title company for the issuance of the Title Policy; provided that such amounts may be included in the Expenditure Request.

(o) Borrower delivered to City the Market Rate Note, the BMR Note, and the Deferred Note, each duly executed and acknowledged by Borrower.

(p) The Borrower has delivered to the City a current certificate of insurance acceptable to the City evidencing satisfaction of the insurance requirements under **Exhibit L**.

ARTICLE 5 DEMOLITION, REHABILITATION OR CONSTRUCTION.

5.1 Selection Requirements. In the selection of all contractors and professional consultants for the Project, Borrower must comply with the City's procurement requirements and procedures as described in the Contracting Manual and with the requirements of the Small Business Enterprise Program ("SBE Program") as set forth in the SBE Manual according to the procedures established by the City's Contract Monitoring Division.

5.2 Plans and Specifications. Before starting any demolition, rehabilitation or construction on the Site, Borrower must have delivered to the City, and the City must have reviewed and approved, plans and specifications and the construction contract for the Project entered into between Borrower and Borrower's general contractor and approved by the City (the "Construction Contract"). The plans approved by the City must also be approved by the City and County of San Francisco's Department of Building Inspection (the "Department of Building Inspection") (collectively, the "Approved Plans") prior to the start of any demolition, rehabilitation or construction on the Site. The Approved Plans must be explicitly identified in the Construction Contract. The specifications approved by the City, including the funder requirements and the technical specifications (the "Approved Specifications") must also be explicitly identified in the Construction Contract. The Construction Contract may include funder requirements not otherwise addressed in the Approved Specifications. The Contracting Manual provides further guidance to Borrower regarding the City's policies for the review and approval of plans, specifications and construction contracts. After completion of the Project, Borrower must retain the Approved Plans as well as "as-built" plans for the Project, the Approved Specifications and the Construction Contract, all of which Borrower must make available to the City upon request.

5.3 Change Orders. Borrower may not approve or permit any change orders to the plans and specifications approved by the City without the City's prior written consent. Borrower must provide adequate and complete justification for analysis of any change order request to the City. The City will provide any questions, comments or requests for additional information to Borrower within five (5) business days of receipt of a change order request. City will review and approve or disapprove of a change order request within ten (10) business days of a complete submission by Borrower. In the event the City fails to approve or disapprove the change order request within such ten (10) business day period, the change order shall be deemed approved. Borrower acknowledges that the City's approval of any change order will not constitute an agreement to amend the Table of Sources and Uses or to provide additional Funds for the Project, unless the City agrees in its sole discretion to amend the Table of Sources and Uses or provide additional Funds for that purpose.

5.4 Insurance, Bonds and Security. Before starting any demolition, rehabilitation or construction on the Site, Borrower must deliver to the City insurance endorsements and bonds as

described in **Exhibit L**. At all times, Borrower must take prudent measures to ensure the security of the Site.

5.5 Notice to Proceed. No demolition, rehabilitation or construction may commence until Borrower has issued a written notice to proceed with the City's approval.

5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City, Borrower must: (a) commence demolition, rehabilitation or construction by a date no later than September 15, 2021 ; (b) complete demolition, rehabilitation or construction by a date no later than December 1, 2023 , in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion (the "Completion Date"); and (c) achieve occupancy of ninety five percent (95%) of the Units by a date no later than February 1, 2024.

5.7 Rehabilitation/Construction Standards. All rehabilitation or construction must be performed in a first class manner, substantially in accordance with final plans and specifications approved by the City and in accordance with all applicable codes. All newly constructed Units must meet the requirements of the Model Energy Code most recently published by the Council of American Building Officials. All Units must meet the accessibility requirements under 24 CFR part 8, implementing Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) and the design and construction requirements under 24 CFR § 100.205, implementing the Fair Housing Act (42 U.S.C. §§ 3601-3619).

ARTICLE 6 MARKETING.

6.1 Marketing and Tenant Selection Plan. No later than six (6) months before the Completion Date, Borrower must deliver to the City for the City's review and approval an affirmative plan for ongoing marketing of the Units and a written Tenant selection procedure for initial and ongoing renting of the Units based on MOHCD's then-current form of marketing and tenant selection plan (the "Marketing and Tenant Selection Plan"), all in compliance with the restrictions set forth in **Exhibit A** and in form and substance acceptable to the City. Borrower must obtain the City's approval of reasonable alterations to the Marketing and Tenant Selection Plan. Borrower must market and rent the Units in the manner set forth in the Marketing and Tenant Selection Plan, as approved by the City.

6.2 Affirmative Marketing and Tenant Selection Plan Requirements. Borrower's Marketing and Tenant Selection Plan must address how Borrower intends to market vacant Units and any opportunity for placement on the Waiting List, as defined in 6.5. The Marketing and Tenant Selection Plan shall include as many of the following elements as are appropriate to the Project, as determined by the City:

(a) A reasonable accommodations policy that indicates how Borrower intends to market Units to disabled individuals, including an indication of the types of accessible Units in

the Project, the procedure for applying, and a policy giving disabled individuals a priority in the occupancy of accessible Units.

(b) A plan that satisfies the requirement to give preference in occupying units in accordance with the Preferences and Lottery Manual and the Preferences Ordinance.

(c) Advertising in local neighborhood newspapers, community-oriented radio stations, on the internet and in other media that are likely to reach low-income households. All advertising must display the Equal Housing Opportunity logo.

(d) Notices to neighborhood-based, nonprofit housing corporations and other low-income housing advocacy organizations that maintain waiting lists or make referrals for below-market-rate housing.

(e) Notices to SFHA.

(f) Notices to MOHCD.

(g) Notices to HSH.

(h) To the extent practicable, without holding Units off the market, the community outreach efforts listed above must take place before advertising vacant Units or open spots on the Waiting List to the general public.

(i) An acknowledgement that, with respect to vacant Units, the marketing elements listed above shall only be implemented if there are no qualified applicants interested or available from the Waiting List.

6.3 Marketing and Tenant Selection Plan & Tenant Screening Criteria Requirements:

(a) Borrower's Marketing and Tenant Selection Plan shall comply with the requirements of the Tenant Selection Plan Policy as set forth in the attached Exhibit H. The Marketing and Tenant Selection Plan must be kept on file at the Project at all times.

(b) Borrower's tenant screening criteria must comply with the Tenant Screening Criteria Policy set forth in the attached Exhibit I.

6.4 Marketing Records. Borrower must keep records of: (a) activities implementing the Marketing and Tenant Selection Plan; (b) advertisements; and (c) other community outreach efforts.

6.5 Waiting List. Borrower's Marketing and Tenant Selection Plan must contain, at a minimum, policies and criteria that provide for the selection of tenants from a written waiting list that complies with the Marketing and Tenant Selection Plan (the "Waiting List"). The Marketing and Tenant Selection Plan may allow an applicant to refuse an available Unit for good cause without losing standing on the Waiting List but shall limit the number of refusals without cause

as approved by the City. Borrower shall at all times maintain the Waiting List. Upon the vacancy of any Unit, Borrower shall first attempt to select the new Tenant for such Unit from the Waiting List, and shall only market the Unit to the general public after determining that no applicants from the Waiting List qualify for such Unit. The Waiting List must be kept on file at the Project at all times.

ARTICLE 7 AFFORDABILITY AND OTHER LEASING RESTRICTIONS.

7.1 Term of Leasing Restrictions. If Borrower obtains an allocation of low income housing tax credits for the Project, then Borrower will acknowledge and agree that the covenants and other leasing restrictions set forth in this Article will remain in full force and effect if Borrower obtains Control over the Site (a) for the Compliance Term and survive the prior repayment or other satisfaction of the Loan, termination of this Agreement or reconveyance of the Deed of Trust; (b) for any Unit that has been subject to a regulatory agreement with TCAC, for a period ending three (3) years after the date of any transfer of the Project by foreclosure or deed-in-lieu of foreclosure; and (c) with respect to any Unit occupied by a Qualified Tenant at expiration of either the Compliance Term or the 3-year period referred to in **Subsection (b)** above, until the Qualified Tenant voluntarily vacates his/her Unit or is evicted lawfully for just cause. The requirements to comply with the provisions of Internal Revenue Code Section 42, including Section 42(h)(6)(E)(ii), are hereby acknowledged.

7.2 Borrower's Covenant.

(a) Borrower covenants to rent all at all times to households certified as Qualified Tenants at initial occupancy, as set forth in **Exhibit A**. In addition, eighty eight (88) units at the Ritz Site must be rented to holders of Section 8 certificates or similar subsidy benefits pursuant to the terms and conditions of the HAP; thirty-one (31) units must be rented to holders of subsidy benefits pursuant to the terms and conditions of that certain Grant Agreement (CoC) between the Tenderloin Neighborhood Development Corporation and HSH and that certain Assignment of Grant Funds dated as of September 1, 2021; and two units (2) at the Ritz Site must be rented to holders of subsidy benefits pursuant to that certain Agreement (Direct Access to Housing) between the City and the Tenderloin Neighborhood Development Corporation dated as of June 1, 2021. Further, Borrower acknowledges that sixteen (16) units will be rented to Qualified HOPWA tenants.

(b) A Tenant who is a Qualified Tenant at initial occupancy may not be required to vacate the Unit due to subsequent rises in household income, except as provided in **Section 7.3**. After the over-income Tenant vacates the Unit, the vacant Unit must be rented only to Qualified Tenants as provided in this **Article 7**.

7.3 Rent Restrictions.

(a) Rent charged to each Qualified Tenant may not exceed the amounts set forth in **Exhibit A**, *provided that* Rents may be adjusted annually, subject to the limitations below.

(b) Subject to the Hold Harmless Policy, rents for all Units may be increased once annually up to the maximum monthly rent by unit type as published by MOHCD.

(c) With the City's prior written approval, Rent increases for Units exceeding the amounts permitted under **Section 7.3(b)** may be permitted once annually in order to recover increases in approved Project Expenses, provided that: (i) in no event may single or aggregate increases exceed ten percent (10%) per year unless such an increase is contemplated in a City-approved temporary relocation plan or is necessary due to the expiration of Section 8 or other rental subsidies; and (ii) Rents for each Unit may in no event exceed the maximum Rent permitted under **Section 7.3(a)**. City approval for such Rent increases that are necessary to meet all approved Project Expenses shall not be unreasonably withheld.

(d) For any Qualified Tenant participating in a Rent or operating subsidy program where the Rent charged is calculated as a percentage of household income, adjustments to Rent charged may be made according to the rules of the relevant subsidy program. There is no limit on the increase/decrease in Rent charged under this provision, as long as it does not exceed the maximum Rent permitted under **Section 7.3(a)**. There is no limit on the number of Rent adjustments that can be made in a year under this provision.

(e) For any Qualified Tenant that becomes ineligible to continue participating in a rent or operating subsidy program, there is no limit on the increase in Rent charged as long as it does not exceed the maximum Rent permitted under **Section 7.3(a)**.

(f) Unless prohibited under any applicable Laws, including without limitation Section 42 of the Internal Revenue Code of 1986, as amended, if the household income of a Qualified Tenant exceeds the maximum permissible income during occupancy of a Unit, then, upon no less than thirty (30) days' prior written notice to the Tenant or as otherwise required under the Tenant's lease or occupancy agreement, Borrower may adjust the charges for Rent for the previously Qualified Tenant to be equal to thirty percent (30%) of the Tenant's adjusted household income. Rents charged under this provision may exceed the Maximum Rent permitted under **Section 7.3(a)**.

7.4 Certification.

(a) As a condition to initial occupancy, each person who desires to be a Qualified Tenant in the Project must be required to sign and deliver to Borrower a certification in the form shown in **Exhibit C** in which the prospective Qualified Tenant certifies that he/she or his/her household qualifies as a Qualified Tenant. In addition, each person must be required to provide any other information, documents or certifications deemed necessary by the City to

substantiate the prospective Tenant's income. Certifications provided to and accepted by the SFHA will satisfy this requirement.

(b) Each Qualified Tenant in the Project must recertify his/her household income to Borrower one time in the year after the first year of tenancy in accordance with tax credit requirements. Each Qualified Tenant in the Project must also recertify his/her household income to Borrower one time in every 6th year of the project's affordability period using the full recertification method required by the HOME program. Interim recertifications are also required annually but may be done using the abbreviated annual income recertification method which requires Tenants to submit income certification forms but does not require verification of income or assets.

(c) Income certifications with respect to each Qualified Tenant who resides in a Unit or resided therein during the immediately preceding calendar year must be maintained on file at Borrower's principal office, and Borrower must file or cause to be filed copies thereof with the City promptly upon request by the City.

7.5 Form of Lease. The form of lease for Tenants must provide for termination of the lease and consent to immediate eviction for failure to qualify as a Qualified Tenant if the Tenant has made any material misrepresentation in the initial income certification. The form of lease used for the HOPWA Units must also comply with the HOPWA Regulations. The form of lease must also comply with 24 CFR § 92.253. The term of the lease must be for a period of not less than one (1) year. Borrower may not terminate the tenancy or refuse to renew any lease of a Unit except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Laws or other good cause. Any termination or refusal to renew the lease for a Unit must be preceded by not less than thirty (30) days' written notice to the Tenant specifying the grounds for the action.

7.6 Nondiscrimination. Borrower agrees not to discriminate against or permit discrimination against any person or group of persons because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability, gender identity, height, weight, source of income or acquired immune deficiency syndrome (AIDS) or AIDS related condition (ARC) in the operation and use of the Project except to the extent permitted by law or required by any other funding source for the Project. Borrower agrees not to discriminate against or permit discrimination against Tenants using Section 8 certificates or vouchers or assistance through other rental subsidy programs.

7.7 Security Deposits. Security deposits may be required of Tenants only in accordance with applicable state law and this Agreement. Any security deposits collected must be segregated from all other funds of the Project in an Account held in trust for the benefit of the Tenants and disbursed in accordance with California law. The balance in the trust Account must at all times equal or exceed the aggregate of all security deposits collected plus accrued interest thereon, less any security deposits returned to Tenants.

7.8 Commercial Space. At least sixty (60) days prior to the date that build-out of the Commercial Space begins, MOHCD must have reviewed and approved any proposed subleases

under the Prime Commercial Lease and development plans for the Commercial Space. With the exception of the Prime Commercial Lease, which the City hereby approves, all leases and subleases of Commercial Space must be to bona fide third party tenants capable of performing their financial obligations under their leases, which must reflect arms'-length transactions at the then-current market rental rate for comparable space, *provided that*, leases for Public Benefit Purposes may be at below-market rates so long as the sum of Project Income and Commercial Income meets approved cash flow requirements for the Project. Allowed uses of Commercial Space must be consistent with all applicable redevelopment plans and local planning and building codes and be reasonably compatible with the design and purpose of the Project. Each lease and sublease of Commercial Space must comply with the MOHCD Commercial Underwriting Guidelines as set forth in **Exhibit T** herein.

ARTICLE 8 MAINTENANCE AND MANAGEMENT OF THE PROJECT.

8.1 Borrower's Responsibilities.

(a) Subject to the rights set forth in **Section 8.2**, Borrower will be specifically and solely responsible for causing all maintenance, repair and management functions performed in connection with the Project, including selection of tenants, recertification of income and household size, evictions, collection of rents, routine and extraordinary repairs and replacement of capital items. Borrower must maintain or cause to be maintained the Project, including the Units and common areas, in a safe and sanitary manner in accordance with local health, building and housing codes, California Health and Safety Code 17920.10 and the applicable provisions of 24 CFR Part 35 and all applicable federal requirements.

8.2 Contracting With Management Agent.

(a) Borrower may contract or permit contracting with a management agent for the performance of the services or duties required in **Section 8.1(a)**, subject to the City's prior written approval of both the management agent and, at the City's discretion, the management contract between Borrower and the management agent, *provided, however*, that the arrangement will not relieve Borrower of responsibility for performance of those duties. Any management contract must contain a provision allowing Borrower to terminate the contract without penalty upon no more than thirty (30) days' notice.

(b) The City will provide written notice to Borrower of any determination that the contractor performing the functions required in **Section 8.1(a)** has failed to operate and manage the Project in accordance with this Agreement. If the contractor has not cured the failure within a reasonable time period, as determined by the City, Borrower must exercise its right of termination immediately and make immediate arrangements for continuous and continuing performance of the functions required in **Section 8.1(a)**, subject to the City's approval. As of the Agreement Date, the City has approved Tenderloin Neighborhood Development Corporation as Borrower's management agent, subject to approval of the management contract.

8.3 Borrower Management. Borrower may manage the Project itself only with the City's prior written approval. The City will provide written notice to Borrower of any

determination that Borrower has failed to operate and manage the Project in accordance with this Agreement, in which case, the City may require Borrower to contract or cause contracting with a management agent to operate the Project, or to make other arrangements the City deems necessary to ensure performance of the functions required in **Section 8.1(a)**.

ARTICLE 9 GOVERNMENTAL APPROVALS AND REQUIREMENTS.

9.1 Approvals. Borrower covenants that it has obtained or will obtain in a timely manner and comply with all federal, state and local governmental approvals required by Law to be obtained for the Project. Subject to **Section 17.2**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

9.2 Borrower Compliance. Borrower must comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of Funds for the construction, rehabilitation and/or operation of the Project, including those set forth in **Exhibit E** and **Exhibit L**. Additionally, Borrower must comply with all applicable HOPWA Regulations, but only with respect to any HOPWA Units for which Borrower has not received a waiver from the City of Borrower's obligations set forth in **Exhibit A**. Borrower acknowledges that its failure to comply with any of these requirements will constitute an Event of Default under this Agreement. Subject to **Section 17.2**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

9.3 Additional Federal Requirements. The following provision shall apply as long as Federal Funds are used to finance the Project.

(a) Compliance With Laws Borrower agrees to abide by all applicable Laws, including HUD regulations, pertaining to this Agreement and to any contracts pertaining to the Project. In the event HUD formally amends, waives or repeals any HUD administrative regulation previously applicable to Borrower's performance under this Agreement, MOHCD expressly reserves the right, upon giving notice to HUD and Borrower, to require Borrower's performance as though the regulation were not amended, waived or repealed, subject only to written and binding objection by HUD. Borrower further acknowledges that the City may impose more stringent requirements with regard to affordability restrictions than those required by HUD and agrees to comply with the City's requirements as set forth in this Agreement.

(b) Drug-Free Workplace Borrower acknowledges that under the Federal Drug-Free Workplace Act of 1988 (41 U.S.C. §§ 701 *et seq.*), the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited on its premises. Borrower agrees that any violation of this prohibition by Borrower, its employees, agents or assigns will be deemed an Event of Default under this Agreement.

(c) Restrictions on Lobbying Activities

(i) This Agreement is subject to 31 U.S.C. Section 1352, which provides in part that, with specified exceptions, no appropriated funds may be expended by the

recipient of a federal contract, grant, loan or cooperative agreement to pay any person for influencing, or attempting to influence, an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with any of the following covered federal actions: the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

(ii) If the Funding Amount exceeds \$100,000, Borrower must file with MOHCD at the beginning of the Compliance Term and promptly after the occurrence of any change in the facts certified or disclosed:

(A) a certification substantially the same as that attached hereto as **Exhibit F**, and otherwise, in form and content satisfactory to the City and to HUD, that Borrower, its employees, officers and agents have not made, and will not make, any payment prohibited by **Subsection (i)** above; and

(B) a disclosure form, Federal Standard Form-LLL, "Disclosure of Lobbying Activities," if Borrower, its employees, officers or agents have made or agreed to make any payment using funds from a source other than the Funds that would be prohibited under **Subsection (i)** above if payment were made with Funds. The City will file the disclosure form with HUD and retain the certification for the City's records as required by Law.

(d) Debarment or Suspension Borrower must certify in form and content substantially the same as that attached hereto as **Exhibit F** that neither it nor any of its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. In addition, Borrower will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of \$100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities in addition to obtaining the certification of each contractor or subcontractor whose bid is accepted.

(e) Single Audit. If Borrower cumulatively expends \$750,000.00 or more in Federal Funds during Borrower's fiscal year, Borrower must conduct a single audit or program-specific audit by an independent auditor in accordance with OMB Uniform Guidance requirements in 2 CFR part 200 subpart F (§200.500 *et seq.*), as it may be amended from time to time ("Single Audit"). Borrower must submit a copy of the Single Audit report to MOHCD within nine (9) months after the end of Borrower's fiscal year or thirty (30) days after receiving the Single Audit report from the auditor.

(f) Other HUD Requirements The following federal requirements are applicable to all activities funded under this Agreement:

(i) the requirements of the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards," 2 CFR part 200, relating to

allowable costs chargeable to the Funds and contractual requirements for nonprofit organizations, as applicable; and

(ii) the provisions of 2 CFR part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards," and 24 CFR part 570, "Community Development Block Grants."

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

(a) Borrower understands and agrees that it will be monitored by the City from time to time to assure compliance with all terms and conditions in this Agreement and all Laws. Borrower acknowledges that, after the Borrower acquires Control of the Site, the City may also conduct periodic on-site inspections of the Project. Borrower must cooperate with the monitoring by the City and ensure full access to the Project and all information related to the Project as reasonably required by the City.

(b) Borrower must keep and maintain books, records and other documents relating to the receipt and use of all Funds, including all documents evidencing any Project Income and Project Expenses. Borrower must maintain records of all income, expenditures, assets, liabilities, contracts, operations, tenant eligibility and condition of the Project. All financial reports must be prepared and maintained in accordance with GAAP as in effect at the time of performance.

(c) Borrower must provide written notice of the replacement of its executive director, director of housing development, director of property management and/or any equivalent position within thirty (30) days after the effective date of such replacement.

10.2 Monthly Reporting. Borrower must submit monthly reports (the "MOHCD Monthly Project Update") describing progress toward developing the Project with respect to obtaining necessary approvals from other City departments, procuring architects, consultants and contractors, changes in scope, cost or schedule and significant milestones achieved in the past month and expected to be achieved in the coming month. The MOHCD Monthly Project Update must be submitted by email in substantially the form to be found in the Contracting Manual until such time as the Project Completion Report is submitted to the City pursuant to **Section 10.5** below.

10.3 Annual Reporting.

(a) From and after the Completion Date, Borrower must file with the City annual report forms (the "Annual Monitoring Report") that include audited financial statements with an income and expense statement for the Project covering the applicable reporting period, a statement of balances, deposits and withdrawals from all Accounts, line item statements of Project Expenses, Project Income, Project Fees (if any), Residual Receipts and any Distributions

made, evidence of required insurance, a description of marketing activities and a rent roll, no later than one hundred fifty (150) days after the end of Borrower's fiscal year. The Annual Monitoring Report must be in substantially the form attached as **Exhibit G** or as later modified during the Compliance Term.

(b) If the source of Funds is Federal Funding, Borrower must also provide an annual accounting of program income, as defined in applicable federal regulations.

10.4 Capital Needs Assessment. In accordance with the CNA Policy, Borrower must deliver to MOHCD an updated CNA every five (5) years after the Completion Date for approval.

10.5 Project Completion Report. Within the specific time periods set forth below after the completion of rehabilitation or construction, the lease-up and/or permanent financing of the Project, as applicable, Borrower must provide to the City the reports listed below certified by Borrower to be complete and accurate. Subsequent to the required submission of the reports listed below, Borrower must provide to the City information or documents reasonably requested by the City to assist in the City's review and analysis of the submitted reports:

(a) within ninety (90) days after the Completion Date, a draft cost certification (or other similar project audit performed by an independent certified public accountant identifying the sources and uses of all Project funds including the Funds;

(b) within one hundred-eighty (180) days after the Completion Date, a report on use of Small Disadvantaged Business Enterprises as defined in the SBE Manual, including the type of work and the dollar value of such work;

(c) within ninety (90) days after seventy-five percent (75%) occupancy, and one hundred percent (100%) occupancy, respectively, a report on the lease-up of the Units including number of leases by race, ethnicity and single-headed household by gender, to the extent available, location of previous residence, and also indicating the Units by income category; and

(d) within ninety (90) days after the Completion Date, a report demonstrating compliance with all requirements regarding relocation, including the names of all individuals or businesses occupying the Site on the date of the submission of the application for Funds, those moving in after that date, and those occupying the Site upon completion of the Project.

(e) within one hundred-eighty (180) days after the Completion Date, and if the Project has used Federal Funds, a report demonstrating compliance with all requirements regarding HUD Section 3, including documentation of total labor hours worked on the Project, total Section 3 hours worked, total wages paid, total Section 3 wages paid, and the names of all individuals employed to comply with the Section 3 and Section 3 goals, including the total hours worked for each individual and total wages paid to each individual.

10.6 Response to Inquiries. At the request of the City, its agents, employees or attorneys, Borrower must respond promptly and specifically to questions relating to the income, expenditures, assets, liabilities, contracts, operations and condition of the Project, the status of any mortgage encumbering the Project and any other requested information with respect to Borrower or the Project.

10.7 Delivery of Records. At the request of the City, made through its agents, employees, officers or attorneys, Borrower must provide the City with copies of each of the following documents, certified in writing by Borrower to be complete and accurate:

(a) all tax returns filed with the United States Internal Revenue Service, the California Franchise Tax Board and/or the California State Board of Equalization on behalf of Borrower and any member or manager of Borrower;

(b) all certified financial statements of Borrower and, if applicable, its member or manager, the accuracy of which must be certified by an auditor satisfactory to the City; and

(c) any other records related to Borrower's ownership structure and the use and occupancy of the Site.

10.8 Access to the Project and Other Project Books and Records. In addition to Borrower's obligations under **Sections 2.4, 10.1, 10.2, 10.3, 10.4, 10.5, 10.6 and 10.7** and any other obligations to provide reports or maintain records in any City Document, Borrower agrees that duly authorized representatives of the City will have: (a) access to the Project throughout the Compliance Term to monitor the progress of work on the Project and compliance by Borrower with the terms of this Agreement; and (b) access to and the right to inspect, copy, audit and examine all books, records and other documents Borrower is required to keep at all reasonable times, following reasonable notice, for the retention period required under **Section 10.9.**

10.9 Records Retention. Borrower must retain all records required for the periods required under applicable Laws.

ARTICLE 11 USE OF INCOME FROM OPERATIONS.

11.1 Project Operating Account.

(a) Borrower must deposit all Project Income promptly after receipt into a segregated depository account (the "Project Operating Account") established exclusively for the Project. Withdrawals from the Project Operating Account may be made only in accordance with the provisions of this Agreement and the approved Annual Operating Budget, as it may be revised from time to time with the City's approval. Borrower may make withdrawals from the Project Operating Account solely for the payment of Project Expenses and Project Fees. Withdrawals

from the Project Operating Account (including accrued interest) for other purposes may be made only with the City's express prior written approval.

(b) Borrower must keep accurate records indicating the amount of Project Income deposited into and withdrawn from the Project Operating Account and the use of Project Income. Borrower must provide copies of the records to the City upon request.

ARTICLE 12 REQUIRED RESERVES.

12.1 Replacement Reserve Account.

(a) Commencing no later than the Conversion Date, or any other date the City designates in writing, Borrower must establish or cause to be established a segregated interest-bearing replacement reserve depository account (the "Replacement Reserve Account"). On or before the 15th day of each month following establishment of the Replacement Reserve Account, Borrower must make monthly deposits from Project Income into the Replacement Reserve Account in the amount necessary to meet the requirements of this Section. The City may review the adequacy of deposits to the Replacement Reserve Account periodically and require adjustments as it deems necessary.

(b) Borrower must make an initial deposit into the Replacement Reserve Account in an amount equal to \$1,000 per Unit. Thereafter, monthly deposits must equal the higher of (i) the amount needed under Borrower's approved CNA, or (ii) 1/12th of the following amount: \$XXXXXX.

Borrower may request adjustments every five (5) years based on its most recently approved CNA. If the Project is unable to make a required replacement reserve deposit due to unavailable cash flow, the Borrower must submit a plan for review and approval to MOHCD that addresses the cash flow shortfall.

(c) Borrower may withdraw funds from the Replacement Reserve Account solely to fund capital improvements for the Project, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Project that are reasonably required to preserve the Project. Borrower may not withdraw funds (including any accrued interest) from the Replacement Reserve Account for any other purpose without the City's prior written approval, which shall not be unreasonably withheld, conditioned or delayed.

12.2 Operating Reserve Account.

(a) Commencing no later than the Conversion Date, or any other date the City designates in writing, Borrower must establish or cause to be established a segregated interest-bearing operating reserve depository account (the "Operating Reserve Account") by depositing funds in an amount equal to twenty-five percent (25%) of the approved budget for Project Expenses for the first full year of operation of the Project. The City may review the adequacy of

deposits to the Operating Reserve Account periodically and require adjustments as it deems necessary.

(b) No less than annually after establishing the Operating Reserve Account and continuing until the Compliance Term has expired, Borrower must make additional deposits, if necessary, to bring the balance in the Operating Reserve Account to an amount equal to twenty-five percent (25%) of the prior year's actual Project Expenses.

(c) Borrower may withdraw funds from the Operating Reserve Account solely to alleviate cash shortages resulting from unanticipated and unusually high maintenance expenses, seasonal fluctuations in utility costs, abnormally high vacancies and other expenses that vary seasonally or from month to month in the Project. Borrower may not withdraw funds (including any accrued interest) from the Operating Reserve Account for any other purpose without the City's prior written approval.

ARTICLE 13 DISTRIBUTIONS.

13.1 Definition. "Distributions" refers to cash or other benefits received as Project Income from the operation of the Project and available to be distributed to Borrower or any party having a beneficial interest in the Project, but does not include reasonable payments for property management, asset management or other services performed in connection with the Project. Distributions must be used for activities in San Francisco that would be eligible uses of Project Income under program regulations for the CDBG Program. Distributions may also be used for new construction if the activity is otherwise allowable under CDBG regulations.

13.2 Conditions to Distributions. The 20-Year Cash Flow Proforma attached hereto as Exhibit B-2 includes projections of annual Distributions. Exhibit B-2 is not intended to impose limits on the amounts to be annually distributed. Distributions for a particular fiscal year may be made only following: (a) City approval of the Annual Monitoring Report submitted for that year; (b) the City's determination that Borrower is not in default under this Agreement or any other agreement entered into with the City and County of San Francisco or the City for the Project; and (c) the City's determination that the amount of the proposed Distribution satisfies the conditions of this Agreement. The City will be deemed to have approved Borrower's written request for approval of a proposed Distribution unless the City delivers its disapproval or request for more information to Borrower within thirty (30) business days after the City's receipt of the request for approval.

13.3 Prohibited Distributions. No Distribution may be made in the following circumstances:

(a) when a written notice of default has been issued by any entity with an equitable or beneficial interest in the Project and the default is not cured within the applicable cure periods; or

(b) when the City determines that Borrower or Borrower's management agent has failed to comply with this Agreement; or

- (c) if required debt service on all loans secured by the Project and all operating expenses have not been paid current; or
- (d) if the Replacement Reserve Account, Operating Reserve Account or any other reserve account required for the Project is not fully funded under this Agreement; or
- (e) if the Loan is to be repaid from Residual Receipts, Borrower failed to make a payment when due on a Payment Date and the sum remains unpaid; or
- (f) during the pendency of an uncured Event of Default (including Borrower's failure to provide its own funds at any time the City determines the Loan is out of balance) under any City Document.

13.4 Borrower's Use of Residual Receipts for Development. To the extent that making a Distribution is not inconsistent with any other financing agreement for the Project, and subject to the limitations in this Article, with the City's prior written approval Borrower may retain a portion of Residual Receipts in lieu of using them to repay the Loan in an amount consistent with the Residual Receipts Policy attached hereto as **Exhibit P**. Borrower acknowledges that the City may withhold its consent to a Distribution in any year in which Residual Receipts are insufficient to meet Borrower's payment obligations under the City Note.

ARTICLE 14 SYNDICATION PROCEEDS.

14.1 Distribution and Use. If Borrower is a limited partnership or limited liability company, and unless otherwise approved by the City in writing, Borrower must allocate, distribute and pay or cause to be allocated, distributed and paid all net syndication proceeds and all loan and grant funds as specified in the Table. Borrower must notify the City of the receipt and disposition of any net syndication proceeds received by Borrower during the term of this Agreement.

ARTICLE 15 DEVELOPER FEES.

15.1 Amount. The City has approved the payment of development fees to the Developer in an amount not to exceed Five Hundred Thousand and no/100 Dollars (\$500,000.00) for developing the Project ("Developer Fees"), subject to the Developer Fee Policy and the terms and conditions set forth in full in the Developer Fee Agreement between the City and Developer.

15.2 Fee Payment Schedule. Developer will receive payment of the Developer Fees pursuant to Section 2(b) of the Developer Fee Agreement, provided, however, if there is any conflict between the Borrower's Development Services Agreement and the Developer Fee Agreement, the Borrower's Development Services Agreement will control.

ARTICLE 16 TRANSFERS.

16.1 Permitted Transfers/Consent. Borrower may not cause or permit any voluntary transfer, assignment or encumbrance of its interest in the Site or Project or of any ownership interests in Borrower, or lease or permit a sublease on all or any part of the Project, other than: (a) leases, subleases or occupancy agreements to occupants of Units and/or Commercial Space in the Project; or (b) security interests for the benefit of lenders securing loans for the Project as approved by the City on terms and in amounts as approved by City in its reasonable discretion (c) transfers from Borrower to a limited partnership or limited liability company formed for the tax credit syndication of the Project, where Borrower or an affiliated nonprofit public benefit corporation is the sole general partner or manager of that entity or is the manager of a limited liability company that is the sole general partner or manager of that entity; (d) transfers of the general partnership or manager's interest in Borrower to a nonprofit public benefit corporation approved in advance by the City; (e) transfers of any limited partnership or membership interest in Borrower to an investor pursuant to the tax credit syndication of the Project; (f) the grant or exercise of an option agreement between Borrower and Borrower's general partner or manager or any of its affiliates in connection with the tax credit syndication of the Project where such agreement has been previously approved in writing by the City; or (g) to remove or replace the General Partner in accordance with the terms of the Borrower's Partnership Agreement, a transfer of any general partnership interest to a new general partner approved in advance by the City. such approval not to be unreasonably withheld, delayed or conditioned. Any other transfer, assignment, encumbrance or lease without the City's prior written consent will be voidable and, at the City's election, constitute an Event of Default under this Agreement. The City's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of the City's rights under this Agreement.

ARTICLE 17 INSURANCE AND BONDS; INDEMNITY.

17.1 Borrower's Insurance. Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or cause to be obtained and maintained, insurance and bonds as set forth in **Exhibit L** from the date the Deed of Trust is recorded in the Recorder's Office of San Francisco County until the expiration of the Compliance Term at no expense to the City.

17.2 Borrower's Indemnity Obligations. Borrower must indemnify, protect, defend and hold harmless each of the Indemnitees from and against any and all Losses arising out of: (a) any default by Borrower in the observance or performance of any of Borrower's obligations under the City Documents (including those covenants set forth in **Article 18** below); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Site or the Project, whether caused by the negligence or any other act or omission of Borrower or any other person or by negligent, faulty, inadequate or defective design, building, construction, rehabilitation or maintenance or any other condition or otherwise; (d) any claim of any surety in connection with any bond relating to the construction or rehabilitation of any improvements or offsite improvements; (e) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee that relates to

or arises out of the City Documents, the Loan, the Site or the Project or any transaction contemplated by, or the relationship between Borrower and the City or any action or inaction by the City under, the City Documents; (f) the occurrence, until the expiration of the Compliance Term, of any Environmental Activity or any failure of Borrower or any other person to comply with all applicable Environmental Laws relating to the Project or the Site; (g) the occurrence, after the Compliance Term, of any Environmental Activity resulting directly or indirectly from any Environmental Activity occurring before the expiration of the Compliance Term; (h) any liability of any nature arising from Borrower's contest of or relating to the application of any Law, including any contest permitted under **Sections 9.1, 9.2 and 18.2**; or (i) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (h) above, *provided that* no Indemnitee will be entitled to indemnification under this Section for matters caused solely by its own gross negligence or willful misconduct.

17.3 Duty to Defend. Borrower acknowledges and agrees that its obligation to defend the Indemnitees under **Section 17.2**: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of **Section 17.2**, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to Borrower by the Indemnitee and continues at all times thereafter. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Borrower has indemnified the Indemnitees, upon written notice, Borrower must answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee at Borrower's sole expense. Each Indemnitee will have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the matters covered by this Agreement. The Indemnitee must give Borrower prompt notice of any Loss and Borrower has the right to defend, settle and compromise any such Loss; provided, however, that the Indemnitee has the right to retain its own counsel at the expense of Borrower if representation of such Indemnitee by the counsel retained by Borrower would be inappropriate due to conflicts of interest between such Indemnitee and Borrower. An Indemnitee's failure to notify Borrower promptly of any Loss does not relieve Borrower of any liability to such Indemnity under **Section 17.2**, unless such failure materially impairs Borrower's ability to defend such Loss. Borrower must seek the Indemnitee's prior written consent to settle or compromise any Loss if Borrower contends that such Indemnitee shares in liability with respect thereto.

17.4 No Limitation. Borrower's obligations under **Section 17.2** are not limited by the insurance requirements under this Agreement.

17.5 Survival. The provisions of this Section will survive the repayment of the Loan and/or termination of this Agreement.

ARTICLE 18 HAZARDOUS SUBSTANCES.

18.1 Borrower's Representations. Borrower represents and warrants to the City that, to the best of Borrower's actual knowledge, without independent investigation or inquiry as of the Agreement Date, the following statements are true and correct except as disclosed in the Phase I and Phase II environmental reports dated June 26, 2020, June 11, 2021, and June 23, 2021 by AEW Engineering, Inc., or otherwise in writing: (a) the Site is not in violation of any Environmental Laws; (b) the Site is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Substances, except in limited quantities customarily used in residences and offices and in compliance with Environmental Laws; (c) the Site does not consist of any landfill or contain any underground storage tanks; (d) the improvements on the Site do not consist of any asbestos-containing materials or building materials that contain any other Hazardous Substances; (e) no release of any Hazardous Substances in the improvements on the Site has occurred or in, on, under or about the Site; and (f) the Site is not subject to any claim by any Governmental Agency or third party related to any Environmental Activity or any inquiry by any Governmental Agency (including the California Department of Toxic Substances Control and the Regional Water Quality Control Board) with respect to the presence of Hazardous Substances in the improvements on the Site or in, on, under or about the Site, or the migration of Hazardous Substances from or to other real property.

18.2 Covenant. Unless the City otherwise consents in writing, at all times from and after the date of this Agreement, at its sole expense, Borrower must: (a) comply with all applicable Environmental Laws relating to the Site and the Project, and not engage in or otherwise permit the occurrence of any Environmental Activity in violation of any applicable Environmental Laws or that is not customary and incidental to the intended use of the Site, *provided that* nothing contained in this Section will prevent Borrower from contesting, in good faith and by appropriate proceedings, any interpretation or application of Environmental Laws; and (b) deliver to the City notice of the discovery by Borrower of any event rendering any representation contained in this Section incorrect in any respect promptly following Borrower's discovery.

18.3 Survival. Borrower and City agree that this Article 18 is intended as City's written request for information (and Borrower's response) concerning the environmental condition of the Site as security as required by California Code of Civil Procedure § 726.5; and each provision in this Article (together with any indemnity applicable to a breach of any such provision) with respect to the environmental condition of the Site as security is intended by City and Borrower to be an "environmental provision" for purposes of California Code of Civil Procedure § 736, and as such it is expressly understood that Borrower's duty to indemnify City hereunder shall survive: (a) any judicial or non-judicial foreclosure under the Deed of Trust, or transfer of the Property in lieu thereof, (b) the release and reconveyance or cancellation of the Deed of Trust; and (c) the satisfaction of all of Borrower's obligation under the City Documents.

ARTICLE 19 DEFAULT.

19.1 Event of Default. Any material breach by Borrower of any covenant, agreement, provision or warranty contained in this Agreement or in any of the City Documents that remains uncured upon the expiration of any applicable notice and cure periods contained in any City Document will constitute an "Event of Default," including the following:

(a) Borrower fails to make any payment required under this Agreement within ten (10) days after the date when due; or

(b) Any lien is recorded against all or any part of the Site or the Project without the City's prior written consent, whether prior or subordinate to the lien of the Deed of Trust or Declaration of Restrictions, and the lien is not removed from title or otherwise remedied to the City's satisfaction within thirty (30) days after Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(c) Borrower fails to perform or observe any other term, covenant or agreement contained in any City Document, and the failure continues for thirty (30) days after Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(d) Any representation or warranty made by Borrower in any City Document proves to have been incorrect in any material respect when made; or

(e) All or a substantial or material portion of the improvements on the Site is damaged or destroyed by fire or other casualty, and the City has determined upon restoration or repair that the security of the Deed of Trust has been impaired or that the repair, restoration or replacement of the improvements in accordance with the requirements of the Deed of Trust is not economically practicable or is not completed within two (2) years of the receipt of insurance proceeds; or all or a substantial or material portion of the improvements is condemned, seized or appropriated by any non-City Governmental Agency or subject to any action or other proceeding instituted by any non-City Governmental Agency for any purpose with the result that the improvements cannot be operated for their intended purpose; or

(f) Borrower is dissolved or liquidated or merged with or into any other entity; or, if Borrower is a corporation, partnership, limited liability company or trust, Borrower ceases to exist in its present form and (where applicable) in good standing and duly qualified under the laws of the jurisdiction of formation and California for any period of more than ten (10) days; or, if Borrower is an individual, Borrower dies or becomes incapacitated; or all or substantially all of the assets of Borrower are sold or otherwise transferred except as permitted under **Section 16.1**; or

(g) Without the City's prior written consent, Borrower assigns or attempts to assign any rights or interest under any City Document, whether voluntarily or involuntarily, except as permitted under **Section 16.1**; or

(h) Without the City's prior written consent, Borrower voluntarily or involuntarily assigns or attempts to sell, lease, assign, encumber or otherwise transfer all or any portion of the ownership interests in Borrower or of its right, title or interest in the Project or the Site except as permitted under **Article 16**; or

(i) Without the City's prior written consent, Borrower transfers, or authorizes the transfer of, funds in any Account required or authorized under this Agreement; or

(j) Either the Deed of Trust or the Declaration of Restrictions ceases to constitute a valid and indefeasible perfected lien on the Site and improvements, subject only to Permitted Exceptions; or

(k) Borrower is subject to an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee or similar official for Borrower or for all or any part of its property (or an appointment is made without its consent and the appointment continues undischarged and unstayed for sixty (60) days); or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to Borrower or to all or any part of its property under the laws of any jurisdiction (or a proceeding is instituted without its consent and continues undismissed and unstayed for more than sixty (60) days); or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against the Site, the improvements or any other property of Borrower and is not released, vacated or fully bonded within sixty (60) days after its issue or levy; or

(l) Any material adverse change occurs in the financial condition or operations of Borrower, such as a loss of services funding or rental subsidies, that has a material adverse impact on the Project; provided, however, that if Borrower provides an alternate funding source to cover a loss of funding or rental subsidy that is reasonably satisfactory to the City, a material adverse impact shall not be deemed to have occurred; or

(m) Borrower fails to make any payments or disbursements required to bring the Loan In Balance after the City determines that the Loan is Out of Balance ; or

(n) Before a certificate of occupancy or equivalent certification is issued for the Project, Borrower ceases rehabilitation or construction of the Project for a period of twenty five (25) consecutive calendar days, and the cessation is not excused under **Section 19.3**; or

(o) Borrower is in default of its obligations with respect to any funding obligation (other than the Loan) for the Project, and the default remains uncured following the expiration of any applicable cure periods; or

(p) Borrower is in default of its obligations under any other agreement, with respect to the Project entered into with the City and County of San Francisco, and the default remains uncured following the expiration of any applicable cure periods.

19.2 Remedies. During the pendency of an uncured Event of Default, the City may exercise any right or remedy available under this Agreement or any other City Document or at law or in equity. All of the City's rights and remedies following an Event of Default are cumulative, including:

(a) The City at its option may declare the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other City Documents, immediately due and payable without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which Borrower expressly waives.

(b) The City at its option may terminate all commitments to make Disbursements or to release the Site from the Deed of Trust or Declaration of Restrictions, or, without waiving the Event of Default, the City may determine to make further Disbursements or to release all or any part of the Site from the Deed of Trust or Declaration of Restrictions upon terms and conditions satisfactory to the City in its sole discretion.

(c) The City may perform any of Borrower's obligations in any manner, in the City's reasonable discretion.

(d) The City, either directly or through an agent or court-appointed receiver, may take possession of the Project and enter into contracts and take any other action the City deems appropriate to complete or construct all or any part of the improvements, subject to modifications and changes in the Project the City deems appropriate.

(e) The City may apply to any court of competent jurisdiction for specific performance, or an injunction against any violation, of this Agreement or for any other remedies or actions necessary or desirable to correct Borrower's noncompliance with this Agreement.

(f) Upon the occurrence of an Event of Default described in **Section 19.1(k)**, the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other City Documents, will become due and payable automatically.

(g) All costs, expenses, charges and advances of the City in exercising its remedies or to protect the Project will be deemed to constitute a portion of the principal balance

of the Note, even if it causes the principal balance to exceed the face amount of the Note, unless Borrower reimburses the City within ten (10) days of the City's demand for reimbursement.

19.3 Force Majeure. The occurrence of any of the following events will excuse performance of any obligations of the City or Borrower rendered impossible to perform while the event continues: strikes; lockouts; labor disputes; acts of God; inability to obtain labor, materials or reasonable substitutes for either; governmental restrictions, regulations or controls; judicial orders; enemy or hostile governmental actions; civil commotion; fire or other casualty and other causes beyond the control of the party obligated to perform. The occurrence of a force majeure event will excuse Borrower's performance only in the event that Borrower has provided notice to the City within thirty (30) days after the occurrence or commencement of the event or events, and Borrower's performance will be excused for a period ending thirty (30) days after the termination of the event giving rise to the delay.

19.4 City's Recourse. The City's recourse against Borrower following an Event of Default is limited as set forth more specifically in the Note.

ARTICLE 20 REPRESENTATIONS AND WARRANTIES.

20.1 Borrower Representations and Warranties. As a further inducement for the City to enter into this Agreement, Borrower represents and warrants as follows:

(a) The execution, delivery and performance of the City Documents will not contravene or constitute a default under or result in a lien upon assets of Borrower under any applicable Law, any Charter Document of Borrower or any instrument binding upon or affecting Borrower, or any contract, agreement, judgment, order, decree or other instrument binding upon or affecting Borrower.

(b) When duly executed, the City Documents will constitute the legal, valid and binding obligations of Borrower. Borrower hereby waives any defense to the enforcement of the City Documents related to alleged invalidity of the City Documents.

(c) No action, suit or proceeding is pending or threatened that might affect Borrower or the Project adversely in any material respect.

(d) Borrower is not in default under any agreement to which it is a party, including any lease of real property.

(e) None of Borrower, Borrower's principals or Borrower's general contractor has been suspended or debarred by the Department of Industrial Relations or any Governmental Agency, nor has Borrower, any of its principals or its general contractor been suspended, disciplined or prohibited from contracting with any Governmental Agency.

(f) The Loan is In Balance, and the Funding Amount, together with all other committed sources of financing for the Project, are sufficient to complete the Project in accordance with this Agreement.

(g) All statements and representations made by Borrower in connection with the Loan remain true and correct as of the date of this Agreement.

(h) The Borrower is duly organized and in good standing under applicable laws of the State of California and is qualified to do business in the City and County of San Francisco.

ARTICLE 21 NOTICES.

21.1 Written Notice. All notices required by this Agreement must be made in writing and may be communicated by personal delivery, by a nationally recognized courier that obtains receipts, facsimile (if followed within one (1) business day by first class mail) or by United States certified mail, postage prepaid, return receipt requested. Delivery will be deemed complete as of the earlier of actual receipt (or refusal to accept proper delivery) or five (5) days after mailing, *provided that* any notice that is received after 5 p.m. on any day or on any weekend or holiday will be deemed to have been received on the next succeeding business day. Notices must be addressed as follows:

To the City: Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Attn: Director of Portfolio Management and Preservation

To Borrower: Chinatown Community Development Center
1525 Grant Avenue
San Francisco, CA 94133
Attn: Housing Development

With a copy to: Gubb & Barshay LLP
505 14th Street, Suite 450
Oakland, CA 94612
Attn: Sarah C. Perez, Esq.

or any other address a party designates from time to time by written notice sent to the other party in manner set forth in this Section.

21.2 Required Notices. Borrower agrees to provide notice to the City in accordance with **Section 21.1** of the occurrence of any change or circumstance that: (a) will have an adverse effect on the physical condition or intended use of the Project; (b) causes the Loan to be out of balance; or (c) will have a material adverse effect on Borrower's operation of the Property or ability to repay the Loan.

ARTICLE 22 GENERAL PROVISIONS.

22.1 Subordination. The Deed of Trust may be subordinated to other financing secured by and used for development of the Project (in each case, a "Senior Lien"), but only if MOHCD determines in its sole discretion that subordination is necessary to secure adequate acquisition, construction, rehabilitation and/or permanent financing to ensure the viability of the Project. Following review and approval by MOHCD and approval as to form by the City Attorney's Office, the Director of MOHCD or his/her successor or designee will be authorized to execute any approved subordination agreement without the necessity of any further action or approval.

22.2 No Third Party Beneficiaries. Nothing contained in this Agreement, nor any act of the City, may be interpreted or construed as creating the relationship of third party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the City and Borrower or Borrower's agents, employees or contractors.

22.3 No Claims by Third Parties. Nothing contained in this Agreement creates or justifies any claim against the City by any person or entity with respect to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Project. Borrower must include this requirement as a provision in any contracts for the development of the Project.

22.4 Entire Agreement. This Agreement and its Exhibits incorporate the terms of all agreements made by the City and Borrower with regard to the subject matter of this Agreement. No alteration or variation of the terms of this Agreement will be valid unless made in writing and signed by the parties hereto. No oral understandings or agreements not incorporated herein will be binding on the City or Borrower.

22.5 City Obligations. The City's sole obligation under this Agreement is limited to providing the Funds as described in this Agreement, up to the Funding Amount. Under no circumstances, including breach of this Agreement, will the City be liable to Borrower for any special or consequential damages arising out of actions or failure to act by the City in connection with any of the City Documents.

22.6 Borrower Solely Responsible. Borrower is an independent contractor with the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance contemplated under this Agreement. Borrower is solely responsible for: (a) its own acts and those of its agents, employees and contractors and all matters relating to their performance, including compliance with Social Security, withholding and all other Laws governing these matters and requiring that contractors include in each contract that they will be solely responsible for similar matters relating to their employees; (b) any losses or damages incurred by Borrower, any of its contractors or subcontractors and the City and its officers, representatives, agents and employees on account of any act, error or omission of Borrower in the performance of this Agreement or any other City Document and the development and operation of the Project; and (c) all costs and expenses relating to Borrower's performance of obligations under the City Documents, the delivery to the City of documents, information or items under or in connection with any of the City Documents and taxes, fees,

costs or other charges payable in connection with the execution, delivery, filing and/or recording of any City Document or document required under any City Document.

22.7 No Inconsistent Agreements. Borrower warrants that it has not executed and will not execute any other agreement(s) with provisions materially contradictory or in opposition to the provisions of this Agreement.

22.8 Inconsistencies in City Documents. In the event of any conflict between the terms of this Agreement and any other City Document, the terms of this Agreement control unless otherwise stated; *provided, however*, that any provision in this Agreement in conflict with any Law will be interpreted subject to that Law.

22.9 Governing Law. This Agreement is governed by California law without regard to its choice of law rules.

22.10 Joint and Several Liability. If Borrower consists of more than one person or entity, each is jointly and severally liable to the City for the faithful performance of this Agreement.

22.11 Successors. Except as otherwise limited herein, the provisions of this Agreement bind and inure to the benefit of the undersigned parties and their heirs, executors, administrators, legal representatives, successors and assigns. This provision does not relieve Borrower of its obligation under the City Documents to obtain the City's prior written consent to any assignment or other transfer of Borrower's interests in the Loan, the Site or the ownership interests in Borrower except as permitted under the provisions of this Agreement.

22.12 Attorneys' Fees. If any legal action is commenced to enforce any of the terms of this Agreement or rights arising from any party's actions in connection with this Agreement, the prevailing party will have the right to recover its reasonable attorneys' fees (including allocated fees of the City Attorney's Office) and costs of suit from the other party, whether incurred in a judicial, arbitration, mediation or bankruptcy proceeding or on appeal. For the purposes of this Agreement, reasonable fees of attorneys in the City Attorney's office will be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter of law for which the City Attorney's services were rendered, who practice in the City of San Francisco in law firms with approximately the same number of attorneys as employed by the City Attorney's Office. An award of attorneys' fees and costs will bear interest at the default rate under the Note from the date of the award until paid.

22.13 Severability. The invalidity or unenforceability of any one or more provisions of this Agreement will in no way affect any other provision.

22.14 Time. Time is of the essence in this Agreement. Whenever the date on which an action must be performed falls on a Saturday, Sunday or federal holiday, the date for performance will be deemed to be the next succeeding business day.

22.15 Further Assurances. Borrower agrees to: (a) pursue in an effective and continuous manner; (b) use best efforts to achieve; and (c) take all actions reasonably required by the City from time to time to confirm or otherwise carry out the purpose of this Agreement.

22.16 Binding Covenants. The provisions of the City Documents constitute covenants running with the land and will be binding upon Borrower and Borrower's successors and assigns, and all parties having or acquiring any right, title or interest in whatever form, including leasehold interests (other than Tenants and approved commercial tenants), in or to any part of the Property, except that the same will terminate and become void automatically at the expiration of the Compliance Term of this Agreement. Any attempt to transfer any right, title or interest in the Property in violation of these covenants will be void.

22.17 Consent. Except as expressly provided otherwise, whenever consent or approval of a party is required in any City Document, that party agrees not to withhold or delay its consent or approval unreasonably.

22.18 Counterparts. This Agreement may be executed in any number of counterparts, all of which will constitute but one agreement.

22.19 Borrower's Personnel. The Project shall be implemented only by competent personnel under the direction and supervision of Borrower.

22.20 Borrower's Board of Directors. Borrower, or Borrower's member, shall at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors shall meet regularly and maintain appropriate membership, as established in the bylaws and other governing documents of Borrower, Borrower's manager or Borrower's member, as applicable, and shall adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Such board of directors shall exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Borrower of its obligations under this Agreement.

22.23 Exhibits. The following exhibits are attached to this Agreement and incorporated by reference:

- A Schedules of Income and Rent Restrictions
- B-1 Table of Sources and Uses of Funds
- B-2 Annual Operating Budget
- B-3 20-Year Cash Flow Proforma
- C Form of Tenant Income Certification
- D First Source Hiring Requirements and Numerical Goals
- E Governmental Requirements
- F Lobbying/Debarment Certification Form
- G Form of Annual Monitoring Report
- H Tenant Selection Plan Policy
- I MOHCD Tenant Screening Criteria Policy
- J Developer Fee Policy

- K Hold Harmless Policy
- L Insurance Requirements
- M Promissory Notes
- N Deeds of Trusts
- O PASS Program Regulations
- P MOHCD Residual Receipts Policy
- Q MOHCD Declaration of Restrictions
- R PASS Debt Service Coverage Certification
- T MOHCD Commercial Underwriting Guidelines

SIGNATURES ON THE NEXT PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Agreement at San Francisco, California as of the date first written above.

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

BORROWER:

CCDC THROUHGLINE, LLC
a California limited liability corporation

By: _____
London N. Breed
Mayor

By: **Chinatown Community Development Center, Inc.**
a California nonprofit
public benefit corporation
Its: sole member / manager

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

By: _____
Name: Malcolm Yeung
Executive Director

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: _____
Deputy City Attorney

EXHIBIT A

Schedules of Income and Rent Restrictions^{[DL1][SP2]}

1. Income and Rent Restrictions. Maximum rent is XX% of maximum income level. As used in this Agreement, the term "Qualified Tenant" includes each category of Tenant included below:

Throughline Apartments Site:

Unit Number	No. of Units	Unit Size	Maximum Income Level
Bayside 102, 103, 104, 105, 106, 107, 108, 109, 110, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310	30	Studio	30% of Median Income
Tower 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35	32	SRO	50% of Median Income
Consortia 1, 3, 4, 5, 6, 9, 11, 12, 14, 15, 16, 18, 19, 21, 22, 24, 25	17	Studio	60% of Median Income
Consortia 2, 8, 10, 17, 20, 26	6	1BR	60% of Median Income
Bayside - Manager's Unit	1	Studio	N/A
Consortia – Manager's Unit	1	1BR	N/A
Tower – Manager's Unit	1	SRO	N/A
	88		

Property	No. of Units	Maximum Income Level
Bayside	30	30% of Median Income
Tower	32	50% of Median Income
Consortia	23	60% of Median Income
Manager's Units	3	N/A
	88	

The Project serves 88 households including three unrestricted manager units. Tower Hotel includes a mix of SROs restricted to 80% to 140% AMI (per the low- and moderate-income definitions under the CDBG program). Consortia Apartments is comprised of studios and one-bedrooms to accommodate individuals, couples, and families, restricted at 80% HUD AMI. Bayside Elderly Housing has 30 studios restricted to 50% HUD AMI for seniors receiving Project Based Rental Assistance with Section 8. Existing MOHCD-CDBG loans on the Projects reflect the maximum income restrictions in the table.

Consortia Income Restrictions:

In the 2018 Annual Monitoring Report (AMR), the Sponsor stated there is now a large discrepancy between current rents and maximum allowed rents. Rents had been set at the State of California, Housing & Community Development's (HCD) required limit of 40% TCAC AMI. Chinatown CDC paid off the HCD loan in 2018 and the rent restrictions sunset. The maximum rent now goes to the next most restricted level as required by the MOHCD regulatory agreement which sets rents at 30% of 80% AMI. The average rent is at 23% AMI.

Chinatown CDC plans to increase revenue at the Consortia by charging the maximum allowed rents to incoming tenants. However, there is very little turnover at the Consortia. The last time a unit was vacated was in 2015 and currently, there are no vacancies. Chinatown CDC will use tiered rent increases to move the building toward the correct levels without harming already over-burdened tenants.

Tower Income Restrictions:

Similar to Consortia, there is a large discrepancy between charged rents and maximum allowed rents at Tower. The current average rent at Tower is at 13% AMI. The 1983 CHRP-CDBG loan to Tower, Section 8.15 states, "51% of the units [are] to be restricted to HUD low-income (18 units at 80% AMI) and the remaining units [are] to be moderate-income (15 units up to 140% AMI)." This is per the low- and moderate-income definitions under the CDBG program.

Bayside Section 8 PBRA Contract Rents:

Bayside's Section 8 PBRA contract is directly with HUD and administered through the California Affordable Housing Initiatives, Inc. (CAHI).

2. Rent and Utilities. The total amount for rent and utilities (with the maximum allowance for utilities determined by the San Francisco Housing Authority) charged to a Qualified Tenant may not exceed the greater of:

(i) thirty percent (30%) of the applicable maximum income level, adjusted for household size; or

(ii) the tenant paid portion of the contract rent as determined by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

Rents may be increased as permitted pursuant to Section 7.3 of the Agreement.

EXHIBIT B-1

Table of Sources and Uses of Funds

EXHIBIT B-2
Annual Operating Budget

EXHIBIT B-3
20-Year Cash Flow Proforma

EXHIBIT C
Tenant Income Certification Form

EXHIBIT D

First Source Hiring Requirements and Numerical Goals

Borrower's use of Funds triggers the following hiring requirements imposed by the City's First Source Hiring Ordinance (San Francisco Administrative Code Chapter 83). Borrower will, or will require its general contractor to, separately execute a First Source Hiring Agreement with the City as set forth below, although the lack of such a separate execution will not affect the requirements of Chapter 83 as incorporated herein.

A. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor will comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement have the meanings assigned to such terms in Chapter 83.

B. First Source Hiring Agreement. On or before the effective date of the Consolidated Loan, Borrower will, or will require its general contractor to, enter into a first source hiring agreement ("FSH Agreement") with the City, that will include the terms as set forth in Section 83.9(b). Borrower also enter into a FSH Agreement with the City for any other work that it performs in the City.

C. Hiring Decisions. Borrower or its general contractor will make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

D. Exceptions. Upon application by Contractor, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

E. Liquidated Damages. Borrower agrees:

1. To be liable to the City for liquidated damages as provided in this Section;
2. To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this Section;
3. That the Borrower's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantify; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result

of unemployment; and that the assessment of liquidated damages of up to \$5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

4. That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to \$10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

5. That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this Section is based on the following data:

a. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of \$348 per month, totaling approximately \$14,379; and

b. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to a contractor and who is hired in an entry level position is at least one year; therefore, liquidated damages that total \$5,000 for first violations and \$10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

6. That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

7. That in the event the City is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's costs and reasonable attorneys fees.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of \$5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

F. Subcontracts. Any subcontract entered into by Borrower or its general contractor will require the subcontractor to comply with the requirements of Chapter 83 and will contain contractual obligations substantially the same as those set forth in this Section.

EXHIBIT E
Governmental Requirements

1. Prevailing Wages and Working Conditions. Any undefined, initially-capitalized term used in this Section shall have the meaning given to such term in San Francisco Administrative Code Section 6.1. Every contract for the rehabilitation or construction of housing assisted with Funds must contain a provision requiring: (1) the payment of not less than the Prevailing Rate of Wage in accordance with Administrative Code Section 6.22(e)(3) to all laborers and mechanics employed in the development of any part of the housing, (2) provide the same hours, working conditions and benefits as in each case are provided for similar work performed in San Francisco County, and (3) employ Apprentices in accordance with San Francisco Administrative Code Section 6.22(n) (collectively, “Prevailing Wage Requirements”). The Prevailing Wage Requirements of this Section apply to all laborers and mechanics employed in the development of the Project, including portions other than the assisted Units. Borrower agrees to cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements. If applicable, Borrower must include, and require its Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Chapter 6.

2. Environmental Review. The Project must meet the requirements of the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100 *et seq.*) and implementing regulations.

3. Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no employee, agent, consultant, officer or official of Borrower or the City who exercises or has exercised any function or responsibilities with respect to activities assisted by Funds, in whole or in part, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in or benefit from the activities assisted under this Agreement, or have an interest, direct or indirect, in any contract, subcontract or agreement with respect thereto, or in the proceeds thereunder either for himself/herself or for those with whom he/she has family or business ties, during his/her tenure and for one year thereafter. In order to carry out the purpose of this Section, Borrower must incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements relating to activities assisted under the Agreement, a provision similar to that of this Section. Borrower will be responsible for obtaining compliance with conflict of interest provisions by the parties with whom it contracts and, in the event of a breach, Borrower must take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

(b) Borrower represents that it is familiar with the provisions of 24 CFR § 84.42, Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of the San Francisco Campaign and Governmental Conduct Code, and Sections 1090 through 1097 and 87100 *et seq.* of the California Government Code, all of which relate to prohibited conflicts of interest in connection with government contracts. Borrower certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify the City immediately if Borrower at any time obtains knowledge of facts constituting a violation.

(c) In the event of any violation of the conflict of interest prohibitions, Borrower agrees that the City may refuse to consider any future application for funding from Borrower or any entity related to Borrower until the violation has been corrected to the City's satisfaction, in the City's sole discretion.

4. Disability Access. Borrower must comply with all applicable disability access Laws, including the Americans With Disabilities Act (42 U.S.C. §§ 1201 *et seq.*), Section 504 of the Rehabilitation Act (29 U.S.C. § 794) and the Fair Housing Amendments Act (42 U.S.C. §§ 3601 *et seq.*). Borrower is responsible for determining which disability access Laws apply to the Project, including those applicable due to the use of Funds. In addition, before occupancy of the Project, Borrower must provide to the City a written reasonable accommodations policy that indicates how Borrower will respond to requests by disabled individuals for accommodations in Units and common areas of the Project.

5. Lead-Based Paint. Borrower must satisfy the requirements of Chapter 36 of the San Francisco Building Code ("Work Practices for Exterior Lead-Based Paint") and the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821 *et seq.*) and implementing regulations at 24 CFR part 35. Borrower must also comply with the provisions contained in 17 CCR 350000 *et seq.*, and 8 CCR 1532.1 and all other applicable Laws governing lead-based hazards.

6. Relocation. Borrower must meet any applicable requirements of the California Relocation Assistance Act (Cal. Gov. Code §§ 7260 *et seq.*) and implementing regulations in Title 25, Chapter 6 of the California Administrative Code and similar Laws.

7. Low-Income Hiring Requirements. The use of Funds triggers compliance with certain hiring requirements imposed by the City's First Source Hiring Ordinance (S.F. Admin. Code Chapter 83),. To ensure compliance with those requirements, Borrower must include the provisions attached as **Exhibit D** in its contract with the general contractor for the Project. Borrower will be responsible to the City for ensuring compliance with the requirements listed on **Exhibit D**.

8. Non-Discrimination in City Contracts and Benefits Ordinance.

(a) Borrower Shall Not Discriminate. In the performance of this Agreement, Borrower agrees not to discriminate against any employee, City and County employee working with Borrower or any subcontractor, applicant for employment with Borrower or any subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social or other establishments or organizations operated by Borrower on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Subcontracts. Borrower shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code. Borrower's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(c) Non-Discrimination in Benefits. Borrower does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) Condition to Contract. As a condition to this Agreement, Borrower shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the executed form by the San Francisco Contract Monitoring Division.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B ("Nondiscrimination in Contracts") and 12C ("Nondiscrimination in Property Contracts") of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Borrower shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including the remedies provided in such Chapters. Without limiting the foregoing, Borrower understands that pursuant to Sections 12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of \$50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this

Agreement may be assessed against Borrower and/or deducted from any payments due Borrower.

9. MacBride Principles. Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Borrower acknowledges and agrees that he or she has read and understood this Section.

10. Tropical Hardwood & Virgin Redwood Ban. Pursuant to § 804(b) of the San Francisco Environment Code, City urges all grantees and borrowers not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

11. Preservative-Treated Wood Containing Arsenic. Borrower may not purchase preservative-treated wood products containing arsenic until the Deed of Trust has been fully reconveyed unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Borrower may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Borrower from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

12. Submitting False Claims; Monetary Penalties. Any borrower, grantee, contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. A borrower, grantee, contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the borrower, grantee, contractor, subcontractor or consultant:

(a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval;

(b) knowingly makes, uses or causes to be made or used a false record or statement to get a false claim paid or approved by the City;

(c) conspires to defraud the City by getting a false claim allowed or paid by the City;

(d) knowingly makes, uses or causes to be made or used a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the City; or

(e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

13. Sunshine Ordinance.

(a) Borrower acknowledges and agrees that this Agreement and the Application Documents are subject to Section 67.24(e) of the San Francisco Administrative Code, which provides that contracts, including this Agreement, grantee's bids, responses to Requests for Proposals (RFPs) and all other records of communications between City and persons or entities seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in such Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by Borrower that is covered by such Section 67.24(e) (as it may be amended from time to time) will be made available to the public upon request. Further, Borrower specifically agrees to conduct any meeting of its governing board that addresses any matter relating to the Project or to Borrower's performance under this Agreement as a passive meeting. Further, Borrower specifically agrees that any meeting of the governing body of its member/manager that addresses any matter relating to the Project or to Borrower's performance under this Agreement will be conducted as a passive meeting.

(b) By executing this Agreement, Borrower agrees to comply with the provisions of Chapter 12L of the San Francisco Administrative Code to the extent applicable.

(c) In accordance with the Citizen's Right to Know Act of 1998 (S. F. Admin. Code Chapter 79), no officer, department, board or commission of the City may approve a City Project, as defined in Chapter 79, unless a sign has been posted on the applicable property at least fifteen (15) days before approval. A City Project is a project that involves new construction, a change in use or a significant expansion of an existing use where the City funding for the project is \$50,000 or more. If the Loan will be used for a City Project, this Agreement will not become effective until fifteen (15) days following the posting of the requisite sign, or, in the alternative, thirty (30) days following the delivery of written notices to residents and owners within 300 feet of the Site, and the City will have the right to nullify or revoke this Agreement without cost or liability of any sort whatsoever at any time before that date. If Borrower believes that

this Agreement relates to a City Project and that the requisite sign has not been posted, Borrower must notify the City so that the City may determine the applicability of Chapter 79, and, if necessary, post the requisite sign.

14. Prohibition on Use of Public Funds for Political Activities. Borrower shall comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Borrower is subject to the enforcement and penalty provisions in Chapter 12G.

15. Nondisclosure of Private Information. Borrower has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information", and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Borrower agrees that any failure of Borrower to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Agreement, bring a false claim action against Borrower pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar Borrower.

16. Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

(a) Borrower shall remove all graffiti from any real property owned or leased by Borrower in the City and County of San Francisco within forty eight (48) hours of the earlier of Borrower's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Borrower to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or

(2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

(b) Any failure of Borrower to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

17. Resource-Efficient Building Ordinance. Borrower acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Chapter 7 relating to resource-efficient City buildings and resource-efficient pilot projects. Borrower hereby agrees it shall comply with the applicable provisions of such code sections as such sections may apply to the Property.

18. Consideration of Criminal History in Hiring and Employment Decisions.

(a) Borrower agrees to comply fully with and be bound by all of the provisions of Chapter 12T “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at www.sfgov.org/olse/fco. A partial listing of some of Borrower’s obligations under Chapter 12T is set forth in this Section. Borrower is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

(b) The requirements of Chapter 12T shall only apply to a Borrower’s or Subcontractor’s operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, shall apply only when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco, and shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

(c) Borrower shall incorporate by reference in all subcontracts the provisions of Chapter 12T, and shall require all subcontractors to comply with such provisions. Borrower’s failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

(d) Borrower or Subcontractor shall not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant’s or potential applicant for employment, or employee’s: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the

date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(e) Borrower or Subcontractor shall not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection 16.16(d), above. Borrower or Subcontractor shall not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(f) Borrower or Subcontractor shall state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that the Borrower or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(g) Borrower and Subcontractors shall post the notice prepared by the Office of Labor Standards Enforcement (OLSE), available on OLSE's website, in a conspicuous place at every workplace, job site, or other location under the Borrower or Subcontractor's control at which work is being done or will be done in furtherance of the performance of this Agreement. The notice shall be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace, job site, or other location at which it is posted.

(h) Borrower understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City shall have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of \$50 for a second violation and \$100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

19. Food Service Waste Reduction Requirements. Borrower agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Borrower agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Borrower agrees that the sum of one hundred dollars (\$100) liquidated damages for the first breach, two hundred dollars (\$200) liquidated damages for the second breach in the same year, and five hundred dollars (\$500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Borrower's failure to comply with this provision.

20. Bottled Drinking Water. Unless exempt, Borrower agrees to comply fully with and be bound by all of the provisions of the San Francisco Bottled Water Ordinance, as set forth in San Francisco Environment Code Chapter 24, including the administrative

finances, remedies, and implementing regulations provided therein, as the same may be amended from time to time. The provisions of Chapter 24 are incorporated herein by reference and made a part of this Agreement as though fully set forth.

EXHIBIT F
Lobbying/Debarment Certification Form

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.
2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

This lobbying certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed under Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for such failure.

3. Neither the undersigned nor its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. The undersigned will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of \$100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities and will obtain the certification of each contractor or subcontractor whose bid is accepted that such contractor or subcontractor is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities.

BY: _____

NAME: Malcolm Yeung

TITLE: Executive Director of Chinatown Community Development Center, Inc., sole member/manager of CCDC Throughline LLC

DATE: _____

EXHIBIT G
Form of Annual Monitoring Report

Exhibit H

EXHIBIT H

Tenant Selection Plan Policy

This policy is in addition to the obligations to comply with applicable federal, state and local civil rights laws, including laws pertaining to reasonable accommodation and limited English proficiency (LEP),¹ **and the applicable provision of the Violence Against Women Act, Pub. Law 109-62 (January 5, 2006), as amended.**

Application Process

- **Application Materials.** MOHCD shall provide an application to be used prior to the housing lottery. The housing provider agrees to use this application to determine lottery eligibility. The housing provider's written and/or electronic application materials should:
 - outline the screening criteria that the housing provider will use;
 - be in compliance with San Francisco Police Code Article 49 or the Fair Chance Ordinance,
 - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
 - be written in language that is clear and readily understandable,
- **First Interview.** In accordance with the housing provider policies, an initial interview is required to assess each applicant's minimum eligibility requirements for housing units. All applicants shall be offered the opportunity for an interview in lottery rank order.
- **Second Interview.** Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.
- **Confidentiality.** All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process. All applicant information shall be retained for 12 months after the final applicant interview.
- **Delays in the Process.** If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider must immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.

¹See for e.g., Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), 42 U.S.C. §§ 3601, et seq.; 24 C.F.R. Part 100; Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d-2000d-7; Executive Order 13,166, Improving Access to Services for Persons with Limited English Proficiency (August 11, 2000); Department of Housing and Urban Development Limited English Proficiency Guidance, 72 Fed. Reg. 2732 (Jan. 22, 2007); Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; 24 C.F.R. Parts 8 and 9; Title II of the Americans with Disabilities Act of 1990, as amended; California Fair Employment and Housing Act, Gov't Code §§ **12,955-12,956.2**; **Unruh Civil Rights Act, Civil Code § 51**; **California Disabled Persons Act, Civil Code § 51.4**; Dymally-Alatorre Bilingual Services Act, Gov't Code §**7290-7299.8**; **San Francisco Language Access Ordinance, No. 202-09 (April 14, 2009)**

- **Problems with the Referring Agency.** If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider must immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.
- **Limited English Proficiency Policy.** Throughout the application process, the housing provider must comply with City policy for language access requirements for applicants with limited English proficiency.

Reasonable Accommodation and Modification Policy

Reasonable Accommodation: The application process should provide information about how an applicant may make a reasonable accommodation request. At any stage in the admission process, an applicant may request a reasonable accommodation, if the applicant has a disability and as a result of the disability needs a modification of the provider’s rules, policies or practices, including a change in the way that the housing provider communicates with or provides information to the applicant that would give the applicant an equal chance to be selected by the housing provider to live in the unit.

Reasonable Modification: Applicant may request a reasonable modification if he or she has a disability and as a result of the disability needs:

- a physical change to the room or housing unit that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site;
- a physical change in some other part of the housing site that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site.

Response to Request: The housing provider shall respond to a request for reasonable accommodation or modification within ten (10) business days. The response may be to grant, deny, or modify the request, or seek additional information in writing or by a meeting with the applicant. The housing provider will work with the applicant and referring agency to determine if there are ways to accommodate the applicant.

The housing provider shall grant the request if the provider determines that:

- the applicant has a disability;
- reasonable accommodation or modification is necessary because of the disability; and
- the request is reasonable (i.e., does not impose an undue financial or administrative burden or fundamentally alter the nature of the housing program.)

If the reasonable accommodation request is denied, the rejection must explain the reasons in writing. If the denial of the reasonable accommodation request results in the applicant being denied admission to the unit, the provisions of the section on Notice of Denial and Appeal Process apply.

Notice of Denial and Appeal Process

- The housing provider shall:
 - Hold a comparable unit for the household during the entire appeal process.
 - promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:
 - list all the reasons for the rejection, including the particular conviction or convictions that led to the decision in cases where past criminal offenses were a reason for rejection;
 - explain how the applicant can request an in person appeal to contest the decision;
 - state that an applicant with a disability is entitled to request a reasonable accommodation to participate in the appeal;
 - inform the applicant that he or she is entitled to bring an advocate or attorney to the in person appeal;
 - provide referral information for local legal services and housing rights organizations;
 - describe the evidence that the applicant can present at the appeal;
 - give applicants denied admission a date within which to file the appeal, which shall be at least ten (10) business days from the date of the notice;
 - unless an extension is agreed to by the applicant and the housing provider, hold the appeal within ten (10) business days of the request for the appeal;
 - confine the subject of the appeal to the reason for denial listed in the notice;
 - give the applicant a chance to present documents and/or witnesses showing that he or she will be a suitable tenant;
 - have an impartial supervisor or manager from the housing provider, but who is not the person who made the initial decision or a subordinate of the person who made the initial decision, conduct the appeal;
 - within 5 business days of the in person appeal, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon. A copy of the written decision must be sent (electronically or otherwise) to the referring agency and the funding agency.

- If the rejection is based on a criminal background check obtained from a tenant screening agency, the Fair Chance Ordinance imposes additional notice requirements.

EXHIBIT I

Tenant Screening Criteria Policy

The screening criteria and considerations outlined below encourage providers to “screen in” rather than “screen out” applicants. These requirements are also designed to satisfy the requirements of San Francisco Police Code Article 49, Sections 4901-4920 or the Fair Chance Ordinance. This policy describes a minimum level of leniency; providers are encouraged to adopt less restrictive policies and processes whenever appropriate. For example, providers may opt not to review or consider applicant criminal records at all.

Screening Criteria

- Housing providers shall not automatically bar applicants who have a criminal record² in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers shall not consider:
 - arrests that did not result in convictions, except for an open arrest warrant;
 - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;³
 - juvenile adjudications.
- Housing providers shall consider:
 - the individual circumstances of each applicant; and
 - the relationship between the offense, and
 - (1) the safety and security of other tenants, staff and/or the property; and
 - (2) mitigating circumstances such as those listed below.
 - only those offenses that occurred in the prior 7 years, except in exceptional situations, which must be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity.
 - mitigating factors, including, but not limited to:
 - (1) the seriousness of the offense;
 - (2) the age and/or circumstances of the applicant at the time of the offense;
 - (3) evidence of rehabilitation, such as employment, participation in a job training program, continuing education, participation in a drug or alcohol treatment program, or letters of support from a parole or probation officer, employer, teacher, social worker, medical professional, or community leader;

² The policy recognizes that some housing may be subject to mandatory laws that require the exclusion of an applicant based upon certain types of criminal activity.

³ The purpose of the statute is allow a petitioner to request a dismissal of the criminal accusations, a change in plea or setting aside of a verdict and to seek to have certain criminal records sealed or expunged and a release “from all penalties and disabilities resulting from the offense.”

- (4) if the offense is related to acts of domestic violence committed against the applicant;
- (5) if the offense was related to a person's disability.

EXHIBIT J

Developer Fee Policy

EXHIBIT K

Hold Harmless Policy

EXHIBIT L
Insurance Requirements – Under Review

Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower must obtain and maintain, or caused to be maintained, the insurance and bonds as set forth below from the date of this Agreement or other applicable date set forth below throughout the Compliance Term at no expense to the City:

1. **Liability Insurance.** Borrower must obtain and maintain, or cause its contractors, subcontractors, property managers and/or agents, as appropriate for each, to obtain and maintain, insurance and bonds as follows:

(a) to the extent Borrower or its contractors and subcontractors have "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident, injury or illness;

(b) commercial general liability insurance, with limits no less than Two Million Dollars (\$2,000,000) combined single limit per occurrence and Four Million Dollars (\$4,000,000) annual aggregate limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; products and completed operations; broad form property damage; and explosion, collapse and underground (XCU) coverage during any period in which Borrower is conducting any activity on, alteration or improvement to the Site with risk of explosions, collapse, or underground hazards;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance of no less than Two Million Dollars (\$2,000,000) per claim and Four Million Dollars (\$4,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Borrower's architects, engineers and surveyors. If the professional liability insurance provided by the architects, engineers, or surveyors is "Claims made" coverage, Borrower shall assure that these minimum limits are maintained for no less than three (3) years beyond completion of the constructions or remodeling. Any deductible over Fifty Thousand Dollars (\$50,000) each claim must be reviewed by Risk Management; and

(e) a crime policy or fidelity bond covering Borrower's officers and employees against dishonesty with respect to the Funds of no less than Seventy Five Thousand Dollars (\$75,000) each loss, with any deductible not to exceed Five Thousand Dollars (\$5,000) each loss, including the City as additional obligee or loss payee;

(f) as applicable, pollution liability and/or asbestos pollution liability covering the work being performed with a limit no less than Two Million Dollars (\$2,000,000) per claim or occurrence and Two Million Dollars (\$2,000,000) annual aggregate per policy. This

coverage shall be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the Borrower's contractor, provided that the policy must be "claims made" coverage and Borrower must require Borrower's contractor to maintain these minimum limits for no less than three (3) years beyond completion of the construction or remodeling.

2. Property Insurance. Borrower must maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bonds as follows:

(a) Prior to construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all improvements prior to commencement of construction and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(b) During the course of construction:

(i) Builder's risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such covered perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing, copy of the applicable endorsement to the Builder's Risk policy, if the Builder's Risk policy is issued on a declared-project basis; and with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City and all subcontractors as loss payees.

(ii) Performance and payment bonds of contractors, each in the amount of One Hundred Percent (100%) of contract amounts, naming the City and Borrower as dual obligees or other completion security approved by the City in its sole discretion.

(c) Upon completion of construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor. For rehabilitation/construction projects that are unoccupied by residential or commercial tenants, Tenant must obtain Property Insurance by the date that the project receives a Certificate of Substantial Completion.

(ii) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Site that is used by Borrower for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such

machinery and equipment with a deductible not to exceed Ten Thousand Dollars (\$10,000) each loss, including the City as loss payee.

The following notice is provided in accordance with the provisions of California Civil Code Section 2955.5: Under California law, no lender shall require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

3. Commercial Space. Borrower must require that all nonresidential tenants' liability insurance policies include Borrower and the City as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space in the Project, Borrower must require commercial tenants to maintain insurance as follows:

(a) to the extent the tenant has "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars (\$1,000,000) each accident;

(b) commercial general liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broadform property damage; explosion, collapse and underground (XCU); products and completed operations coverage;

(c) business automobile liability insurance, with limits not less than One Million Dollars (\$1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) with respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars (\$1,000,000), as appropriate;

(e) special form coverage insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and

(f) full coverage plate glass insurance covering any plate glass on the commercial space.

4. General Requirements.

(a) General and automobile liability policies of Borrower, contractors, commercial tenants and property managers must include the City, including its Boards, commissions, officers, agents and employees, as an additional insured by endorsement acceptable to the City.

(b) All policies required by this Agreement must be endorsed to provide no less than thirty (30) days' written notice to the City before cancellation or intended non-renewal is effective. The endorsement must provide the City with the same rights as the named insured in the event of cancellation or intended non-renewal.

(c) With respect to any property insurance, Borrower hereby waives all rights of subrogation against the City to the extent of any loss covered by Borrower's insurance, except to the extent subrogation would affect the scope or validity of insurance.

(d) Approval of Borrower's insurance by the City will not relieve or decrease the liability of Borrower under this Agreement.

(e) Any and all insurance policies called for herein must contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.

(f) The City reserves the right to require an increase in insurance coverage in the event the City determines that conditions show cause for an increase, unless Borrower demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Borrower.

(g) All liability policies must provide that the insurance is primary to any other insurance available to the additional insureds with respect to claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought and that an act of omission of one of the named insureds that would void or otherwise reduce coverage will not void or reduce coverage as to any other insured, but the inclusion of more than one insured will not operate to increase the insurer's limit of liability.

(h) Any policy in a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs are included in the general annual aggregate limit must be in amounts that are double the occurrence or claims limits specified above.

(i) All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made policy, coverage must be maintained continuously for a period ending no less than three (3) years after recordation of a notice of completion for builder's risk or the Compliance Term for general liability and property insurance.

(j) Borrower must provide the City with copies of endorsements for each required insurance policy and make each policy available for inspection and copying promptly upon request.

Exhibit M
Form of PASS Notes

EXHIBIT N
Form of PASS Deeds of Trust

EXHIBIT O
PASS Program Regulations

EXHIBIT P
Residual Receipts Policy

EXHIBIT Q
MOHCD Commercial Underwriting Guidelines

EXHIBIT R
PASS Debt Service Coverage Certification

Project Name: Throughline Apartments
 Project Owner: CCDC Throughline LLC
 Project Sponsor: CCDC
 Total Units: 88
 Total Occupied Units: 88
 Percentage Occupied: 100%

INCOME	Total
Residential - Tenant Rents	327,876
Residential - Tenant Assistance Payments (Non-LOSP)	866,988
Commercial Space	163,428
Residential Parking	0
Miscellaneous Rent Income	640
Supportive Services Income	
Interest Income - Project Operations	0
Laundry and Vending	1,500
Tenant Charges	0
Miscellaneous Residential Income	0
Other Commercial Income	14,832
Withdrawal from Capitalized Reserve (deposit to operating account)	
Gross Potential Income	1,375,264
Vacancy Loss - Residential - Tenant Rents	(16,394)
Vacancy Loss - Residential - Tenant Assistance Payments	(43,349)
Vacancy Loss - Commercial	(32,686)
EFFECTIVE GROSS INCOME	1,282,835
 OPERATING EXPENSES	
Management	
Management Fee	72,405
Asset Management Fee	22,670
Sub-total Management Expenses	95,075
 Salaries/Benefits	
Office Salaries	42,715
Manager's Salary	61,250
Health Insurance and Other Benefits	44,721

Vehicle and Maintenance Equipment Operation and Repairs	
Miscellaneous Operating and Maintenance Expenses	

**Sub-total
Maintenance & Repair
Expenses** **205,390**

Supportive Services	38,000
Commercial Expenses	7,446

TOTAL OPERATING EXPENSES **815,662**

**Reserves/Ground Lease Base
Rent/Bond Fees**

Ground Lease Base Rent	0
Bond Monitoring Fee	5,000
Replacement Reserve Deposit	52,800
Operating Reserve Deposit	
Other Required Reserve 1 Deposit	
Other Required Reserve 2 Deposit	
Required Reserve Deposit/s, Commercial	0

**Sub-total
Reserves/Ground
Lease Base
Rent/Bond Fees** **57,800**

**TOTAL OPERATING EXPENSES (w/ Reserves/GL Base
Rent/ Bond Fees)** **873,462**

**NET OPERATING INCOME (INCOME minus OP
EXPENSES)** **409,373**

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)

Hard Debt - First Lender	321,924
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	0
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0
Hard Debt - Fourth Lender	0
Commercial Hard Debt Service	0

**TOTAL HARD DEBT
SERVICE** **321,924**

**CASH FLOW (NOI minus DEBT
SERVICE)** **87,449**

Debt Service Coverage Ratio (This row also shows DSCR.) **1.27**

I certify that the information contained herein is true and accurate.

Authorized signatory: _____

Name: _____

Date: _____

DEVELOPER FEE AGREEMENT
(1204 Mason Street, 1525 Grant Avenue, 777 Broadway)

THIS DEVELOPER FEE AGREEMENT ("Agreement") is dated for reference purposes only as of _____, 2022, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the "City"), and **CHINATOWN COMMUNITY DEVELOPMENT CENTER, INC.**, a California nonprofit corporation ("Developer").

RECITALS

A. CCDC Throughline LLC, a California Limited Liability Corporation ("Borrower"), has acquired or is about to acquire a fee interest in real property located at 1204 Mason Street, 1525 Grant Avenue, and 777 Broadway, San Francisco, California (collectively, the "Land"). Borrower intends to rehabilitate three buildings located on the Land, comprised of 88 units, affordable to low-income households, including three commercial spaces located at 1200, 1206, and 1208 Mason Street below apartments at 1204 Mason Street and a commercial space at 1525 and 1529 Grant Avenue below the 1527 Grant Avenue SRO units (the "Project").

B. Under an agreement with Borrower, Developer will perform services for the development of the Project, for which Developer will receive developer fees for the Project (the "Developer Fees") in the allowed amounts set forth below.

C. The City is providing financing for a portion of the rehabilitation costs of the Project, including financing to cover related soft costs (the "Loan "). The City's financing is or will be evidenced by, among other documents, a Loan Agreement dated as of the date of this Agreement (the "Loan Agreement"). Definitions and rules of interpretation set forth in the Loan Agreement apply to this Agreement.

D. As a condition to the City's financing for the Project, Developer has agreed with the City to restrict the use of Developer Fees in accordance with this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the City's agreement to provide financing for the Project, the parties agree as follows:

1. Amount and Payment Schedule.

(a) Developer shall be entitled to receive a maximum of Five Hundred Thousand Dollars (\$500,000.00) (the "Developer Fee") from the proceeds of the Loan Agreement, for the services it shall render for the development and completion of the Project, subject to the terms and conditions of this Agreement.

(b) Developer shall receive payment of the Developer Fee as specified below:

Residential Developer Fee Disbursement Schedule		
Payment Milestone	% of Project Mgmt Fee	Amount
PM Fee: At closing of initial predevelopment financing	15%	\$75,000
PM Fee: Permanent Loan Close	85%	\$425,000
Total Developer Fee from Proceeds of this Loan Agreement		<u>\$500,000</u>

2. Eligible Uses of Developer Fee. Developer agrees to limit the use of Developer Fee to pay only for eligible activities according to the guidelines for program income under the Community Development Block Grant ("CDBG") Program administered by the United States Department of Housing and Urban Development ("HUD"), as set forth in OMB Circular A-122 (available at www.whitehouse.gov/OMB/circulars) and any other applicable federal, state or local requirements. Examples of eligible activities include, to the extent authorized under applicable requirements:

(a) Developer's organizational capacity building and maintenance programs; working capital; housing development production and related programs; physical improvements to existing housing owned or sponsored by Developer; increasing housing operations and asset management activities; improving tenant improvements or commercial space in existing housing owned or sponsored by Developer; funding community facilities associated with existing housing owned or sponsored by Developer providing supplemental tenant rental assistance for existing housing owned or sponsored by Developer; or programs supporting the welfare of residents residing in existing housing owned or sponsored by Developer; and

(b) predevelopment, preconstruction and construction costs, including reasonable administrative expenses, of future affordable housing development sponsored by Developer in San Francisco.

3. Disallowed Developer Fees. Under the circumstances set forth below, all or a portion of the amount of the Developer Fees that have been paid to Developer must be paid to the City or, with the City's prior written consent, used for the Project.

(a) Developer must pay to the City the amount equal to the portion of the Developer Fee, if any, used in violation of this Agreement within three (3) years of the date of final disbursement.

(b) Reserved.

4. Reporting Requirement. Developer must provide the City with an annual report no later than 120 days after the end of Borrower's fiscal year providing specific detail as to the use

of any portion of the Restricted Fees that was paid during the reporting period. The use of Developer Fee must be included in Borrower's annual CDBG/OMB audit report.

5. Term. This Agreement will terminate five (5) years after the City has approved Developer's accounting of its use of Developer Fees.

6. Public Disclosure.

(a) Developer understands and agrees that under the City's Sunshine Ordinance (S.F. Admin. Code, Chapter 67) and the State Public Records Law (Cal. Gov. Code §§ 6250 *et seq.*), this Agreement and any and all records, information and materials submitted to the City hereunder are public records subject to public disclosure. Developer hereby authorizes the City to disclose any records, information and materials submitted to the City in connection with this Agreement. Further, Developer specifically agrees to conduct any meeting of its governing board that addresses any matter relating to the Project or to Developer's performance under this Agreement as a passive meeting.

(b) By executing this Agreement, Developer agrees to comply with the provisions of Chapter 12L of the San Francisco Administrative Code. Developer agrees to open its meetings and records to the public in the manner set forth in Sections 12L.4 and 12L.5 of the San Francisco Administrative Code. Developer further agrees to make good faith efforts to promote community membership on its Board of Directors in the manner set forth in Section 12L.6 of the Administrative Code. Developer acknowledges that its failure to comply with any of the provisions of this Section will constitute an event of default under this Agreement.

7. Amendment. This Agreement may not be amended except by an instrument in writing signed by the parties.

8. Controlling Document. In the event of any inconsistency between this Agreement and the terms of any financing from the City with respect to the Project, this Agreement will control.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

"DEVELOPER"

Chinatown Community Development
Center, Inc., a California nonprofit public
benefit corporation

By: _____
Malcom Yeung
Executive Director

"CITY"

CITY AND COUNTY OF SAN
FRANCISCO, a municipal corporation

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

APPROVED AS TO FORM:

David Chiu
City Attorney

By: _____
Heidi J. Gewertz
Deputy City Attorney

SECURED PROMISSORY NOTE
(Housing Trust Fund)

Principal Amount: \$ 17,786,077.00

San Francisco, CA

Date: _____, 2022

FOR VALUE RECEIVED, the undersigned, **CCDC THROUGHLINE LLC**, a California limited liability corporation ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of Seventeen Million Seven Hundred Eighty Six Thousand Seventy Seven and No/100 Dollars (\$17,786,077.00) (the "Funding Amount"), or so much of the Funding Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note ("Note") is given under the terms of a Loan Agreement by and between Maker and Holder (the "Agreement") dated as of the date set forth above, which Agreement is incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of three percent (3.0%) per annum, simple interest, from the date of disbursement of funds by Holder through the date of full payment of all amounts owing under the City Documents; provided, however, that prior to the date Maker acquires Control of the Site, the Director of MOHCD shall have the right, in his or her reasonable discretion, to reduce the interest rate to as low as zero percent (0%) upon receipt of adequate documentation supporting the need for such reduction in order to make the Project financially feasible. Interest will be calculated on the basis of actual days elapsed and a 360-day year, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date the Funding Amount is disbursed through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Funding Amount.

4.1 Subject to Section 13.4 of the Agreement, Maker must make annual payments of principal and interest (each, a "Payment") in an amount equal to the Residual Receipts, if any, attributable to the prior calendar year, beginning on the first June 30th after the end of the calendar year of the Completion Date, and continuing each June 30th thereafter up to and including the Maturity Date, as defined below (each, a "Payment Date"). All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan. The unpaid principal balance of the Loan, together with all accrued and unpaid interest and unpaid

costs and fees incurred, will be due and payable on the date that is the later of (a) the Fifty-Seventh (57th) anniversary of the date the Deed of Trust is recorded in the Recorder's Office of San Francisco County or (b) the Fifty-Fifth (55th) anniversary of the Conversion Date (the "Maturity Date"), provided however that if Maker fails to acquire Control of the Site on or before March 22, 2022 (the "Outside Acquisition Date"), the Maturity Date shall be the Outside Acquisition Date. Any Payment Date, including any Excess Proceeds Payment Date and the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day. Notwithstanding the foregoing, if Borrower's failure to acquire Control of the Site by the Outside Acquisition Date is not caused by Borrower's acts or omissions, whether direct or indirect, and if Borrower has acted in good faith and no event has occurred and is continuing that constitutes an Event of Default or, with the passage of time would become an Event of Default under any of the City Documents, then in such an event, Borrower shall deliver to City all of the Work Product, the Agreement shall be deemed satisfied in full and Borrower shall be deemed to be released from all obligation or liability with respect to this Agreement and the Loan

4.2 Subject to Section 13.4 of the Agreement, Maker must make payments of principal and interest (each, an "Excess Proceeds Payment") in an amount equal to the Excess Proceeds, if any, on the date that is thirty (30) days after the later of the date on which Maker receives its Form 8609 from the California Tax Credit Allocation Committee or the date on which Maker receives Excess Proceeds from its limited partner or other financing sources (the "Excess Proceeds Payment Date"). All Excess Proceeds Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Loan.

5. Security. Maker's obligations under this Note and the Agreement are secured by the pledge of Work Product contained in the Agreement and, if Maker (or its affiliate) acquires Control of the Site, by that certain Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing to be recorded pursuant to the Agreement, made by Maker for the benefit of Holder.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.6 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note shall be permitted without Holder's prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

- (a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or
- (b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

"MAKER"

CCDC Throughline LLC,
a California limited partnership

By: Chinatown Community Development Center, Inc.,
a California nonprofit public benefit corporation,
its managing member

By: _____
Malcolm Yeung
Executive Director

Free Recording Requested Pursuant to
Government Code Section 27383

When recorded, mail to:
Mayor's Office of Housing and Community Development
City and County of San Francisco
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: [Name]

-----Space Above This Line for Recorder's Use-----

777 Broadway
San Francisco, CA 94133
Assessor's Lot 0160 , Block 031-032

1525-1529 Grant Avenue
San Francisco, CA 94133
Assessor's Lot 0103, Block 004

1204 Mason Street
San Francisco, CA 94133
Assessor's Lot 0191, Block 016

**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

(Property Address: 777 Broadway, 1525-1529 Grant Avenue, and 1204 Mason Street
(PASS Program))

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING ("Deed of Trust") is made as of **January 19, 2022**, by **CCDC THROUGHLINE, LLC**, a California limited liability company ("Trustor"), whose address is **1525 Grant Avenue**, San Francisco, California **94133**, to **OLD REPUBLIC TITLE COMPANY** ("Trustee"), whose address is **275 Battery Street, Suite 1500**, San Francisco, California, **94111**, for the benefit of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting through the Mayor's Office of Housing and Community Development ("Beneficiary"). This Deed of Trust is executed pursuant to a Loan Agreement by and between Trustor and Beneficiary dated as of the date of this Deed of Trust, as it may be amended from time to time (the "Agreement"), the provisions of which are incorporated herein by reference. Definitions and rules of interpretation set forth in the Agreement apply to this Deed of Trust.

1. **Grant in Trust.** For valuable consideration, Trustor hereby grants, transfers and assigns to Trustee, in trust, with power of sale, for the benefit of Beneficiary, all right, title and interest Trustor now has or may have in the future in the following (all or any part of the following, or any interest in all or any part of it, as the context requires, the "Property"):

(a) that real property situated in the City and County of San Francisco, State of California, described in **Exhibit A** attached hereto and incorporated herein by reference (the "Land"), on which Trustor **intends to acquire and rehabilitate** property including **88 units of multifamily rental housing affordable to low- to moderate-income households and, 4 units of commercial space** under the City's Preservation and Seismic Safety (PASS) Program which will be known as **Throughline Apartments** (the "Project"); and

(b) all buildings, structures and other improvements now or in the future located or to be constructed on the Land (the "Improvements"); and

(c) all existing and future leases, subleases, tenancies, subtenancies, licenses, occupancy agreements and concessions ("Leases") relating to the use and enjoyment of all or any part of the Land and Improvements, and any and all guaranties and other agreements relating to or made in connection with any of the Leases; and

(d) except for personal property and removable fixtures installed by tenants or subtenants, all goods, materials, supplies, chattels, furniture, fixtures, equipment and machinery now or later to be attached to, placed in or on, or used in connection with the use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which will be considered to the fullest extent of the law to be real property for purposes of this Deed of Trust; and

(e) all building materials, equipment, work in process or other personal property of any kind, whether stored on the Land or elsewhere, that have been or later will be acquired for the purpose of being delivered to, incorporated into or installed in or about the Land or Improvements; and

(f) all Market Rate Loan, BMR Loan and Deferred Loan funds, whether disbursed or not, and all funds now or in the future on deposit in the Replacement Reserve Account, the Operating Reserve Account and any other account required or authorized for the Project; and

(g) all proceeds, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to the Land, Improvements or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements; and

(h) all books and records pertaining to any and all of the property described above, including records relating to tenants under any Leases, the qualifications of any tenants and any certificates, vouchers and other documents in any way related thereto and records relating to the application and allocation of any federal, state or local tax credits or benefits; and

(i) all rents, revenues, issues, royalties, proceeds and profits, including prepaid rent and security deposits ("Rents"), from the Land and the Improvements, subject to:
(i) Trustor's right to collect and retain the same as they become due and payable; and
(ii) Beneficiary's rights under **Section 3(d)**; and

(j) all intangible personal property and rights relating to the Property or its operation or used in connection with it, including, without limitation, permits, licenses, plans, specifications, construction contracts, subcontracts, bids, soils reports, engineering reports, land planning maps, drawings, construction contracts, notes, drafts, documents, engineering and architectural drawings, deposits for utility services, installations, refunds due Trustor, trade names, trademarks, and service marks; and

(k) all proceeds of, interest accrued on, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

This Deed of Trust constitutes a security agreement under, and a fixture filing in accordance with, the California Uniform Commercial Code, as it may be amended from time to time. The filing of a financing statement pertaining to personal property may not be construed in any way as derogating from or impairing the lien of, or the rights or obligations of the parties under, this Deed of Trust.

2. Obligations Secured. This Deed of Trust is given for the purpose of securing the following (collectively, the "Secured Obligations"):

(a) performance of all present and future obligations of Trustor set forth in the Agreement related to the Market Rate Loan, the BMR Loan and the Deferred Loan, specifically compliance with certain restrictions on the use of the Property recited in that certain Declaration of Restrictions executed by Trustor, dated as of the date of and being recorded concurrently with this Deed of Trust, as it may be amended from time to time, the market rate promissory note dated the date of this Deed of Trust made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "Market Rate Note"), the below market rate promissory note dated the date of this Deed of Trust made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "BMR Note"), the deferred promissory note dated the date of this Deed of Trust made by Trustor to the order of Beneficiary (as it may be amended from time to time, the "Deferred Note"), and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement;

(b) payment of the indebtedness evidenced by the Agreement and the Market Rate Note in the original principal amount of Five Million One Hundred Seventy Five Thousand Eight Hundred Ninety One and No/100 Dollars (\$5,175,891.00), with interest, according to the terms of the Agreement and the Market Rate Note;

(c) payment of the indebtedness evidenced by the Agreement and the BMR Note in the original principal amount of Two Million Eight Hundred Fifty Five Thousand Six Hundred Sixty Four and No/100 Dollars (\$2,855,664.00), with interest, according to the terms of the Agreement and the BMR Note;

(d) payment of the indebtedness evidenced by the Agreement and the Deferred Note in the original principal amount of Four Hundred Sixty Seven Thousand Four Hundred Forty Five and No/100 (\$467,445.00), with interest, according to the terms of the Agreement and the Deferred Note; and

(e) payment of any additional sums Trustor may borrow or receive from Beneficiary, when evidenced by another note (or any other instrument) reciting that payment is secured by this Deed of Trust.

3. Assignment of Rents.

(a) Assignment as Additional Security. Trustor hereby irrevocably grants, transfers, and assigns to Beneficiary all of its right, title, and interest in and to the Rents as additional security for the Secured Obligations. Subject to the provisions of subsection 3(d) below, Beneficiary hereby confers upon Trustor a license ("License") to collect and retain the Rents as they become due and payable, so long as no Event of Default exists and is continuing. If an Event of Default has occurred and is continuing, Beneficiary shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Trustor, and without regard to the adequacy of Beneficiary's security under this Deed of Trust.

(b) Collection and Application of Rents. Subject to the License granted to Trustor under subsection 3(a) above, Beneficiary has the right, power, and authority to collect any and all Rents. Subject to the License granted to Trustor under subsection 3(a) above, Trustor hereby appoints Beneficiary its attorney-in-fact to perform any and all of the following acts, if and at the times when Beneficiary in its sole discretion may so choose:

1. Demand, receive, and enforce payment of any and all Rents; or
2. Give receipts, releases, and satisfactions for any and all Rents; or
3. Sue either in the name of Trustor or in the name of Beneficiary for any and all Rents.

Beneficiary's right to the Rents does not depend on whether or not Beneficiary takes possession of the Property. In Beneficiary's sole discretion, it may choose to collect Rents either with or without taking possession of the Property. Beneficiary shall apply all Rents collected by it in the manner provided under this Deed of Trust. If an Event of Default occurs while Beneficiary is in possession of all or part of the Property and is collecting and applying Rents as permitted under this Deed of Trust, Beneficiary, Trustee and any receiver shall nevertheless be entitled to exercise and invoke every right and remedy afforded any of them under this Deed of Trust and at law or in equity, including the right to exercise the power of sale granted hereunder.

(c) Beneficiary Not Responsible. Under no circumstances shall Beneficiary have any duty to produce Rents from the Property. Regardless of whether or not Beneficiary, in person or by agent, takes actual possession of the Real Property and Improvements, Beneficiary is not and shall not be deemed to be:

1. A "mortgagee in possession" for any purpose; or
2. Responsible for performing any of the obligations of the lessor under any lease; or
3. Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair, or control of the Property; or
4. Liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

(d) Election by Beneficiary. Upon the occurrence and during the continuance of an Event of Default, Beneficiary, at its option, may exercise its rights under this Section or otherwise provided under applicable law (including, but not limited to, under Section 2938 of the California Civil Code).

4. Trustor's Covenants. To protect the security of this Deed of Trust, Trustor agrees as follows:

(a) to perform the Secured Obligations in accordance with their respective terms;

(b) to keep the Land and the Improvements in good condition and repair, normal wear and tear and acts of God excepted; not to remove or demolish any Improvements without Beneficiary's prior written consent; to complete or restore promptly and in good and workmanlike manner any Improvement constructed, damaged or destroyed on the Land; to pay when due all claims for labor performed and materials furnished therefor, subject to Trustor's right to contest any claim in good faith; to comply with all laws affecting the Project, subject to Trustor's right to contest any claim in good faith; not to commit or permit waste with respect to the Land or the Improvements; not to commit, suffer or permit any act upon the Land or the Improvements in violation of law,

including Environmental Laws; and to do all other acts made reasonably necessary by the character or use of the Land and the Improvements;

(c) to provide, maintain and deliver to Beneficiary property and liability insurance as required under the Agreement and apply any insurance proceeds as provided below;

(d) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and to pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees and costs incurred in any such action or proceeding in which Beneficiary or Trustee may appear and in any suit brought by Beneficiary to foreclose this Deed of Trust following an Event of Default;

(e) to pay in accordance with the Agreement, but in each case prior to delinquency: (i) all taxes and assessments affecting the Property, including assessments on appurtenant water stock; and (ii) all encumbrances, charges and liens, with interest, on the Property or any part thereof that appear to be prior or superior hereto;

(f) should Trustor fail to make any payment or to do any act as herein provided, then, without: (i) obligation to do so; (ii) notice to or demand upon Trustor; or (iii) releasing Trustor from any obligation hereof, Beneficiary or Trustee may: (A) make or do the same in any manner and to the extent as it deems necessary to protect the security hereof; (B) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; (C) pay, purchase, contest or compromise any encumbrance, charge or lien that in its judgment appears to be prior or superior hereto; and (D) in exercising these powers, pay necessary expenses, employ counsel and pay reasonable attorneys' fees and costs, and Trustor consents to Beneficiary's and/or Trustee's entry upon the Land and Improvements for any purpose set forth in this Subsection, including Beneficiary's exercise of its rights under California Code of Civil Procedure Section 564(c); and

(g) to reimburse within five (5) days of demand all sums expended by Beneficiary or Trustee pursuant to this Deed of Trust, with interest at an annual rate of interest equal to the lesser of: (i) ten percent (10%); or (ii) the maximum lawful rate from date of expenditure to the date of payment.

5. Insurance and Condemnation Proceeds.

(a) Trustor hereby assigns to Beneficiary any award of damages arising from the condemnation of all or any part of the Property for public use and any insurance proceeds arising from injury to all or any part of the Property or the Project.

(b) Any condemnation award or insurance proceeds must be paid to Beneficiary or, if Beneficiary has consented to subordinate the lien of this Deed of Trust to the lien of another lender for the Project, according to the provisions in the senior lender's loan documents.

(c) If a condemnation award or insurance proceeds are paid to Beneficiary, Beneficiary will release or authorize the release of funds to Trustor, provided that the funds will be used for the reconstruction of the Project in accordance with: (i) projections demonstrating that reconstruction is economically feasible; and (ii) Trustor's construction budget, each of which must be satisfactory to Beneficiary in its reasonable discretion. In all other cases, Beneficiary may choose in its discretion to apply funds to Trustor's obligations under the Market Rate Note, the BMR Note, the Deferred Note, and the Agreement or to any senior obligations, in accordance with the respective priorities of the approved lienholders as their interests may appear of record, with the remaining funds, if any, released to Trustor.

(d) Trustor agrees that Beneficiary's application or release of funds pursuant to this Section will not cure or waive any default or Notice of Default (as defined below) or invalidate any act by Beneficiary performed following a default pursuant to any City Document unless the default has been cured by the application or release of funds.

6. Further Agreements. Trustor further acknowledges and agrees as follows:

(a) Beneficiary does not waive its right either to require prompt payment when due of all other sums secured by this Deed of Trust or to declare Trustor in default for failure to pay timely by accepting payment of any sum secured hereby after its due date.

(b) Trustee may reconvey any part of the Property at any time or from time to time, without liability therefor and without notice, upon written request of Beneficiary and presentation of this Deed of Trust and the Market Rate Note, the BMR Note, and the Deferred Note for endorsement without affecting the liability of any entity or person for payment of the indebtedness secured hereby.

(c) Upon: (i) written request of Beneficiary stating that all obligations secured hereby have been paid or performed; (ii) Beneficiary's surrender of this Deed of Trust and the Market Rate Note, the BMR Note, and the Deferred Note to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose; and (iii) payment of its fees, if any, Trustee shall reconvey the Property then held hereunder without covenant or warranty.

(d) As additional security, Trustor hereby irrevocably, absolutely and unconditionally assigns to Beneficiary all Rents, whether now due, past due or to become due, subject to Beneficiary's grant to Trustor of a license to collect and retain Rents as

they become due and payable so long as Trustor has not defaulted in performance of the Secured Obligations.

(e) Any voluntary or involuntary conveyance, sale, encumbrance, pledge or other transfer of all or any interest in the Property or in Trustor, including a security interest, in violation of the Agreement will constitute an Event of Default (as defined below) giving Beneficiary the right to exercise its remedies at law or in equity.

(f) For the purposes of this Deed of Trust, Beneficiary from time to time may substitute a successor or successors to Trustee named herein or acting hereunder by instrument in writing executed by Beneficiary and duly acknowledged and recorded in the office of the recorder of San Francisco County, which instrument shall be conclusive proof of proper substitution of a successor trustee or trustees. Without conveyance from Trustee, any successor or substitute trustee will succeed to all title, estate, rights, powers and duties of Trustee. The instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the recording information for this Deed of Trust and the name and address of the new Trustee.

(g) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns, provided that this subsection does not constitute Beneficiary's consent to any transfer in violation of this Deed of Trust. The term Beneficiary shall mean the holder of the Market Rate Note, the BMR Note, or the Deferred Note, whether or not named as Beneficiary herein. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or the neuter, and the singular number includes the plural.

(h) Trustee accepts this Trust when this duly executed and acknowledged Deed of Trust is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

7. Beneficiary's Rights Following Default. Upon any default by Trustor in performance of the Secured Obligations following expiration of any applicable notice and cure periods ("Event of Default"):

(a) Trustor's license to collect and retain Rents will terminate automatically.

(b) Trustor consents to Beneficiary's entry upon and taking possession of the Property or any part thereof, at any time after the occurrence of an Event of Default without notice, either in person, by agent or by a receiver to be appointed by a court without regard to the adequacy of any security for the indebtedness hereby secured to sue for or otherwise collect and apply Rents, less costs and expenses of operation and collection, including those of the Property, in its own name or in the name of Trustor.

Beneficiary's collection and application of Rents shall not cure or waive any Event of Default or Notice of Default or invalidate any act done pursuant to any notice.

(c) Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold the Property ("Notice of Default"), and:

i. Trustee shall cause the Notice of Default to be filed for record. Beneficiary also shall deposit with Trustee this Deed of Trust, the Market Rate Note, the BMR Note, the Deferred Note, and all documents evidencing expenditures secured hereby.

ii. After the lapse of time then required by law following the recordation of a Notice of Default, and notice of sale ("Notice of Sale") having been given as then required by law, Trustee without demand on Trustor may sell the Property at the time and place fixed in the Notice of Sale either as a whole or in separate parcels in any order at public auction to the highest bidder for cash in lawful money of the United States payable at time of sale. Trustee may postpone sale of all or any portion of the Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to any purchaser a trustee's deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the trustee's deed of any matters of facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee or Beneficiary, may purchase at the sale.

iii. After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: (A) all sums expended under the terms of this Deed of Trust not then repaid, with accrued interest at the highest rate allowed by law in effect at the date hereof; (B) all other sums then secured hereby; and (C) the remainder, if any, to the person or persons legally entitled thereto.

8. Notice of Default to Trustor. The undersigned Trustor requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to it at its address set forth above or any succeeding address given by notice in accordance with the Agreement.

TRUSTOR:

**CCDC THROUGHLINE, LLC,
a California limited liability company**

By: Chinatown Community Development Center
a California limited liability company]

Its: **Managing Member**

By: _____
Name: _____
Title: _____

ALL SIGNATURES MUST BE NOTARIZED

EXHIBIT A

Legal Description of the Property

THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

Commencing at the point of intersection of the Northerly line of Washington Street and the Easterly line of Mason Street; running thence Easterly and along said line of Washington Street 46 feet; thence at a right angle Northerly 68 feet 9 inches; thence at a right angle Easterly 22 feet 9 inches, thence at a right angle Northerly 22 feet 11 inches; thence at a right angle Westerly 68 feet 9 inches to the Easterly line of Mason Street; thence at a right angle Southerly along said line of Mason Street 91 feet 8 inches to the to the point of commencement.

Being part of 50 Vara Lot No. 338 in Block No. 160.

Assessor's Lot 016; Block 0191

Street Address:
1204 Mason Street

EXHIBIT B
(Legal Description of the Property)

THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

Beginning at a point on the westerly line of Grant Avenue (formerly Dupont Street), distant thereon 97 feet, 6 inches Northerly from the Northerly line of Union Street; running thence along said Westerly line of Grant Avenue 40 feet; thence at a right angle Westerly 98 feet, 9 inches; thence at a right angle Southerly and parallel with said Westerly line of Grant Avenue 40 feet; thence at a right angle Easterly 98 feet, 9 inches to said Westerly line of Grant Avenue and the point of beginning.

Being a portion of Vera Lot No. 413, in Block No. 106

Assessor's Lot 004; Block 0103

Street Address:
1525 Grant Avenue

EXHIBIT C
(Legal Description of the Property)

THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

Leasehold estate as created by that certain lease dated September 26, 1989, made by and between The Housing Authority of the City and County of San Francisco, as lessor, and Bayside Elderly Housing Corporation, a California non-profit public benefit corporation, as lessee, for the term of 75 years and upon the terms and conditions contained in said lease and subject to provisions contained in the lease which limit the right of possession, Memorandum of Lease thereof recorded September 28, 1989 in Reel E966 of Official Records, Image 1481 under Recorder's Serial Number E441261, in and to the following:

PARCEL 1;

All of that certain Lot 32 (Parcel B) as shown on Map entitled, "Parcel Map Showing the Subdivision of Lot 29" which Map was filed for record, in the Office of the Recorder of the City and County of San Francisco, California, on April 7, 1989, in Book 39 of Parcel Maps, Pages 21 and 22.

PARCEL 2;

Easements for the benefit and use of Parcel 1 over Lot 31 (Parcel A) as shown on that certain Map entitled, "Parcel Map Showing the Subdivision of a Portion of Lot 29" which Map was filed for record, in the Office of the Recorder of the City and County of San Francisco, State of California, on April 7, 1989, in Book 39 of Parcel Maps, at Page 23 and 22, described as follows;

EASEMENT B-1 (Lobby Area)

Beginning at the intersection of the Southerly line of Broadway and the Westerly line of Cordelia Street, which point is hereinafter referred to as Point "A"; thence Southerly along said Westerly line of Cordelia Street, 29.00 feet; thence at a right angle Westerly 22.996 feet; thence deflecting 45° to the right, 3.30 feet; thence deflecting 45° to the right and proceeding Northerly 4.335 feet; thence deflecting 45° to the right, 2.83 feet; thence deflecting 45° to the left and proceeding Northerly, 20.33 feet to the Southerly line of Broadway; thence Easterly along said Southerly line, 23.33 feet to the point of beginning.

EASEMENT B-2 (Refuse Area)

Commencing Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 45.67 feet to the true point of beginning; thence Southerly along said Westerly line 10.00 feet; thence at a right angle Westerly, 22.00 feet; thence at a right angle Northerly, 10.00 feet; thence at a right angle Easterly, 22.00 feet to the true point of beginning.

EASEMENT B-3 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 72.50 feet to the true point of beginning; thence Southerly along said Westerly line 1.00 foot; thence at a right angle Westerly, 4.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle 8.00 feet Easterly to the true point of beginning.

EASEMENT B-4 (Structural Support)

Commencing at Point "A" as hereinbefore described; thence Southerly along the Westerly line of Cordelia Street, 72.50 feet; thence at a right angle Westerly, 11.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 3.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 3.00 feet Easterly to the true point of beginning.

EASEMENT B-5 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 99.50 feet to the true point of beginning; thence Southerly along said Westerly line, 1.00 foot; thence at a right angle Westerly, 4.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle 4.00 feet Easterly to the true point of beginning.

EASEMENT B-6 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 19.50 feet; thence at a right angle Westerly, 11.50 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 3.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 3.00 feet Easterly to the true point of beginning.

EASEMENT B-7 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 126.50 feet to the true point of beginning; thence Southerly along said Westerly line, 1.00 foot; thence at a right angle Westerly, 4.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 4.00 feet Easterly to the true point of beginning.

EASEMENT B-8 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 126.50 feet; thence at a right angle Westerly, 18.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 3.50 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 3.50 feet Easterly to the true point of beginning.

EASEMENT B-9 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 153.50 feet to the true point of beginning; thence Southerly along said Westerly line, 1.00 foot; thence at a right angle Westerly, 4.00 feet; thence at a right angle

Northerly, 1.00 foot; thence at a right angle, 4.00 feet Easterly to the true point of beginning.

EASEMENT B-10 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 153.50 feet; thence at a right angle Westerly, 10.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 3.50 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 3.50 feet Easterly to the true point of beginning.

EASEMENT B-11 (Structural Support)

Commencing at Point "A" as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 10.50 feet; thence at a right angle Westerly, 47.3, feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 2.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 2.00 feet Easterly to the true point of beginning.

EASEMENT B-12 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 11.50 feet; thence at a right angle Westerly, 59.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 4.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 4.00 feet Easterly to the true point of beginning.

EASEMENT B-13(Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 45.50 feet; thence at a right angle Westerly, 47.23 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 2.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 2.00 feet Easterly to the true point of beginning.

EASEMENT B-14 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 45.50 feet; .thence at a right angle Westerly, 59.00 feet to the true point of beginning; thence Southerly, parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 6.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle 6.00 feet Easterly to the true point of beginning.

EASEMENT B-15 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence .Southerly along the Westerly line of Cordelia Street, 72.00 feet; thence at a right angle Westerly, 46.03 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.50 feet; thence at a right angle Westerly, 2.50 feet; thence at a right angle Northerly, 1.50 feet; thence at a

right angle, 3.50 feet Easterly to the true point of beginning.

EASEMENT B-16 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 72.50 feet; thence at a right angle Westerly, 59.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 6.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 6.00 feet Easterly to the true point of beginning.

EASEMENT B-17 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 09.50 feet; thence at a right angle Westerly, 47.22 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 2.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 2.00 feet Easterly to the true point of beginning.

EASEMENT B-18 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 14.40 feet; thence at a right angle Westerly, 59.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 6.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 4.00 feet Easterly to the true point of beginning.

EASEMENT B-19 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 126.50 feet; thence at a right angle Westerly, 47.83 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 2.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 2.00 feet Easterly to the true point of beginning.

EASEMENT B-20 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 126.50 feet; thence at a right angle Westerly, 59.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 6.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 6.00 feet Easterly to the true point of beginning.

EASEMENT B-21 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 153.50 feet; thence at a right angle Westerly, 46.03 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 2.50 feet; thence at a right angle Northerly, 1.00 foot; thence at a

right angle, 2.59 feet Easterly to the true point of beginning.

EASEMENT B-22 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 153.50 feet; thence at a right angle Westerly, 59.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence et a right angle Westerly, 4.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 4.00 feet Easterly to the true point of beginning.

The bottom elevation of all easements, B-1 through B-22, as described above, is elevation 89.00; and the elevation of the top all easements is elevation 98.00. Elevations are on City of San Francisco Datum.

Assessor's Lot 032; Block 0160

Street Address:
777 Broadway

Free Recording Requested Pursuant to
Government Code Section 27383

Recording requested by and
when recorded mail to:
City and County of San Francisco
Mayor's Office of Housing and Community Development
1 South Van Ness Avenue, 5th Floor
San Francisco, California 94103
Attn: Jonah Lee

-----Space Above This Line for Recorder's Use-----

777 Broadway
San Francisco, CA 94133
Assessor's Lot 0160, Block 031-032

1525-1529 Grant Avenue
San Francisco, CA 94133
Assessor's Lot 0103, Block 004

1204 Mason Street
San Francisco, CA 94133
Assessor's Lot 0191, Block 016

DECLARATION OF RESTRICTIONS

777 Broadway, 1525-1529 Grant Avenue, and 1204 Mason Street

THIS DECLARATION OF RESTRICTIONS ("Declaration") is made as of January 19, 2022, by **CCDC THROUGHLINE LLC**, a California limited liability company ("**Borrower**"), in favor of the **CITY AND COUNTY OF SAN FRANCISCO**, represented by the Mayor, acting through the Mayor's Office of Housing and Community Development (the "**City**").

RECITALS

A. The City is making a loan (the "Loan") to Borrower of Housing Trust Funds ("HTF") and Preservation and Seismic Safety ("PASS") funds to finance costs associated with the acquisition and rehabilitation of the real property described in **Exhibit A** attached hereto and incorporated herein by reference (the "Property") as low- to moderate-income housing (the "Project"). The Loan is evidenced by, among other documents, a Loan

Agreement between the City and Borrower dated as of the date of this Declaration, as it may be amended from time to time (the "Agreement"). The Agreement is incorporated by reference in this Declaration as though fully set forth in this Declaration and is available through the Mayor's Office of Housing and Community Development ("MOHCD") at the address first specified in the recording request set forth above. Definitions and rules of interpretation set forth in the Agreement apply to this Declaration.

B. Pursuant to the Agreement, Borrower has agreed to comply with certain affordability and other use and occupancy restrictions (collectively, the "**Regulatory Obligations**"), commencing on the Agreement Date, and continuing for as long as the Project or any modification of the Project remains in existence, but in any event no event less than seventy five (75) years from the date the Deed of Trust is recorded in the Official Records of San Francisco County (the "**Compliance Term**"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed. Borrower's covenants and agreements described in this Declaration are a material part of the consideration for the City in making the Loan, and without Borrower's agreement to subject the Property to the Regulatory Obligations even after the Loan is satisfied, the City would be unwilling to make the Loan to Borrower.

AGREEMENT

Now, therefore, in consideration of the City's providing the Loan in accordance with the City Documents, Borrower agrees as follows:

1. Definitions. Any capitalized terms in this Declaration that are not defined herein shall have the meaning set forth in the Agreement. In the event of any conflict between the terms of this Declaration and the terms of the Agreement, the terms of the Agreement (including the following defined terms) shall control unless otherwise expressly stated. As used in this Declaration, the following words and phrases have the following meanings:

(a) "**CDBG**" means Community Development Block Grant funds contracted with the United States Department of Housing and Urban Development ("HUD") pursuant to Title I of the Housing and Community Development Act of 1974 (42 U.S.C. §§ 5301 *et seq.*).

(b) "**HTF**" means Housing Trust Funds as approved by 2012 Proposition C.

(c) "**Median Income**" means median income as published annually by MOHCD, derived from the Income Limits determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area, also referred to as "Unadjusted Median Income".

(d) "**PASS**" means the Preservation and Seismic Safety program

(e) "**Qualified Tenant**" means a household occupying of the Project that has certified and been approved as earning no more than the maximum permissible annual income

level allowed by the Agreement and that has entered into a lease with Borrower in a form approved by City.

(f) "**Rent**" means the monthly sum charged to Qualified Tenants for rent in accordance with this Declaration.

(g) "**Severely Rent Burdened**" means a Qualified Tenant household paying monthly Rent that is fifty percent (50%) or more of its gross monthly income (as shown on the Qualified Tenant's income certification required by Section 5 and confirmed by MOHCD).

(h) "**Unit**" means any residential rental unit within the Project.

2. Regulatory Obligations. Borrower must comply with the Regulatory Obligations through the expiration of the Compliance Term, including without limitation those described in this Declaration, regardless of any reconveyance of the Deed of Trust.

3. Affordability and Restrictions.

(a) Restrictions. The Project may be occupied only by Qualified Tenants and their households. As provided in Section 7.2(b) of the Agreement, a Qualified Tenant may not be required to vacate the Unit due to subsequent rises in household income. In no event shall any Qualified Tenant be required to pay Rent in excess of 30% of 120% Median Income except as provided in Section 4(c).

(b) Rents on Agreement Date. Required Rents for the Units as of the Agreement Date shall be as follows:

Unit Number	Unit Size	Rent (monthly payments) as of the Agreement Date
Bayside 102, 103, 104, 105, 106, 107, 108, 109, 110, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310	Studio	30% of Median Income
Tower 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35	SRO	50% of Median Income
Consortia 1, 3, 4, 5, 6, 9, 11, 12, 14, 15, 16, 18, 19, 21, 22, 24, 25	Studio	60% of Median Income

Consortia 2, 8, 10, 17, 20, 26	1BR	60% of Median Income
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(c) Vacancies after the Agreement Date. After the Agreement Date, the Rent for each Unit that becomes vacant shall be set at the amount necessary to bring the Project's combined average Rents for all Units as close as is possible to the amount calculated as 30% of 80% Median Income, but no more than 30% of 120% Median Income.

4. Rent Adjustments and Restrictions. Rent for all Units shall be increased annually on the anniversary of the Agreement Date by the greater of: (x) the percentage change in annual operating expenses, up to a maximum of 3.5%; or (y) 2%, except as follows:

(a) Severely Rent Burdened Qualified Tenants. If the Rent increase described in this Section 4 results in any Qualified Tenant household becoming Severely Rent Burdened, Borrower is not required to increase the Rent of the Severely Rent Burdened Qualified Tenant until such time as the Qualified Tenant is no longer Severely Rent Burdened, provided that: (i) Borrower first demonstrates to the satisfaction of MOHCD, in MOHCD's sole discretion, that the Project maintains short- and long-term financial sustainability in the form of positive cash flow, adequately funded reserves, and other indicators as MOHCD may reasonably request; (ii) at each annual income recertification, the ability of all households to pay required rent increases will be reassessed, as will the Borrower cash flow, to ensure short- and long-term financial sustainability if Borrower elects not to impose the required annual Rent increase for any Severely Rent Burdened Qualified Tenant; and (iii) all Regulatory Obligations continue to be met. Similarly, if the circumstances described in this subsection are met, a Unit becomes vacant and a Qualified Tenant demonstrates to Borrower that it is Severely Rent Burdened, Borrower may reduce such Qualified Tenant's Rent to a level no lower than 40% of that Qualified Tenant's gross monthly income, thus resulting in a higher Rent that will be required for the vacant Unit. If more than one Qualified Tenant is eligible for such a Rent reduction, the reduction shall be equally distributed among such eligible Qualified Tenants.

(b) Recovery of Project Expenses. With the City's prior written approval, Rent increases for Units exceeding the amounts permitted under the first sentence of Section 4 may be permitted once annually in order to recover increases in approved Project Expenses, provided that: (i) in no event may single or aggregate Rent increases exceed ten percent (10%) per year unless such an increase is contemplated in a City-approved temporary relocation plan or is necessary due to the expiration of Section 8 or other rental subsidies; and (ii) Rents for each Unit may in no event exceed 30% of 120% Median Income. The City's approval for such Rent increases under this subsection shall not be unreasonably withheld.

(c) Rent Subsidy Programs. For those households that hold rent subsidy vouchers, such as Section 8 and VASH, on an annual basis Borrower shall request and use best efforts to receive an increase in contract rent equivalent to the percentage change in Fair Market Rent or equivalent payment standard, whichever is greater. For any Qualified Tenant

participating in a rent or operating subsidy program where the rent charged is calculated as a percentage of household income, adjustments to Rent charged may be made according to the rules of the relevant subsidy program, provided that the Qualified Tenant paid portion of Rent does not exceed 30% of 120% Median Income. For any Qualified Tenant that becomes ineligible to continue participating in a rent or operating subsidy program, there is no limit on the increase in Rent charged as long as it does not exceed 30% of 120% Median Income.

(d) Recovery of Property Tax Increases. In addition to the Rent increases contemplated in this Section 4 and with the City's prior written approval, if a Qualified Tenant's household income exceeds eighty percent (80%) of California Median Income (as published by the California Department of Housing and Community Development) during occupancy of a Unit, Borrower may adjust the charges for Rent for such Qualified Tenant to absorb the amount of property taxes attributable to the Qualified Tenant's Unit as a result of the loss of the State of California's welfare exemption for low-income housing properties. The City may, in its sole discretion, require that Rent increases allowed under this subsection be implemented over a period of time in order to reduce the burden on an existing Qualified Tenant. Rents charged under this subsection may not exceed 30% of 120% Median Income. The City's approval for such Rent increases shall not be unreasonably withheld. If such Qualified Tenant's household income subsequently decreases and the Unit becomes eligible for the California welfare property tax exemption, Borrower may reduce such Qualified Tenant's Rent by the amount of property tax savings attributable to the Qualified Tenant's Unit, as provided in Section 4(b).

(e) Excess Rent. If Borrower increases Rents or offers a vacant Unit for rent at a rate that exceeds the rules described in this Declaration, the resulting excess cash flow will be paid by Borrower to the Qualified Tenants who were overcharged, and Borrower's actions will constitute an Event of Default pursuant to Section 19 of the Agreement.

5. Certification.

(a) As a condition to initial occupancy, each person who desires to be a Qualified Tenant in the Project must sign and deliver to Borrower a certification in the form attached to the Loan Agreement as Exhibit C, in which the prospective Qualified Tenant certifies that he/she or his/her household qualifies as a Qualified Tenant, which certification is reviewed and approved by Borrower and the City. In addition, each person must provide any other information, documents or certifications deemed necessary by the City to substantiate the prospective tenant's income. Certifications provided to and accepted by the San Francisco Housing Authority will satisfy this requirement.

(b) Each Qualified Tenant in the Project must recertify its household income to Borrower annually.

(c) Income certifications with respect to each Qualified Tenant who resides in a Unit or resided therein during the immediately preceding calendar year must be maintained

on file at Borrower's principal office, and Borrower must file copies thereof with the City promptly upon request by the City.

6. Nondiscrimination. Borrower agrees not to discriminate against or permit discrimination against any person or group of persons because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability, gender identity, height, weight, source of income or acquired immune deficiency syndrome (AIDS) or AIDS related condition (ARC) in the operation and use of the Project except to the extent permitted by law or required by any other funding source for the Project. Borrower agrees not to discriminate against or permit discrimination against Qualified Tenants using Section 8 certificates or vouchers or assistance through other rental subsidy programs.

7. Remedies. During the Compliance Term the City may rely on the Deed of Trust and/or this Declaration, in the City's discretion, to enforce any of the City's rights under the City Documents.

8. Covenants Run with the Land. This Declaration and the Regulatory Obligations constitute covenants running with the land and bind successors and assigns of Borrower and any non-borrower owner of the Property. In the event that Borrower fails to comply with the Regulatory Obligations to the City's satisfaction, in its sole discretion, within thirty (30) days of Borrower's receipt of notice from the City to so comply, the City at its option may exercise any rights available at equity or in law, including, without limitation, institute an action for specific performance. Borrower shall pay the City's costs in connection with the City's enforcement of the terms of this Declaration, including, without limitation, the City's attorneys' fees and costs.

Borrower has executed this Declaration as of the date first written above.

BORROWER

CCDC THROUGHLINE, LLC,
a California limited liability company

By: Chinatown Community Development Center
a California nonprofit public benefit corporation
Its: Managing Member

By: _____
Name: _____
Title: _____

ALL SIGNATURES MUST BE NOTARIZED

EXHIBIT A

Legal Description of the Property

THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

Commencing at the point of intersection of the Northerly line of Washington Street and the Easterly line of Mason Street; running thence Easterly and along said line of Washington Street 46 feet; thence at a right angle Northerly 68 feet 9 inches; thence at a right angle Easterly 22 feet 9 inches, thence at a right angle Northerly 22 feet 11 inches; thence at a right angle Westerly 68 feet 9 inches to the Easterly line of Mason Street; thence at a right angle Southerly along said line of Mason Street 91 feet 8 inches to the to the point of commencement.

Being part of 50 Vara Lot No. 338 in Block No. 160.

Assessor's Lot 016; Block 0191

Street Address:
1204 Mason Street

EXHIBIT B

(Legal Description of the Property)

THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

Beginning at a point on the westerly line of Grant Avenue (formerly Dupont Street), distant thereon 97 feet, 6 inches Northerly from the Northerly line of Union Street; running thence along said Westerly line of Grant Avenue 40 feet; thence at a right angle Westerly 98 feet, 9 inches; thence at a right angle Southerly and parallel with said Westerly line of Grant Avenue 40 feet; thence at a right angle Easterly 98 feet, 9 inches to said Westerly line of Grant Avenue and the point of beginning.

Being a portion of Vera Lot No. 413, in Block No. 106

Assessor's Lot 004; Block 0103

Street Address:

1525 Grant Avenue

EXHIBIT C

(Legal Description of the Property)

THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

Leasehold estate as created by that certain lease dated September 26, 1989, made by and between The Housing Authority of the City and County of San Francisco, as lessor, and Bayside Elderly Housing Corporation, a California non-profit public benefit corporation, as lessee, for the term of 75 years and upon the terms and conditions contained in said lease and subject to provisions contained in the lease which limit the right of possession, Memorandum of Lease thereof recorded September 28, 1989 in Reel E966 of Official Records, Image 1481 under Recorder's Serial Number E441261, in and to the following:

PARCEL 1;

All of that certain Lot 32 (Parcel B) as shown on Map entitled, "Parcel Map Showing the Subdivision of Lot 29" which Map was filed for record, in the Office of the Recorder of the City and County of San Francisco, California, on April 7, 1989, in Book 39 of Parcel Maps, Pages 21 and 22.

PARCEL 2;

Easements for the benefit and use of Parcel 1 over Lot 31 (Parcel A) as shown on that certain Map entitled, "Parcel Map Showing the Subdivision of a Portion of Lot 29" which Map was filed for record, in the Office of the Recorder of the City and County of San Francisco, State of California, on April 7, 1989, in Book 39 of Parcel Maps, at Page 23 and 22, described as follows;

EASEMENT B-1 (Lobby Area)

Beginning at the intersection of the Southerly line of Broadway and the Westerly line of Cordelia Street, which point is hereinafter referred to as Point "A"; thence Southerly along said Westerly line of Cordelia Street, 29.00 feet; thence at a right angle Westerly 22.996 feet; thence deflecting 45° to the right, 3.30 feet; thence deflecting 45° to the right and proceeding Northerly 4.335 feet; thence deflecting 45° to the right, 2.83 feet; thence deflecting 45° to the left and proceeding Northerly, 20.33 feet to the Southerly line of Broadway; thence Easterly along said Southerly line, 23.33 feet to the point of beginning.

EASEMENT B-2 (Refuse Area)

Commencing Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 45.67 feet to the true point of beginning; thence Southerly along said Westerly line 10.00 feet; thence at a right angle Westerly, 22.00 feet; thence at a right angle Northerly, 10.00 feet; thence at a right angle Easterly, 22.00 feet to the true point of beginning.

EASEMENT B-3 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 72.50 feet to the true point of beginning; thence Southerly along said

Westerly line 1.00 foot; thence at a right angle Westerly, 4.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle 8.00 feet Easterly to the true point of beginning.

EASEMENT B-4 (Structural Support)

Commencing at Point "A" as hereinbefore described; thence Southerly along the Westerly line of Cordelia Street, 72.50 feet; thence at a right angle Westerly, 11.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 3.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 3.00 feet Easterly to the true point of beginning.

EASEMENT B-5 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 99.50 feet to the true point of beginning; thence Southerly along said Westerly line, 1.00 foot; thence at a right angle Westerly, 4.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle 4.00 feet Easterly to the true point of beginning.

EASEMENT B-6 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 19.50 feet; thence at a right angle Westerly, 11.50 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 3.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 3.00 feet Easterly to the true point of beginning.

EASEMENT B-7 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 126.50 feet to the true point of beginning; thence Southerly along said Westerly line, 1.00 foot; thence at a right angle Westerly, 4.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 4.00 feet Easterly to the true point of beginning.

EASEMENT B-8 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 126.50 feet; thence at a right angle Westerly, 18.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 3.50 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 3.50 feet Easterly to the true point of beginning.

EASEMENT B-9 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 153.50 feet to the true point of beginning; thence Southerly along said Westerly line, 1.00 foot; thence at a right angle Westerly, 4.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 4.00 feet Easterly to the true point of beginning.

EASEMENT B-10 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line

of Cordelia Street, 153.50 feet; thence at a right angle Westerly, 10.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 3.50 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 3.50 feet Easterly to the true point of beginning.

EASEMENT B-11 (Structural Support)

Commencing at Point "A" as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 10.50 feet; thence at a right angle Westerly, 47.3, feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 2.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 2.00 feet Easterly to the true point of beginning.

EASEMENT B-12 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 11.50 feet; thence at a right angle Westerly, 59.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 4.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 4.00 feet Easterly to the true point of beginning.

EASEMENT B-13(Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 45.50 feet; thence at a right angle Westerly, 47.23 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 2.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 2.00 feet Easterly to the true point of beginning.

EASEMENT B-14 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 45.50 feet; .thence at a right angle Westerly, 59.00 feet to the true point of beginning; thence Southerly, parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 6.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle 6.00 feet Easterly to the true point of beginning.

EASEMENT B-15 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence .Southerly along the Westerly line of Cordelia Street, 72.00 feet; thence at a right angle Westerly, 46.03 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.50 feet; thence at a right angle Westerly, 2.50 feet; thence at a right angle Northerly, 1.50 feet; thence at a right angle, 3.50 feet Easterly to the true point of beginning.

EASEMENT B-16 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly alone the Westerly line of Cordelia Street, 72.50 feet; thence at a right angle Westerly, 59.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 6.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a

right angle, 6.00 feet Easterly to the true point of beginning.

EASEMENT B-17 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 09.50 feet; thence at a right angle Westerly, 47.22 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 2.00 feet; thence et a right angle Northerly, 1.00 foot; thence at a right angle, 2.00 feet Easterly to the true point of beginning.

EASEMENT B-18 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 14.40 feet; thence at a right angle Westerly, 59.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 6.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 4.00 feet Easterly to the true point of beginning.

EASEMENT B-19 (Structural Support)

Commencing at Point "A". as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 126.50 feet; thence at a right angle Westerly, 47.83 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 2.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 2.00 feet Easterly to the true point of beginning.

EASEMENT B-20 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 126.50 feet; thence at a right angle Westerly, 59.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 6.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 6.00 feet Easterly to the true point of beginning.

EASEMENT B-21 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 153.50 feet; thence at a right angle Westerly, 46.03 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence at a right angle Westerly, 2.50 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 2.59 feet Easterly to the true point of beginning.

EASEMENT B-22 (Structural Support)

Commencing at Point "A", as hereinbefore described, thence Southerly along the Westerly line of Cordelia Street, 153.50 feet; thence at a right angle Westerly, 59.00 feet to the true point of beginning; thence Southerly parallel with the Westerly line of Cordelia Street, 1.00 foot; thence et a right angle Westerly, 4.00 feet; thence at a right angle Northerly, 1.00 foot; thence at a right angle, 4.00 feet Easterly to the true point of beginning.

The bottom elevation of all easements, B-1 through B-22, as described above, is elevation

89.00; and the elevation of the top all easements is elevation 98.00. Elevations are on City of San Francisco Datum.

Assessor's Lot 032; Block 0160

Street Address:
777 Broadway

SECURED PROMISSORY NOTE

PASS – BMR Loan
(Throughline Apartments)

Principal Amount: 2,855,664 \$ _____

San Francisco, CA

Date: __. __., 2022

FOR VALUE RECEIVED, the undersigned, **CCDC THROUGHLINE LLC**, a California limited liability company ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of Two Million Eight Hundred Fifty Five Thousand Six Hundred Sixty Four _____ and No/100 Dollars (2,855,664.00) (the "**BMR Loan Amount**"), or so much of the BMR Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note ("**Note**") is given under the terms of a Loan Agreement by and between Maker and Holder dated as of the date of this Note, as it may be amended from time to time (the "**Agreement**"), which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (PASS Program) dated as of the date of this Note, made by Maker for the benefit of Holder (the "**PASS Deed of Trust**"). Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of **0.95763%** per annum from the date of **the close of escrow** through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of a 360-day year consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the BMR Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America, for the immediately preceding month, plus four percent (4%), which rate will automatically be reduced if it is higher than the rate an individual is permitted to legally charge, commencing on the date the BMR Loan Amount is disbursed through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of BMR Loan Amount. Maker must make payments of principal and interest in monthly installments (each, a "Payment") equal to the amount specified by the amortization schedule attached as Exhibit A. All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the BMR Loan. The unpaid principal balance of the BMR Loan, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the date that is the fortieth (40th) anniversary of the First Payment Date as defined in Section 6.5 (the "Maturity Date"). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the PASS Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note as set forth in Section 4 of this Note.

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Recorder's Office of San Francisco County (the "First Payment Date"). On or after the tenth anniversary of the First Payment Date, the BMR Loan may be prepaid, in whole but not in part, and the Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if the BMR Loan is prepaid prior to the eleventh anniversary of the First Payment Date; (ii) 1% of the total amount being prepaid if the BMR Loan is prepaid on or after the eleventh anniversary of the First Payment Date and prior to the twelfth anniversary of the First Payment Date; or (iii) no prepayment premium if the BMR Loan is prepaid on or after the twelfth anniversary of the First Payment Date. The BMR Loan may not be prepaid unless the Deferred Loan and the Market Rate Loan, and in Holder's sole discretion, the SSP Loan, are also all paid in full. Maker shall provide the Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from a prepayment of the BMR Loan including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

6.6 To compensate Holder for continued monitoring of compliance with the Declaration of Restrictions and/or the Agreement after a prepayment in full of the BMR Loan, Maker shall pay to the Holder \$2,500 per year for each remaining year of the Compliance Term. In connection with a prepayment of the BMR Loan, in its sole discretion Holder may require Maker to prepay such annual monitoring fees through the end of the Compliance Term. In such event, the prepayment amount will be calculated as the present value of the stream of annual monitoring fee payments through the end of the Compliance Term discounted at a rate not to exceed 2%.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project, including without limitation, the Market Rate Note, the Deferred Note, and the SSP Note.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the BMR Loan (along with the Market Rate Loan, the Deferred Loan, and the SSP Loan), together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party

promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

"MAKER"

**CCDC Throughline LLC
a California limited liability corporation]**

By: Chinatown Community Development Center
a California nonprofit public benefit corporation

Its: Managing Member

By: _____

Name: _____

Title: _____

EXHIBIT A

Amortization Schedule Attached.

SECURED PROMISSORY NOTE

PASS – Deferred Loan
(Throughline Apartments)

Principal Amount: \$467,445

San Francisco, CA

Date: ____, __ 2022

FOR VALUE RECEIVED, the undersigned, **CCDC THROUGHLINE LLC** a California limited liability company ("**Maker**"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "**Holder**"), the principal sum of Four Hundred Sixty Seven Thousand Four Hundred Forty Five and No/100 Dollars (\$467,445) (the "**Deferred Loan Amount**"), or so much of the Deferred Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note ("**Note**") is given under the terms of a Loan Agreement by and between Maker and Holder dated as of the date of this Note, as it may be amended from time to time (the "**Agreement**"), which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (PASS Program) dated as of the date of this Note, made by Maker for the benefit of Holder (the "**PASS Deed of Trust**"). Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of (0.95763%) per annum, from the date the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of a 360-day year consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Deferred Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America, for the immediately preceding month, plus four percent (4%), which rate will automatically be reduced if it is higher than the rate an individual is permitted to legally charge, commencing on the date the Deferred Loan Amount is disbursed through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Deferred Loan Amount. Provided that no uncured Event of Default exists under any City Document, the entire principal balance of the Deferred Loan, together with

all interest and unpaid fees and costs incurred (all together, the "Payment"), will be due and payable on the date that is the fortieth (40th) anniversary of the First Month Date as defined in Section 6.5 (the "Maturity Date"). If the Maturity Date falls on a weekend or holiday, it will be deemed to fall on the next succeeding business day. Any Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Deferred Loan.

5. Security. Maker's obligations under this Note are secured by the PASS Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note as set forth in Section 4 of this Note.

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Recorder's Office of San Francisco County (the "First Month Date"). On or after the tenth anniversary of the First Month Date, the Deferred Loan may be prepaid, in whole but not in part, and Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if the Deferred Loan is prepaid prior to the eleventh anniversary of the First Month Date; (ii) 1% of the total amount being prepaid if the Deferred Loan is prepaid on or after the eleventh anniversary of the First Month Date and prior to the twelfth anniversary of the First Month Date; or (iii) no prepayment premium if the Deferred Loan is prepaid on or after the twelfth anniversary of the First Month Date. The Deferred Loan may not be prepaid unless the Market Rate Loan and the BMR Loan, and, in Holder's sole discretion, the SSP Loan, are also all paid in full. Maker shall provide Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from prepayment of the Deferred Loan including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project, including without limitation, the Market Rate Note, the BMR Note, and the SSP Note.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Deferred Loan (along with the Market Rate Loan, the BMR Loan, and the SSP Loan), together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

"MAKER"

**CCDC THROUGHLINE LLC,
a California limited liability corporation]**

By: Chinatown Community Development Center
a California nonprofit public benefit corporation

Its: Managing Member

By: _____

Name: _____

Title: _____

SECURED PROMISSORY NOTE

PASS – Market Rate Loan
(Throughline Apartments)

Principal Amount: \$5,175,891

San Francisco, CA

Date: ____, ____, 2022

FOR VALUE RECEIVED, the undersigned, **CCDC Throughline LLC**, a California limited liability company] ("**Maker**"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "**Holder**"), the principal sum of Five Million One Hundred Seventy Five Eight Hundred and Ninety One and No/100 Dollars (5,175,891) (the "**Market Rate Loan Amount**"), or so much of the Market Rate Loan Amount as may be disbursed from time to time pursuant to the Agreement described in Section 1 below, together with interest thereon, as provided in this Note.

1. Agreement. This Secured Promissory Note ("**Note**") is given under the terms of a Loan Agreement by and between Maker and Holder dated as of the date of this Note, as it may be amended from time to time (the "**Agreement**"), which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Deed Of Trust, Assignment Of Rents, Security Agreement And Fixture Filing (PASS Program) dated as of the date of this Note, made by Maker for the benefit of Holder (the "**PASS Deed of Trust**"). Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control.

2. Interest. Interest will accrue on the principal balance outstanding under this Note from time to time at the rate of 3.87289% per annum, from the date of the close of escrow through the date of full payment of all amounts owing under the City Documents. Interest will be compounded monthly and computed on the basis of a 360-day year consisting of 12 months of 30 days each, which will result in higher interest charges than if a 365-day year were used.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Market Rate Loan at a compounded annual rate equal to the Prime Rate most recently announced by Bank of America for the immediately preceding month, plus four percent (4%), which rate will automatically be reduced if it is higher than the rate an individual is permitted to legally charge, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Market Rate Loan Amount. Maker must make payments of principal and interest in monthly installments (each, a "Payment") equal to the amount specified by the amortization schedule attached as Exhibit A. All Payments will be applied to the following in the following order: (a) costs and fees incurred and unpaid; (b) accrued and unpaid interest; and (c) reduction of the principal balance of the Market Rate Loan. The unpaid principal balance of the Market Rate Loan, together with accrued and unpaid interest and unpaid fees and costs incurred, will be due and payable on the date that is the fortieth (40th) anniversary of the First Payment Date as defined in Section 6.5 (the "Maturity Date"). Any Payment Date, including the Maturity Date, that falls on a weekend or holiday will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the PASS Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the payment of any sum by Maker pursuant to the terms of this Note would result in the payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note as set forth in Section 4 of this Note.

6.5 No prepayment of this Note shall be permitted except as otherwise set forth in this Note or in the Agreement. This Note may be prepaid on or after the tenth anniversary of the first day of the first full month following the date that the PASS Deed of Trust is recorded in the Recorder's Office of San Francisco County (the "First Payment Date"). On or after the tenth anniversary of the First Payment Date, the Market Rate Loan may be prepaid, in whole but not in part, and Maker shall be required to pay a premium of: (i) 2% of the total amount being prepaid if the Market Rate Loan is prepaid prior to the eleventh anniversary of the First Payment Date; (ii) 1% of the total amount being prepaid if the Market Rate Loan is prepaid on or after the eleventh anniversary of the First Payment Date and prior to the twelfth anniversary of the First Payment Date; or (iii) no prepayment premium if the Market Rate Loan is prepaid on or after the twelfth anniversary of the First Payment Date. The Market Rate Loan may not be prepaid unless the Deferred Loan and the BMR Loan, and in Holder's sole discretion, the SSP Loan, are also all paid in full. Maker shall provide Holder with at least thirty (30) days' prior written notice of any intended prepayments. Maker shall be required to pay any premiums, and proportionate costs and expenses associated with the redemption of the Bonds which would result from a prepayment of the Market Rate Loan including, but not limited to, accrued interest on the Bonds from the date of such prepayment to the date of redemption of the Bonds.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project, including without limitation, the SSP Note, the Deferred Note, and the BMR Note.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Market Rate Loan (along with the BMR Loan, the Deferred Loan, and the SSP Loan), together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

"MAKER"

**CCDC Throughline LLC,
a California limited liability corporation]**

By: Chinatown Community Development Center
corporation
Its: Managing Member

a California nonprofit public benefit

By: _____
Name: _____
Title: _____

EXHIBIT A

Amortization Schedule Attached.

Citywide Affordable Housing Loan Committee

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

Throughline Apartments \$14,840,000 Gap Loan, Up to \$8,499,000 of Preservation and Seismic Safety Program (PASS) Mortgage, and \$2,398,821 in Debt Forgiveness Request

Evaluation of Request for:	Permanent Financing & Debt Forgiveness
Loan Committee Date:	October 15, 2021
Prepared By:	Joyce Slen, Project Manager
MOHCD Asset Manager:	Scott Madden
Sources and Amounts of New Funds Recommended:	\$14,040,000 – Community Development Block Grant (CDBG) <u>\$ 8,899,000 - PASS (Series 2020C)</u> \$22,939,000 - Total
Sources and Amounts of Previous City Funds Committed:	\$ 330,898 – CHRP Loan (1981) \$ 645,286 – CDBG (1983) \$ 829,387 – CDBG Site Acquisition (1989) <u>\$ 101,423 – CDBG (2004)</u> \$5,309,976– Total (w/outstanding balance & accrued interest as of 10/15/21) <u>\$ 800,000 – Housing Trust Fund (HTF) (2020)</u> \$ 814,548- Total (w/acrued interest as of 10/15/21) \$6,124,525 - Total
NOFA/PROGRAM/RFP:	Housing Opportunity/Emergency Preservation
Applicant/Sponsor(s) Name:	Chinatown Community Development Center (Chinatown CDC)

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	Throughline Apartments	Sponsor(s):	Chinatown CDC
Project Address (w/ cross St):	777 Broadway (Broadway & Cordelia St) 1204 Mason St. (Mason & Washington St) 1525-1529 Grant Ave (Grant Ave & Union St)	Ultimate Borrower Entity:	CCDC Throughline, LLC

Project Summary:

Chinatown Community Development Center (Chinatown CDC) requests up to \$2,398,821 in existing MOHCD debt forgiveness and gap financing of up to \$22,339,000, which includes \$14,840,000 in CDBG and HTF funds and a residential mortgage under the Preservation and Seismic Safety Loan Program (PASS) ("PASS Loan") of up to \$8,499,000 for the acquisition and rehabilitation of three buildings in the Chinatown, Nob Hill, and North Beach neighborhoods: Bayside Elderly Housing at 777 Broadway, Consorcia Apartments at 1204 Mason Street, and Tower Hotel, a Single Occupancy Room (SRO) Hotel, at 1525-1529 Grant Avenue (the "Throughline Apartments" or the "Project"). In total, Throughline Apartments is 88 existing affordable units in 3 buildings (including three manager's units) and four commercial spaces. Bayside Elderly Housing ("Bayside") serves low-income seniors and is funded under the U.S. Department of Housing & Urban Development (HUD) 202 program, with a Project Based Rental Assistance (PBRA) contract administered by the California Affordable Housing Initiatives, Inc. (CAHI); Consorcia Apartments ("Consorcia") serves low-income families with an average rent of 23% Area Median Income ("MOHCD AMI"); and Tower Hotel ("Tower") serves low- to very low-income individuals with an average rent of 13% MOHCD AMI, respectively.

The Project responds to the San Francisco Consolidated Plan, which furthers the objectives of the [Strategies for a Sustainable Chinatown](#), and achieves MOHCD's racial equity goals by advancing opportunities and improving programmatic outcomes for low-income residents while expanding development opportunity for Black, Brown, Indigenous and other people of color (BIPOC) led community based organizations like Chinatown CDC. Scope of work includes mandatory seismic retrofits for Consorcia and Tower, exterior repairs, building system improvements to fire and life safety, building code, and energy efficiency upgrades, and overall common area and unit improvements.

MOHCD's \$14.84MM gap loan will be loaned to CCDC Throughline, LLC to acquire the Throughline Apartments from Bayside Elderly Housing Corporation (subsidiary of CCDC) and Chinatown CDC (the "Sellers"), with an appraised sales price of \$20.8MM. The Sellers will then disburse seller proceeds back to CCDC Throughline, LLC in two grant agreements to finance the critical rehab of the three buildings. Leveraging debt with the substantial cash flow from Bayside's Section 8 PBRA contract, the Sponsor will hold a 40-year PASS mortgage as part of the Project's financing. Additional permanent financing sources include a Federal Appropriations Grant ("Federal Appropriations Grant"), a MOHCD gap loan, project reserves, Hamlin Hotel excess proceeds, existing MOHCD and Sponsor debt, and a PASS mortgage. The Sponsor's target acquisition date is March 15, 2022, with an April 1, 2022 construction start and construction completion in July 2023.

Project Description:

Construction Type:	Three buildings are all Type V (wood-framed)	Project Type:	Rehabilitation
Number of Stories:	Bayside: 3-story over 1-story concrete masonry unit (CMU) over Ping Yuen North public housing garage building Consorcia: 4-story with partial basement Tower: 3-story with 1-story partial basement	Lot Size (acres or sf):	Total Lot: 19,933 sf Bayside: 11,245 sf Consorcia: 4,738 sf Tower: 3,950 sf
Number of Units:	88 units Bayside: 31 Consorcia: 24 Tower: 33	Architect:	Saida + Sullivan Design Partners (SSDP)
Total Residential Area:	37,110 sf Bayside: 18,325 sf Consorcia: 11,255 sf Tower: 7,530 sf	General Contractor:	BBI Construction
Total Commercial Area:	8,205 sf Consorcia: 2,945 sf Tower: 5,260 sf	Property Manager:	Chinatown CDC
Total Building Area:	45,315 sf Bayside: 18,325 sf Consorcia: 14,200 sf Tower: 12,790 sf	Supervisor and District:	Supervisor Peskin (D3)
Land Owner:	Bayside: Chinatown CDC (air rights from the San Francisco Housing Authority (SFHA)) Consorcia: Chinatown CDC Tower: Chinatown CDC		
Total Development Cost (TDC):	\$30,941,548	Total Acquisition Cost:	\$20,819,568 sales price is part of separate acquisition transaction
TDC/unit:	\$351,609	TDC less land (total acquisition) cost /unit:	\$351,609
Loan Amount Requested:	Gap - \$14,840,000 PASS - \$8,499,000 Total - \$23,339,000	Request Amount / unit:	Gap - \$168,636 PASS - \$96,580
HOME Funds?	No	Parking?	No

PRINCIPAL DEVELOPMENT ISSUES

- 1) **HUD Contract Rents** – Bayside’s HUD Section 8 subsidy reduced by \$500/unit/month based off HUD’s third party Rent Comparability Study (RCS) conducted during the pandemic— from \$2,731/unit/month in June 2020 to \$2,231/unit/month in November 2020. After further discussion and appeal, HUD allowed the Sponsor to request a new RCS within a 5-year period to increase contract rents, when the market is expected to improve. The Sponsor has consulted with an appraiser regarding the current market rent to submit an updated RCS to HUD before closing. The proforma assumes HUD will approve higher contract rents at \$2,400/unit/month from an updated RCS. There is significant financial risk to the Project should HUD deny the Sponsor’s RCS during closing. This will consequently force the Sponsor to use lower contract rents at \$2,231/unit/month to leverage a smaller mortgage--creating a larger financing gap in the Project. See Section 7.5 Income Restrictions for All Sources and Section 9.2 Recommended Loan Conditions.
- 2) **Cross-collateral Financing & Extremely Low Rents** – Both Consorcia and Tower are unsubsidized buildings with an average rent below 25% AMI. The Project’s financing structure relies heavily on cross-collateralizing Bayside’s asset to secure the future loans on the Project. Because of the large discrepancies between current rents and maximum allowed rents at Consorcia and Tower, the buildings lack sufficient reserves to pay for long term maintenance costs. As a loan condition, the Sponsor will continue to apply tiered rent increases to the Project without harming already over-burdened tenants and will provide a marketing plan outlining the Sponsor’s plan to lease up 9 vacant SRO units at Tower at the maximum allowed rents. See Section 4.8 Marketing & Occupancy Preferences, Section 7.6 MOHCD Restrictions, and Section 9.2 Recommended Loan Conditions.
- 3) **GMP Contract** – The Sponsor has not received final bid numbers and budgeted only a 11.3% hard cost contingency— lower than MOHCD’s standard 15% for rehabs. Given the age of the buildings, staff is concerned the Sponsor may encounter unforeseen conditions during construction and will not have sufficient funds to complete the repairs. As a loan condition, the Sponsor must submit the final GMP contract prior to execution for MOHCD’s review and approval. If the \$333K transfer tax is deemed not applicable to the acquisition, the Sponsor must reallocate those funds to increase the Project’s 11.3% hard cost contingency to be closer to MOHCD’s 15% standard for rehabs. See Section 4.2 Proposed Rehab Scope, Section 6.4.1 Permanent Sources Evaluation Narrative, and Section 9.2 Recommended Loan Conditions.
- 4) **HUD & SFHA Approvals** – The real estate transfer of Throughline Apartments to the Project’s new ownership entity, requires various HUD and SFHA approvals prior to construction closing. HUD preapproved Chinatown CDC to prepay the existing HUD 202 mortgage at Bayside and to use the building’s reserves and residual receipt reserves to finance Bayside’s portion of the rehab. And as discussed as the Project’s first principal development issue-- there is significant financial risk to the Project should HUD deny the Sponsor’s request to increase contract rents—creating a financing gap in the Project. Chinatown CDC will continue to work with HUD and SFHA to seek necessary Project approvals prior to closing. As loan conditions, the Sponsor will allow MOHCD the opportunity to comment on the Project’s HUD and SFHA documents prior to execution; and will provide bi-weekly progress updates to MOHCD on the HUD and SFHA approvals leading up to closing. See Section 4.1 Site Control, Section 7.5 Income Restrictions for All Sources, and Section 9.2 Recommended Loan Conditions.
- 5) **Commercial & Residential Relocation** – There is \$1.93MM in the development budget for relocation. Prior to closing, the Sponsor will need to conduct residential interviews and identify appropriate relocation units in the market for residential relocation. For the commercial spaces at Consorcia, Chinatown CDC will need to negotiate with the commercial tenants on whether they’ll proceed with temporary off-site relocation or temporary business closures. As a loan condition, the Sponsor will need to provide a relocation plan, detailed budget, and schedule to MOHCD for review and approval. Chinatown CDC will also need to provide bi-weekly progress updates on SFHA’s approval on the relocation plan. See Section 4.9 Relocation and Section 9.2 Recommended Loan Conditions.
- 6) **Affordable Housing Program (AHP)** – In effort to reduce MOHCD’s gap loan and pay for potential cost overruns, Chinatown CDC will apply for the Federal Home Loan Bank of San Francisco (FHLBSF) Affordable Housing Program (AHP) for \$880,000 in March 2022. Awarded projects in the 2020 AHP round received a minimum score of 72.68 points. The Project will likely be competitive with a self-score of 76.65 points. As a loan condition, Chinatown CDC will apply for AHP financing in 2022 and if not awarded, will apply again during construction in 2023. See Section 6.4.1 Permanent Sources Evaluation Narrative and Section 9.2 Recommended Loan Conditions.

ACQUISITION SOURCES AND USES SUMMARY

Step 1		Forgive Existing Debt (MOHCD)
	\$5,344,898	Total Existing MOHCD Debt (principal & interest)
This Request	-\$2,398,821.37	Forgive Interest on 1989 MOHCD-CDBG Loan
This Request	\$2,946,077	Existing Debt Assigned (MOHCD)
	\$309,523	Existing Debt Assigned (CCDC)
	\$3,255,600	Remaining Existing Debt - Assign to Buyer (LLC)
Step 2		Acquisition Sources (Buyer - CCDC Throughline, LLC)
This Request	\$14,840,000	MOHCD funds \$14.84MM CDBG-HTF Acquisition Loan at 55 yrs. @ 3% interest, with residual receipt payment
	\$2,946,077	Existing Debt Assigned (MOHCD)
	\$309,523	Existing Debt Assigned (CCDC)
	\$2,723,968	LLC purchases Bayside reserves
	\$20,819,568	Sales Price
Step 3		Uses of Funds to Seller (Bayside & Chinatown CDC)
	\$987,209	Repay remaining balance on HUD 202 Mortgage
	\$333,000	Transfer taxes
	\$2,723,968	Existing Project Reserves (Bayside)
	\$2,946,077	Existing Debt Assigned (MOHCD)
	\$309,523	Existing Debt Assigned (CCDC)
	\$13,519,791	Due to Seller*
	\$20,819,568	Total Funds to Seller
Step 4		Source of Cash Funds for Rehab
	\$13,519,791	Grant from Seller to LLC at 0% interest*
	\$2,723,968	Existing Project Reserves (Bayside)
	\$2,500,000	Federal Appropriations Grant
This Request	\$5,175,891	PASS - Market Rate Loan
This Request	\$2,855,664	PASS - Below Market Rate Loan
This Request	\$467,445	PASS - Deferred Loan
	\$27,242,759	Total

*\$13,519,791 reflects amount due to seller after paying off HUD 202 mortgage and transfer taxes from the \$14.48MM MOHCD-CDBG-HTF for acquisition.

PERMANENT SOURCES AND USES SUMMARY

Permanent Sources	Amount	Terms	Status
MOHCD - PASS Loan	\$8,031,555	40 yrs. @ 2.742%	This Request
MOHCD - PASS Deferred Loan	\$467,445	40 yrs. @ 0.95763%	This Request
Accrued Def Interest - PASS Deferred Loan	\$317		This Request
MOHCD-CDBG-HTF Gap*	\$13,519,791	55 yrs. @ 3% / Res Rec	This Request
MOHCD - 1981 CDBG Loan**	\$733,877	55 yrs. @ AFR	Existing
MOHCD - 1983 CDBG-CHRP Loan**	\$1,038,158	55 yrs. @ AFR	Existing
MOHCD - 1989 CDBG Acquisition Loan**	\$1,162,705	55 yrs. @ AFR	Existing
MOHCD - 2004 CDBG Loan**	\$11,338	55 yrs. @ AFR	Existing
Chinatown CDC - 1985 Tower Loan	\$309,523	55 yrs. @ AFR	Existing
Federal Appropriations Grant	\$2,500,000		Committed
Bayside Project Reserve	\$2,723,968		Committed
GP Capital – Hamlin Hotel Funds	\$600,000		Committed
GP Capital - Property Reserves for Predev Expenses prior to 12/31/2019	\$125,391		Committed
Total	\$31,224,067		

Uses	Amount	Per Unit	Per SF
Acquisition	\$0	\$0	\$0
Hard Costs	\$22,753,459	\$258,562	\$456
Soft Costs	\$7,582,658	\$86,621	\$153
Reserves	\$387,950	\$4,409	\$8
Developer Fee	\$500,000	\$5,682	\$10
Total	\$31,224,067	\$354,819	\$626

*\$13,519,791 reflects amount due to seller after paying off HUD 202 mortgage and transfer taxes from the \$14.48MM MOHCD-CDBG-HTF for acquisition.

**Total Recast Debt at 3/15/2022 Closing

1. BACKGROUND

1.1. Project History Leading to This Request.

The Department of Building Inspections (DBI) created the Mandatory Soft Story Retrofit Program (MSSP) in 2013. The program is to ensure the safety and resilience of San Francisco’s housing stock through the retrofit of older, wood-framed, multi-storied buildings that include housing over a non-housing ground floor space that has less stability or weakened ability for lateral load resistance that creates a soft-story condition. DBI determined 1204 Mason (Consortia) and 1525-1529 Grant Avenue (Tower) as Tier 4 priorities in the MSSP. Tier 4 priorities are required to submit the building’s permit application for the seismic retrofit work by September 15, 2018, with the work completed by September 15, 2020—now extended to October and November 2023 for Consortia and Tower. Furthermore, both buildings must comply with Ordinance No. 51-16, requiring buildings with ground floor commercial to have primary entrances accessible for people with disabilities. The Ordinance is implemented through DBI’s Accessible Business Entrance Program. Neither building has sufficient reserves to fund the seismic retrofit or the accessible entryway work that is required.

In March 2018, Chinatown CDC proposed to MOHCD the syndication of three properties in their portfolio (Bayside, Consortia, and Tower) as one scattered site development project called the

Throughline Apartments. Geographically, the properties create a line that runs from North Beach, through Chinatown, and into Nob Hill, with a quarter mile between each.

The scattered site acquisition rehabilitation project will achieve:

- some economies of scale by bundling three project rehabilitations into one project-- saving in administrative, financing, and legal costs;
- the payoff of the remaining HUD 202 mortgage (with an 8.375% interest rate) at Bayside;
- the leveraging of the significant cash flow at Bayside to refinance and replace the 202 mortgage with a PASS loan (blended interest rate of 2.742%); and
- the financing to perform the required soft story and accessible entryway work, in addition to the much-needed in-unit and common area rehabilitation scope for the three buildings.

Property Name	Property Description	Property Needs
777 Broadway <i>Bayside Elderly Housing</i>	31-unit senior HUD 202 building (studios) built in 1990 by Chinatown CDC, on the air rights above the surface parking lot for Ping Yuen North, a previously owned San Francisco Housing Authority (SFHA) public housing building-- now owned and managed by Chinatown CDC through the Rental Assistance Demonstration Program (RAD).	\$7MM rehab • Accessibility improvements • Energy Efficiency Upgrades
1204 Mason <i>Consortia Apartments</i>	24-unit (studios and 1BR units) building with three ground floor commercial spaces and a partial basement that was built in 1909. A substantial rehabilitation was completed in 1982 after Chinatown CDC acquired the property.	\$8.7MM rehab • Seismic retrofit • Accessibility improvements • Fire & life safety code upgrades
1525-1529 Grant Avenue <i>Tower Hotel</i>	33-unit SRO building with communal bathrooms and kitchens, a ground floor commercial space, and a partial basement that was built in 1911. The last major rehab was completed in 1985 after Chinatown CDC acquired the property.	\$6.6MM rehab • Seismic retrofit • Accessibility improvements • Fire & life safety code upgrades

Chinatown CDC has spent over \$125K in Project Reserves prior to December 31, 2019 on predevelopment costs, which serves as a source to the Project. The following milestones have been met from March 2018 to September 2021:

- September 2018 – Submitted Consortia and Tower soft-story drawings to DBI by the September 15, 2018 deadline.
- April 2019 – Engaged California Housing Partnership (CHPC) for financial consulting.
- July 2019 – Selected Saida + Sullivan Design Partners (SSDP) as Project Architect, EDesignC as Project mechanical, electrical and plumbing (MEP) Engineer & Steelhead as Project Waterproofing consultant.
- August 2019 – Engaged Klein & Hornig as legal counsel based in Washington DC to help with HUD Section 202 prepayment.
- September 2019 – Selected Peralta Energy as the Energy consultant.
- October 2019 – SSDP completed 100% Schematic Drawing (SD) set.
- November 2019 – Selected BBI Construction as General Contractor.
- December 2019 – BBI Construction provided preliminary pricing on SD set & selected James G Palmer Appraisals to conduct appraisal reports.
- January 2020 – Selected Rincon Consultants to conduct Phase I for Bayside.
- February 2020 – Secured HUD approval on prepayment of the existing Section 202 mortgage; James G Palmer prepared draft appraisal report; and Steelhead provided Leakage study report for Consortia & Tower.
- March 2020 – Rincon provided draft Phase II report for Bayside, performed radon testing and provided soil vapor test results for Bayside, per HUD requirement. Selected ACC Environmental to draft Phase I report for Consortia & Tower.

- April 2020 – BBI Construction provided revised preliminary pricing on SD set.
- May 2020
 - Procured permit expeditor, Jules Mancilla;
 - Engaged Gubb & Barshay as legal counsel for Throughline syndication, including HUD and SFHA related matters;
 - Selected Newport Realty Advisors to prepare Market Study;
 - Selected Simpson Gumpertz & Heger to perform PML analysis; and
 - ACCE provided Phase I reports for Consorcia & Tower.
- September-December 2020- - Applied to CDLAC-TCAC with an unsuccessful application.
- January-February 2021- Per the new CDLAC/TCAC regulations, Throughline only qualifies under the “Other Affordable Pool” and CDLAC has only allocated \$21M for the entire pool for 2021. There is not enough Private Activity Bond volume cap for Throughline to re-apply to CDLAC (Project needs more than \$28M of tax-exempt bonds).
- March-June 2021 – Applied and awarded for \$2.5MM in federal appropriation funds.
- July-September 2021- Since Throughline is no longer viable as a LIHTC project, the Sponsor looked at other financing scenarios along with five other properties in CCDC’s portfolio that require extensive rehab (Golden Gate Apartments, Larkin Pine, Notre Dame, Swiss American, and Namiki) (the “8 Priority Projects”) with their financial consultant, CHPC, for potential financial restructuring. Chinatown CDC’s Deputy Director of Portfolio, Housing Development and Asset Management staff have been meeting on a monthly basis to strategize financing to rehab the 8 Priority Projects. The Sponsor met with MOHCD to review the portfolio wide rehabilitation plan and identified a finance structure for Throughline using CDBG funds for an April 2021 construction start date.

This request to Loan Committee is for the following approvals:

- Up to \$2,398,821 in existing MOHCD debt forgiveness;
- \$14,840,000 in MOHCD gap funding for acquisition; and
- Up to \$8,499,000 in PASS mortgage financing, which will be drawn down the start of construction.

MOHCD’s existing debt on the Throughline Apartments will not be repaid at construction closing (total outstanding principal balance and accrued interest to close), but will be consolidated into a single subordinate loan, which will include the new \$14.84MM gap loan and \$8.5MM PASS mortgage contemplated in this request. CCDC Throughline LLC will be assigned MOHCD’s existing debt, along with the \$800K predevelopment loan to Throughline, L.P., with the final MOHCD loan to be restructured and conformed to an extended loan term of 55 years. See Section 6.4 Permanent Financing for more information.

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

Housing Opportunity/Emergency Preservation.

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.

CCDC Throughline LLC (the “LLC”) will be the ultimate borrower for the predevelopment loan, MOHCD CDBG-HTF loan, and PASS loan. The sole managing member of CCDC Throughline LLC is Chinatown Community Development Center, Inc. a California nonprofit public benefit corporation. Throughline L.P. is the borrower of the MOHCD predevelopment loan, which will be assigned to CCDC Throughline LLC at loan closing.

The LLC will purchase the three Throughline Projects: Bayside, Consorcia, Tower, from Bayside Elderly Housing Corporation and Chinatown CDC. See Section 4.1 Site Control for more information.

1.3.2. Demographics of Board of Directors, Staff and People Served.

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

1.3.3. Racial Equity Vision.

Chinatown CDC is a BIPOC-led organization with a 44-year history of advocacy on behalf of low-income residents in Chinatown. Understanding all organizations have room to grow in addressing institutionalized racism, Chinatown CDC has approached this with intention, by modifying organizational policies and procedures to lower barriers of entry to housing, becoming trauma-informed in its services provision, being intentional about hiring bilingual staff that reflects the communities they serve, providing opportunities for BIPOC residents to engage with the neighborhood planning process, and working to heal historic divides between Asian Americans and other BIPOC and White communities.

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

1.3.4. Relevant Experience.

Chinatown CDC began developing affordable housing over four decades ago and has built and rehabilitated 36 properties across San Francisco. Totalling 3,194 units, this portfolio includes 874 units for seniors and 314 units are designated as supportive housing. Another 576 are former public housing units with deeply supportive service provision. About half of Chinatown CDC's buildings are Type I construction, and an additional five buildings are either Type III/I or Type V/I.

The Sponsor has extensive experience in substantial rehabs. Starting in 2015, the Sponsor took over ownership of all 526 public housing units in Chinatown (including 92 apartments for seniors) through the HUD RAD program and completed \$150MM in renovations. In 2017, Chinatown CDC launched its Small Sites and SRO Programs to acquire and complete critical life-safety repairs in Chinatown buildings with vulnerable residents at risk of eviction. The Sponsor has since preserved 130 units, primarily serving seniors, as permanent affordable housing.

1.3.5. Project Management Capacity.

Bo Han, Project Manager at Chinatown CDC, is managing Throughline Apartments at 45% of her time. Bo is supported by Christina Mirani, recently promoted to Project Manager, spending 40% of her time towards the project.

1.3.6. Past Performance.

1.3.6.1. City audits/performance plans.

Chinatown CDC holds at least 15 contracts/grants with the City-- from tenant counseling (eviction prevention counseling), rental housing counseling (BMR rental housing counseling), and case management for SRO families to CCDC Youth Leadership, Campaign Academy, and Service connections for the API community. The organization has performed exceptionally well programmatically in MOHCD contract/grants.

In FY 19-20, Chinatown CDC received a waiver to submit an audit report, since there were no previous findings and were fiscally healthy in Fiscal Year 18-19 and 17-18. The organization was not chosen for discretionary fiscal monitoring this past year.

1.3.6.2. Marketing/lease-up/operations.

Chinatown CDC’s approach to leasing their own buildings focuses on outreach to Black and Latin-X community members-- including partnering with Cathy Davis, San Francisco’s expert in outreach to Certificate of Preference (COP) holders, and helping tenants secure rental subsidies to meet income requirements. The results of the Sponsor’s latest lease-ups prove the success of these strategies: at 1296 Shotwell, over 60% of tenants selected via lottery were priority populations: 3 COP holders, 14 displaced tenants, and 28 neighborhood residents. The Sponsor attracts more COP holders at buildings in preferred neighborhoods, including 8 at Mary Helen Rogers Senior Community in the Western Addition. MOHCD marketing staff reported that in recent lease ups, the Sponsor ‘s lease up performance has improved due to stable property management staffing.

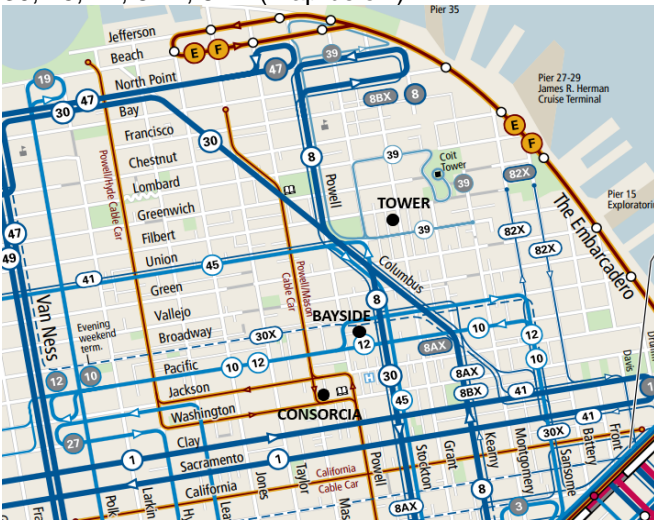
As a loan condition, Sponsor must provide initial draft marketing plan within 8 months of anticipated TCO, outlining the affirmative steps they will take to market the project to the City’s preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor’s Racial Equity statement and promotion of positive outcomes for African American San Franciscans. See Section 4.1.1 Marketing/lease-up/operations for more information.

Out of all the units Chinatown CDC manages in the Real Estate Owned (REO) schedule, the breakdown by race includes: 61% Asian, 12% White, 10.5% Black, 9% other, 6% declined to report, 1% Native American, and 0.5% Pacific Islander. There has been only one recorded eviction in the year 2021 to date.

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

Site Description	
Zoning:	1204 Mason - RC-3 – Residential-Commercial, Medium Density 777 Broadway – RM-4 – Residential-Mixed, High Density 1525-1529 Grant Ave – NCD-North Beach Neighborhood Commercial
Maximum units allowed by current zoning (N/A if rehab):	N/A
Number of units added or removed (rehab only, if applicable):	0
Seismic (if applicable):	Seismic Zone 4; Probably Maximum Losses (PML) analysis for Consorcia & Tower conducted in May 2020. Scenario Expected Loss (SEL) of 15% for Consorcia, and 11% for Tower.
Soil type:	Soil type D (Clay loam, silty clay loam, sandy clay, silty clay or clay) for Consorcia; Soil type B/C (silty loam/sandy clay loam) for Tower.
Environmental Review:	Rincon Consultants (“Rincon”) completed a Phase I report for Bayside on February 7, 2020, following with a draft Phase II report on March 5, 2020. The report indicates that one Potential Recognized Environmental Condition (REC) is the historical use of adjacent and nearby properties as laundromats/cleaners. Rincon recommended a subsurface soil vapor assessment at Bayside and collected samples from three borings 5-feet below ground surface. Results showed no detection of volatile organic compounds (VOCs), so Rincon recommended no additional assessment is required at Bayside.

	A Phase I report for Consorcia and Tower was completed by ACC Environment in May 2020, recommending a Phase II study due to the presence of previous cleaners on/nearby the sites. Phase II report was completed in September 2020, followed by Air Sampling report two weeks later per recommendation. ACCE report showed no harmful detection of VOCs, and no additional assessment is required at Consorcia or Tower.
Adjacent uses (North):	Bank, Retail
Adjacent uses (South):	Grocery market, Residential, Retail
Adjacent uses (East):	Restaurant, Residential, Retail
Adjacent uses (West):	Affordable housing, Museum, Retail
Neighborhood Amenities within 0.5 miles:	<p>Chinese Hospital- 845 Jackson St, Presbyterian Church-Chinatown – 925 Stockton St Saint Peter and Paul Church- 666 Filbert St Trader Joe’s – 401 Bay St Long Hua’s Grocery Store – 906 Stockton St Mel’s Groceries Inc. – 1037 Stockton St Chinatown Branch Library- 1135 Powell St North Beach Branch Library – 850 Columbus Ave City College of San Francisco, Chinatown/North Beach Branch - 808 Kearny St Garfield Elementary School-420 Filbert St Jean Parker Elementary School- 840 Broadway Francisco Middle School – 2190 Powell St Jamie Food Co- 1135 Stockton St, #2 Man Sung Co – 1116 Grant Ave Kin Tat Co- 1248 Stockton St Charming Sun Market Inc. – 49 Walter U Lum Pl. C&Z Grocery- 1002A Jackson St Kiki Supermarket- 1165 Powell St May Sun Market- 1101 Grant Ave Wing Sun Co- 1201 Stockton St Lien Hing Supermarket- 1121 Stockton St Sun Kau Shing Co- 1352 Stockton St J & L Vegi Supermarket- 1221 Stockton St Powell Grocery- 1301 Powell St Golden Mountain Market- 844 Jackson St Pang Kee Bargain Market- 1308 Stockton St S&S Grocery- 1461 Grant Ave Grant & Green Market- 1401 Grant Ave ABC Supermarket Inc. – 641 Broadway V J Grocery – 1199 Clay St Safeway- 350 Bay St Sheng Hing Market Inc. – 1107 Stockton St J&W Market- 723 Pine St Old Saint Mary’s Cathedral – 660 California St Chinese United Methodist Church- 920 Washington St Buddha’s Universal Church- 720 Washington St Chinese Independent Baptist Church – 981 Washington St Hop Hing Market -1211 Stockton St Tian Market Inc. -1117 Stockton St</p>

<p>Public Transportation within 0.5 miles:</p>	<p>Cable Car lines: Powell/Hyde & Powell/Mason (Stops on Washington/Mason, Jackson/Mason). Public transportation routes around Throughline Apartments: 12, 10, 1, 8, 30, 45, 41, 8AX, 8BX (map below)</p> 
<p>Article 34:</p>	<p>The Project is existing affordable housing and obtained Article 34 approval in July 2020.</p>
<p>Article 38:</p>	<p>The three properties are within the Article 38 Air Pollution Exposure Zone. However, each property is less than 25,000 sf and is not required to apply for Article 38 exemption.</p>
<p>Accessibility:</p>	<p>Bayside is the only building with an elevator and best to accommodate adaptable/accessible features where possible. There will be 6 mobility and 3 communication units at Bayside. Due to physical and cost constraints, there will not be any accessibility improvements at Consorcia and Tower because the residential areas are accessed through the second floor via stairs only.</p>
<p>Green Building:</p>	<p>All three buildings will meet GreenPoint Rating.</p>
<p>Recycled Water:</p>	<p>Exempt</p>
<p>Storm Water Management:</p>	<p>Not applicable - the Project scope of work does not include any landscaping.</p>

2.1. Description.

Throughline Apartments are existing occupied affordable housing with a total of 4 commercial spaces.

2.2. Zoning.

All three buildings are in medium to high density residential-commercial zoning districts, with no proposed change in use.

2.3. Probable Maximum Loss (PML).

Simpson Gumpertz & Heger conducted a PML study in May 2020 for Consorcia and Tower only. Bayside will not have any seismic improvements. The study assessed the buildings' seismic risk of 15% SEL for Consorcia and 11% for Tower.

Consorcia will require the installation of grade beams, bracing, and shear walls in the commercial ground floor. Relocation of commercial residents is required. Tower will require three shear walls to be installed in the basement, involving a complete reconfiguration of Chinatown CDC's Main Office space and temporary relocation of the organization's headquarters. See Section 4.2 Proposed Rehab Scope for more information.

2.4. Local/Federal Environmental Review.

All three buildings are categorized as Historic Resources, with no preservation designation under the Planning Department's Preservation Bulletin No. 16, which outlines the CEQA review process for Historic Resources. Bulletin No. 16 limits the Planning Department's review of the Project to the exterior façade—particularly window replacement standards at Bayside and Tower. Since Bayside is an affordable housing project and was built in 1990, the Planning Department approves the installation of vinyl windows instead of the required historic window specifications. However, to match the historic

design of Tower Hotel that was built in 1911, wood-framed windows will be installed in front of the building, while wood-clad windows are acceptable at the rear of the building at Tower Hotel.

In preparation for federal funding to finance the Project (CDBG & Federal Appropriations Grant), the Sponsor has prepared an Environmental Review for Tower Hotel and Consorcia with MOHCD Environmental Compliance Manager for NEPA clearance. HUD's approval on the NEPA clearance are expected to be complete by January 2022. As part of environmental assessment, lead & asbestos survey was conducted at Tower Hotel and noted no asbestos was detected, except traces of lead paint detected in various walls and surfaces on the building.

Based off Chapter 15 of HUD's Section 8 Renewal Policy Guide, Chinatown CDC verified Bayside is categorically excluded from NEPA review for these reasons: Bayside's unit density has not changed more than 20%; Bayside does not involve land use from residential to non-residential; and the estimated cost of the rehab is less than 75% of the total estimated cost of replacement after rehabilitation. Nonetheless, a Phase I, Phase II, and radon report were completed for Bayside as part of HUD's Section 202 prepayment approval/review. HUD deemed the findings of these reports acceptable, allowing Chinatown CDC to pay off the existing HUD mortgage as part of the Project refinancing.

2.5. Environmental Issues.

- Phase I/II Site Assessment Status and Results.

A Phase I report and Phase II report were completed by Rincon for Bayside in February and March 2020. A soil vapor assessment was conducted and determined there were no VOCs on site. Rincon states that no additional assessment is recommended for the property.

Phase I reports were completed for Consorcia and Tower in May 2020. Due to the previous presence of a laundromat, cleaners and garage near the properties, Phase II reports and air samplings were also completed for Consorcia and Tower in September 2020.

- Potential/Known Hazards.

Bayside Radon test results stated that all lab results were below the United States Environmental Protective Agency (EPA) "action level" for radon of 4.0 pico Curies per liter (pCi/L).

In regard to asbestos, the federal government banned most spray-applied asbestos product in 1973, following a full ban in 1989. Lead-containing paints were also banned a few years later in 1978. Since Consorcia and Tower were built in 1909 and 1911, respectively, Chinatown CDC expects to find both asbestos and lead on the buildings. ACC Environmental Consultants conducted asbestos & lead surveys at all three properties and found no asbestos at Tower and waiting for results for Consorcia. Individual units and allowances for abatement will be incorporated into the final GMP contract.

2.6. Adjacent uses and neighborhood amenities.

Many residents living in the Throughline Apartments are primarily monolingual (Cantonese speaking), first generation immigrant seniors, individuals, and families. The three buildings are located in densely built out neighborhoods, which are amongst the most service-rich and transit-accessible in San Francisco, providing both access to job and recreation opportunities to English and Cantonese speakers.

2.7. Green Building.

The Project aims to improve overall energy efficiency by 20% and all three buildings will obtain GreenPoint Rating. Green features in the rehab project scope are as follows:

Bayside

- Installing Solar Thermal hot water system or Photo Voltaic system
- Replacing existing lights with LED lights in common areas, units and exterior security lights
- Installing smart temperature controller for hot water tanks
- Replacing existing windows with efficient dual pane vinyl windows

Consorcia

- Installing Solar Thermal hot water system
- Replacing existing lights with LED lights in common areas and in units
- Installing smart temperature controller for hot water tanks

Tower

- Replacing existing windows with efficient dual pane windows
- Replacing existing lights with LED lights in common areas and in units
- Replacing a water heater with a new high efficiency condensing type

Green features will offer residents a healthy living environment, extend the useful life of building systems, and promote sustainable operations.

3. COMMUNITY SUPPORT

3.1. Prior Outreach.

Throughout 2019, Chinatown CDC informed residents at the three buildings of the rehab project:

- Bayside residents have met multiple times with on-site Property Management staff to provide feedback on the scope of work and discuss overall Project updates.
- Consorcia and Tower residents expressed concerns around relocating off-site during the renovation. Chinatown CDC informed residents that relocation costs would be covered by the Project budget and their living units and the overall building will substantially improve. With this information, residents are generally in support of the Project.

3.2. Future Outreach.

Chinatown CDC's Property Management and Resident Services teams will conduct monthly outreach meetings to both residential, commercial tenants, and key neighborhood stakeholders starting this December, leading up to construction in April 2022. Future community outreach will include:

- Conducting at least three resident meetings throughout the predevelopment and construction period (November 2021 to July 2023) to provide information and solicit feedback on the upcoming renovations and relocation plans;
- Creating and distributing bilingual Chinese and English informational materials and surveys; and
- Establishing a community contact at each building for neighborhood input regarding the proposed rehab work and schedule.

As a loan condition, MOHCD staff will require Chinatown CDC to prepare a community outreach plan covering the start of the Project through construction completion. The plan should describe the team's overall community and resident relocation outreach strategy, identify key community stakeholders, and include an overall outreach timeline.

3.3. Proposition I.

Neighborhood notification under Prop I is not required.

4. DEVELOPMENT PLAN

4.1. Site Control.

Chinatown CDC owns the land and improvements at Consorcia and Tower. Chinatown CDC's subsidiary company-- Bayside Elderly Housing Corporation, a California nonprofit public benefit corporation, is the owner entity of the Bayside improvements, and an air rights parcel. SFHA owns the Ping Yuen North (PYN) ground floor parking lot located at 777 Broadway, where Chinatown CDC is also the owner and manager of the PYN affordable housing complex. In 1988, Bayside Elderly Housing Corporation entered into a 75-year air rights lease with SFHA, for an annual rent equal to 1.4% of the effective gross income from Bayside so long as the percentage increase in rent does not exceed 4% annually. Moreover, a non-exclusive easement agreement was recorded against the land between SFHA and Bayside Elderly Housing Corporation, allowing Chinatown CDC to access the structural supports of the PYN parking lot for long-term structural maintenance of the Bayside improvements. Since the easement

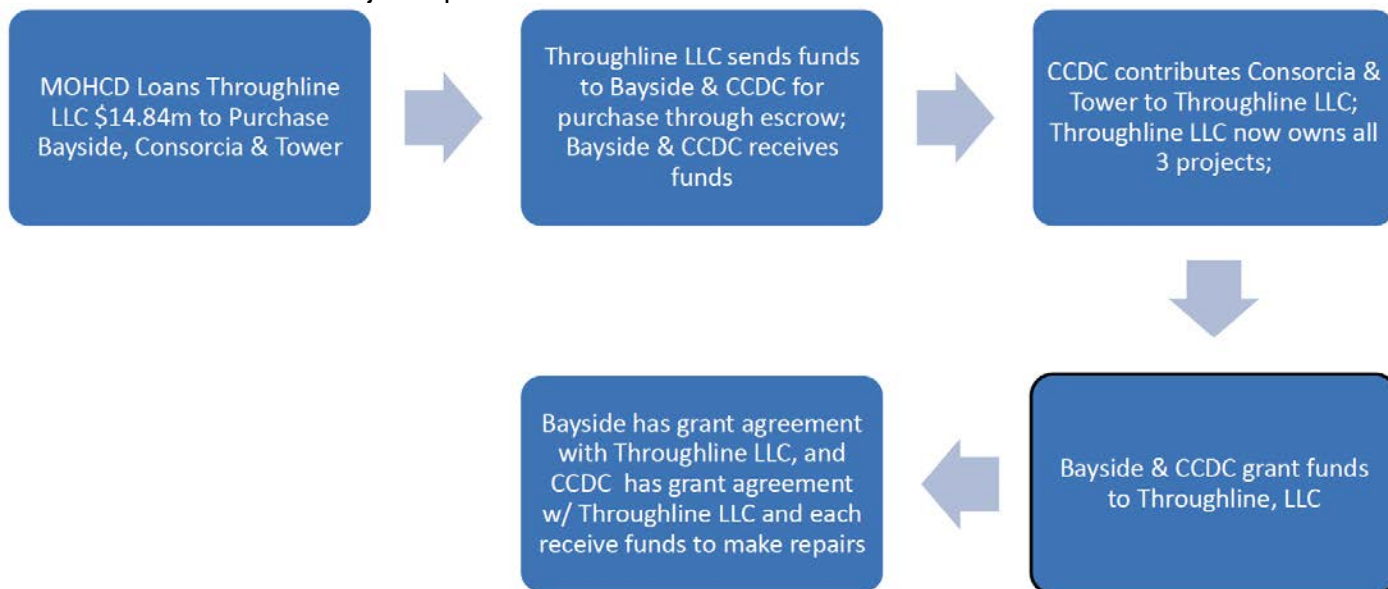
runs with the land and is binding on all successors and assigns, no consent or limitations on transfers of the easement to the LLC are needed.

Acquisition

Chinatown CDC created the entity CCDC Throughline LLC (the “LLC”) for the ownership of the Throughline Apartments. Prior to loan closing, the LLC can apply to become a “title holding company” under California R&T 23701(h) to avoid CA LLC tax and LLC fees.

The flow chart below describes the real estate transaction to finance the rehab Project:

- 1) MOHCD will loan CDBG-HTF funds to the LLC (the Buyer) to purchase the land and improvements at Consorcia and Tower from Chinatown CDC and the improvements from Bayside Elderly Housing Corporation (Sellers).
- 2) The Sellers will receive Buyer proceeds and with those proceeds, fund two grant agreements with the LLC to finance Project repairs.



As a loan condition, MOHCD will review and approve each grant disbursement request made by Chinatown CDC and Bayside Elderly Housing Corporation to the LLC for the Project. This requirement should be outlined in the grant agreements to the LLC. MOHCD will require any excess funds from the Project to repay MOHCD’s loan.

The sales price is based off a brief update from a September 2020 appraisal. The Sponsor will obtain an updated appraisal prior to the acquisition.

\$13,500,000	Improvement Value - Bayside
\$2,000,000	Improvement Value - Consorcia
\$2,500,000	Improvement Value - Tower
\$18,000,000	Appraised Improvements
\$0	Land Value - Bayside
\$34,400	Land Value - Consorcia
\$61,200	Land Value - Tower
\$95,600	Appraised Land Value
\$2,723,968	Existing Bayside Project Reserves
\$20,819,568	Total Appraised Value

Before the acquisition, MOHCD will forgive \$2,398,821.37 (as part of this request) in accrued interest on MOHCD’s 1989 Bayside loan in order to reduce the sales price; and allow MOHCD’s CDBG-HTF acquisition loan to provide at least \$13,519,791 in seller proceeds to finance the rehab.

An estimated seller-buyer settlement statement is below. Should the final appraised value come in lower than stated above, MOHCD will require the Sponsor to forgive a portion of the existing \$309,523 Chinatown CDC 1985 Tower loan to ensure there are sufficient seller grant funds for the rehab. Furthermore, the Sponsor's attorney is evaluating if the estimated \$333K in transfer tax is applicable to the Project-- given the transfer of ownership is between two non-profit entities. If the transfer tax is deemed not applicable to the acquisition, the Sponsor will allocate the \$333K to increase the Project's 11.3% hard cost contingency to be closer to MOHCD's 15% standard for rehabs.

Buyer - CCDC Throughline, LLC

	Debits	Credits
Sales Price	\$20,819,568	
Existing Project Reserves		\$2,723,968
Existing Debt Assigned (MOHCD)		\$2,946,077
Existing Debt Assigned (CCDC)		\$309,523
MOHCD-CDBG-HTF Loan		\$14,840,000
Total	\$20,819,568	\$20,819,568

Seller - Bayside & Chinatown CDC

	Debits	Credits
Sales Price		\$20,819,568
Repay HUD 202 Loan	\$987,209	
Transfer tax	\$333,000	
Existing Project Reserves (Bayside)	\$2,723,968	
Debt Assigned to Buyer (MOHCD)	\$2,946,077	
Debt Assigned to Buyer (CCDC)	\$309,523	
Due to Seller	\$13,519,791	
Total	\$20,819,568	\$20,819,568

HUD & SFHA Approvals

Prior to closing, the following SFHA and HUD approvals are required.

- SFHA's approval to assign the leasehold interest in the air rights lease from Bayside Elderly Housing Corporation to the LLC.
- SFHA's approval of the assignment of an amendment to the air rights lease to the LLC, for an estimated annual residual rent of \$13,543 (with a 2% annual escalation). This will be negotiated through the Option to Lease and Purchase Agreement.
- SFHA's approval of updated financing plan/ to replace the initial anticipated LIHTC financing with the MOHCD CDBG-HTF Loan (seller grant to Bayside) and assign the Bayside Option to Lease and Purchase Agreement to the LLC. The Sponsor has already submitted this request. The Option to Lease will need to be approved by the SFHA Commission.
- HUD's approval on the Mark-up to Market contract renewal as part of the HAP Contract Assignment and Assumption approval process as it will need to be included in the application to HUD as a supporting exhibit and occur prior to the transfer of Bayside to the LLC.
- HUD's approval to transfer the existing HAP contract from Bayside Elderly Housing Corporation to the LLC, which will occur when Bayside is transferred to the LLC.
- HUD's approval of the LLC's purchase and sales agreement of Bayside, which will occur after the Mark-up to Market contract renewal approval.
- SFHA's approval of the relocation plan, which will need to be approved by the SFHA Commission.
- HUD's approval to reconvey the recorded deed of trust on HUD 202 mortgage at Bayside as part of the acquisition.

The various HUD and SFHA approvals represent a layer of complexity to the Project's real estate transaction. As a condition of the loan, the Sponsor will allow MOHCD the opportunity to comment on the Project's HUD and SFHA documents prior to execution. These documents include, but are not limited to the Purchase Agreement, air rights lease amendment, and assignment of the air rights lease amendment. Staff will also require the Sponsor to provide bi-weekly progress updates on HUD and SFHA approvals leading up to closing.

Once the Project converts to permanent financing, MOHCD will be in first-lien position with a 40-year PASS mortgage that requires permanent affordability, and second lien with its gap loan secured on all three properties for an additional 55 years, to preserve long-term affordability.

4.1.1. Proposed Property Ownership Structure.

After the acquisition, CCDC Throughline LLC will be the ultimate owner of the Bayside improvements and land and improvements at Consorcia and Tower. The sole managing member of CCDC Throughline LLC is Chinatown Community Development Center, Inc. a California nonprofit public benefit corporation.

4.2 Proposed Rehab Scope.

The scope of the rehab project will address the major needs listed in the Project's Need Assessments (PNAs), which include improvements to the buildings' structural integrity, accessibility, energy efficiencies, fire and life safety, and common areas. Unit improvements will also enhance the living conditions for Throughline residents, who are among the most vulnerable populations in San Francisco. The scope of work below remains the same to when the Project assumed LIHTC financing; with the caveat there's sufficient funds in the construction budget to cover the entire scope. When the rehab is complete in August 2023, the Sponsor will conduct PNAs for all three properties. From there, Chinatown CDC will know when the Project needs to be recapitalized for the next rehab project.

Bayside

- Accessibility Upgrades: to leasing office, mailboxes, the elevator, and laundry room, and directional signage to include braille
- Green features: installation of LED lights, solar thermal hot water system, or photo voltaic system, and smart controls on existing boilers
- Exterior Repairs: repair stucco, stair handrails and fencing, replace vinyl windows, replace damaged louver and downspouts, and structural support for solar thermal system
- Building Systems: fire and life safety upgrades, replacement of trash chute, installation of bathroom exhaust fans, and potentially installation of City Fiber
- Common Area & Office: replace community room cabinets, counters, door hardware, appliances, and fixtures to be ADA compliant, and trash room improvements
- Unit Improvements: fresh paint, replacement of flooring, kitchen cabinets, countertops, refrigerators, ADA-compliant ranges, bathroom sinks, vanities, and plumbing fixtures with low flow fixtures, refurbishment or replacement of bathtubs, and bathroom reconfiguration per Mayor's Office of Disability (MOD) requirements including grab bars in bathrooms for senior residents
- Pest control, lead and asbestos abatement if required

Consorcia

- Accessibility Upgrades: to commercial business entrance
- Seismic retrofit
- Green features: installation of solar thermal, LED lights, water meter/submeter in commercial café, smart temperature controller for hot water tanks
- Exterior Repairs: of roof, structural support for solar thermal system
- Building Systems: fire and life safety upgrades, replacement of bathroom exhaust fans, corroded plumbing pipes, and potentially installation of City Fiber
- Common Area Repairs: replace flooring, paint ceilings and walls, and trash room improvements
- Unit repairs: fresh paint, ceiling fans, replacement of plumbing, sinks, bathtubs, fridges, kitchen counters and cabinets
- Lead and asbestos abatement if required

Tower

- Accessibility Upgrades: to commercial business entrance
- Seismic retrofit
- Green features: installation LED lights, replacement of one boiler with new high efficiency condensing boiler.

- o Exterior Upgrades: replacement of wood windows on upper levels with dual paned windows and waterproofing of basement
- o Building Systems: fire and life safety upgrades
- o Communal kitchens, bathroom, and common area repairs: replacement of faucet and kitchen fixtures, bathroom exhaust fans, plumbing, door, and handrails.
- o SRO Unit repairs: fresh paint, replacement of flooring, sinks, and plumbing
- o Lead and asbestos abatement if required

MOHCD staff will monitor construction costs closely as existing conditions are further discovered throughout the predevelopment period. As a condition of the loan, Chinatown CDC will continue to work with the MOHCD Construction Representative in order to value engineer items, reduce allowances, resolve outstanding design elements as they relate to MOD/accessibility, allowances, exclusions, construction contingencies, cost breakdown/back-up, and financing assumptions to establish the Project's final Guaranteed Maximum Price (GMP).

Below is the percentage breakdown by building of the total hard cost in the development budget:

Bayside	31%	\$7,055,875
Consortia	39%	\$8,763,667
Tower	29%	\$6,651,398
	Total	\$22,470,940

The Project's general contractor, BBI Construction, is carrying a 5% contingency and Chinatown CDC is carrying an 11.3% hard cost contingency—not MOHCD's 15% standard for rehabs. The Project is also not carrying a bid contingency and is scheduled to go out to bid this October 2021. Staff is concerned the Sponsor may encounter unforeseen conditions during exploratory demo/construction and will not have sufficient funds to make repairs. As a loan condition, the Sponsor must submit the final GMP contract prior to execution for MOHCD's review and approval. If the budgeted \$333K transfer tax is deemed not applicable to the acquisition, the Sponsor must reallocate those funds to increase the Project's 11.3% hard cost contingency to be closer to MOHCD's 15% standard for rehabs.

4.3 Construction Supervisor/Construction Representative's Evaluation.

In June 2020, Chinatown CDC had revised the narrative scope of work for the three buildings and had confirmed at that time that the preliminary construction cost estimate provided by the General Contractor, BBI Construction, reflected those scope changes. Unfortunately, material and labor costs have escalated over the past fifteen months and BBI Construction will need to update their construction cost estimates. The Project will go out to bid with its permit set in October 2021, with bids due by the end of the year, and a GMP contract negotiated and signed by March 2022. If the updated construction costs are substantially higher, further review/value-engineering will be needed. The Project will have a 17-month construction period of April 2022 to August 2023.

Tower's ground floor and basement is occupied by Chinatown CDC's offices with residents at the upper stories. Consortia has ground floor commercial tenants and upper floor residents. Chinatown CDC will sequence the scattered site renovation by starting work at Consortia from April to August 2022, Tower from September 2022 to January 2023, and then Bayside from February to July 2023.

Once the construction cost estimates have been updated, MOHCD's construction representative will conduct a job site walk-through to verify the appropriateness of the revised scope of work for each building and whether other required work will be needed.

For the City's Mandatory Soft Story Program, both the Tower and the Consortia had submitted building permit applications on September 14, 2018 and these seismic-related-only permits were approved and issued by DBI. Prior to the COVID-19 pandemic, DBI had previously established soft-story construction completion deadlines for all Tier IV buildings, like the Tower Hotel and Consortia, of September 15, 2021. The issued DBI permits allow for a completion date of October 25, 2023 for the Tower Hotel and November 8, 2023 for Consortia.

The Throughline buildings also submitted separate DBI renovation building permits in late September and October 2020 to renovate kitchens, bathrooms and upgrades to the exterior as well as building systems. DBI approved and issued a building permit for Bayside on August 17, 2021. Consorcia's renovation permit was issued on September 28, 2021. The Tower Hotel's renovation permit has a few outstanding plan-check comments/stations, with final review expected by mid-October.

4.4 Commercial Space.

- Space Description.
 Throughline Apartments has four commercial spaces and a cellphone tower lease generating commercial income to the Project:

Location	Commercial Space	sf	Lease term	Lease Structure	Monthly Rent / \$ sf
1204 Mason Consortia Apartments	Gallery Café	1,335 sf	Lease expired 4/2020 – in negotiation due to the pandemic & pending rehab.	Gross Lease	\$3,000 / \$2.25sf
	Fashion Launderette (Laundromat)	760 sf	Month-to-month	Gross Lease	\$2,060 / \$2.71 sf
	Nicos Chinese Health Coalition (nonprofit office)	850 sf	Month-to-month	Gross Lease	\$1,300 / \$0.64 sf
	Cellphone Tower Lease	N/A	5-yr lease to extend automatically in 2021 w/ 3% increase	3 more 5-yr extensions	\$1,236
1525-1529 Grant Avenue Tower Hotel	Chinatown CDC Main Office (3 offices)	5,260 sf	Month-to-month	NNN	\$7,255 / \$3.94 sf

The four commercial tenants will be required to relocate during the renovation and will not be required to pay rent during construction. Chinatown CDC is working directly with commercial tenants at Consortia on a relocation plan. At Tower, Chinatown CDC's Main Office has plans to relocate to other CCDC owned properties during construction.

The Project is dependent on commercial revenue, comprising 14% of the annual Project income. Chinatown CDC is assessing the Consortia commercial lease structures for the rehabilitation, which must comply with MOHCD Commercial Underwriting Guidelines and approved by MOHCD.

- Commercial Leasing Plan.
 The Sponsor's plan for leasing the 4 commercial spaces at Throughline Apartments is to maintain all the current tenants.
 - 1) **Gallery Café (Consortia):** The tenant requested to exercise their lease option for another five years, commencing in May 2020. Per the terms of their lease, fair market value is no greater than \$4,200 (\$3.14sf) with 3.5% annually thereafter. The tenant paid \$3,000/month starting in May 2020.
 - 2) **Fashion Launderette (Consortia):** The tenant is currently on a Month-to-Month (MTM) paid in full and has confirmed with OPC, the Project's relocation consultant, the desire to return to the property after the construction is complete. The Sponsor and tenant will mutually agree on concessions for temporary closure of business before construction starts.
 - 3) **NICOS Chinese Health Coalition (Consortia):** The tenant is currently on a MTM, paid in full. NICOS toured another Chinatown CDC property at 945 Clay and is interested in it as a temporary business location initially and potentially permanently expanding and maintaining two office locations, one at 937 Clay and the one at Consortia Apts.

- 4) **Chinatown CDC (Tower):** Chinatown CDC is the only tenant at 1525 Grant Avenue. The commercial space will be significantly altered by the retrofit and the associated accessibility upgrades, which will subsequently lose 500 sf on the ground floor. Rent reduction will not be applied to the commercial tenant, Chinatown CDC, who intends to return to Tower, as its proximity to Chinatown makes it an important location for the organization. Relocation of Chinatown CDC's main office is scheduled to start July 2022 and return April 2023.

Chinatown CDC is assessing the commercial lease structure for the rehab, which must be in compliance with MOHCD Commercial Underwriting Guidelines and approved by MOHCD. Their leasing strategy advances racial equity goals by supporting community-serving commercial spaces that serve the Chinatown and Nob Hill neighborhood. As a loan condition, MOHCD Asset Management must review the commercial space leases prior to execution.

- Commercial Operating Pro Forma.
The Project is dependent on the commercial revenue, comprising 14% of the annual Project income. \$178,260 of commercial revenue is expected to be generated in 2023, of which approximately half is from Chinatown CDC's leased office space for its administrative staff. Since commercial revenue is more certain, the Sponsor reduced the vacancy loss to 20%. The Sponsor confirmed commercial tenants will not pay rent during construction, which will not affect the PASS debt service payment in Year 1 of operations.

Currently, none of the leases at Consorcia have provisions for charging the commercial tenants pass through expense such as property tax and insurance. Once the commercial spaces are back online and the economy has recovered to an extent, Chinatown CDC will update the lease to include these provisions. The Sponsor estimates charging \$4,026 for property tax based on non-exempt charges on Consorcia's tax bill and \$4,611 in property insurance (calculated by psf cost), totaling \$8,637.

- Tenant Improvement (TI) Build Out.
Per [MOHCD's Commercial Space Underwriting Guidelines](#) the eligible uses of MOHCD funds for Community Serving Commercial Uses would apply to the 5,260 sf of nonprofit office spaces at 1525 Grant Avenue, Tower Hotel and at one of the 3 commercial spaces at Consorcia, where a small nonprofit office space of 850 sf is located. Chinatown CDC's current assumption is based on a warm shell plus cold shell finishes for the office to return the space "as is". Costs for tenant improvements are not include in the development budget-- any work beyond the warm shell will be covered by each commercial tenants' reserves.

As a loan condition, the Sponsor must submit a commercial leasing plan describing the proposed legal structure of the Project's commercial component, the Project's desired use of commercial cash flow, and the Sponsor's plan to fill commercial vacancies and loss of commercial revenue.

4.5 Service Space.

Well utilized common spaces at Bayside and Tower provide wellness and educational programs led by partnership organizations that are paid through the operation budget. Consorcia does not have a common space area, so instead, Chinatown CDC's Resident Services team organizes outdoor outing opportunities and informs residents of available service programs.

Chinatown CDC's Resident Services team coordinates activities and facilitates programs held by partner organizations. See Section 8 - Supportive Services for the list of residential activities held at the Throughline Apartments.

4.6 Communications Wiring and Internet Access.

MOHCD Communications Wiring Standards is under internal review to be released soon. Costs permitting, the Project scope of work includes potentially installing City Fiber at Consorcia and Tower.

The Sponsor will work with the MOHCD Construction Representative to determine the appropriate communications wiring scope that meets MOHCD's standards.

4.7 Marketing, Occupancy, and Lease-Up

Bayside Section 8 PBRA units will be leased through Bayside's current waiting list. Units not subsidized by PBRAs at Consorcía and Tower are not currently leased through MOHCD's DAHLIA system, but through a waiting list. There are no vacancies at Consorcía and the 9 vacant SRO units at Tower have been kept vacant to reduce crowding in the SRO building during COVID-19. After completion of the renovation in 2023, the Sponsor will bring back all relocated residents from the 3 buildings and proceed with leasing up the 9 vacant SRO units at Tower through MOHCD's DAHLIA system.

As a loan condition, MOHCD will require future vacancies to be marketed to the general public and offered to qualified households through MOHCD's DAHLIA lottery system using the following preferences:

- 1) Certificate of Preference (COP) holders;
- 2) Displaced Tenant Preference Certificate holders (DTHP); and
- 3) Those who live or work in San Francisco.

The Sponsor must provide initial draft marketing plan within 8 months of anticipated TCO, prior to lease-up of the 9 vacant SRO units. The plan should outline Chinatown CDC's plan to lease up vacant units at the maximum allowed rent; and the affirmative steps they will take to market the Project to the City's preference program participants, including COP Holders and Displaced Tenants, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.

4.8 Relocation.

The Project is estimating a 17-month construction schedule, with three phases of relocation. Residents will be required to relocate off-site for at least 5 to 6 months.

Chinatown CDC plans to continue working with a relocation consultant Overland, Pacific & Culter, LLC (OPC) for commercial relocation, and seek additional support from their in-house relocation specialists for residential relocation, Commercial Property Management consultant (Ventura Partners), and on-site Property Management staff that will comprise the Project's relocation team. Starting in October 2021 up till April 2022, the team will conduct resident interviews, assist residents in transferring their utility accounts, facilitate reasonable accommodations, and finalize the relocation plan, budget, and schedule, to ensure compliance with the Uniform Relocation Act (URA). Prior to closing, SFHA will need to approve the federally approved relocation plan.

There is \$1.93MM in the development budget for relocation, which includes \$1.28MM for residential relocation, \$457K for commercial relocation, and \$195K of relocation consultant fees. The preliminary relocation budget is based off Chinatown CDC's recent project requiring off-site relocation at the Hamlin Hotel. The budget considers the cost for security deposits, family and friend stipends, reasonable accommodation for grab bars (specifically for seniors at Bayside), and leasing market rate and vacant units within the Sponsor's portfolio.

Residential Relocation

Chinatown CDC will sequence the scattered site renovation by starting work and relocation at Consorcía from April to September 2022, then Tower from October 2022 to February 2023, and lastly Bayside from March to July 2023. The Sponsor's in house relocation team will begin interviews with residents on their relocation needs from October 2021 to April 2022. It is the Sponsor's intention to use the same 24 market-rate units (with a one-year lease) to relocate residents from all three buildings. Twenty four Consorcía residents will first be relocated, then the 24 Tower residents (since there are 9 vacancies at Tower), and last, the 31 Bayside seniors. For the additional 7 relocation units needed for Bayside seniors, the Sponsor will sign month-to-month leases.

Commercial Relocation

Relocation concessions and moving expenses are included in the development budget for all three

commercial tenants at Consorcía, along with temporary relocation for Chinatown CDC’s main office at Tower. In the next few months, the Sponsor will negotiate with the three Consorcía commercial tenants on their expected return date (estimated early 2023) after the seismic renovation is complete. Ultimately, the commercial tenants will have two options for relocation – either temporary closure of their business or temporary off-site relocation. It is highly likely that the businesses will choose to temporarily close, and in that case, the Sponsor will negotiate and pay the business owner a payment that may address several components of a temporary closure such as business interruption or lost revenues, moving and storage expenditures, and reestablishment expense. The tenants will not owe rent during the period of temporary closure, which is assumed in the commercial proforma.

Although the Sponsor’s plan is to have the commercial tenants continue to stay after the renovation, per the Uniform Relocation Assistance and Real Property Acquisition Act (“URA”) and California Relocation Assistance Law and Guidelines, the tenants will be provided with a 90-day notice prior to relocation and will be provided with the options of Temporary Closure, Temporary Relocation, and Permanent Relocation with the advisory assistance.

As a loan condition, the Sponsor will provide a relocation plan, detailed budget, and schedule to MOHCD for review and approval. Chinatown CDC will also need to provide bi-weekly progress updates on SFHA’s approval of the relocation plan.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	Saida + Sullivan Design Partners	Y	N
General Contractor	BBI Construction	N	N
Owner’s Rep/Construction Manager	TBD	TBD	TBD
Financial Consultant	California Housing Partnership Corporation	N	N
Energy Consultant	Peralta Energy	N	N
MEP Consultant	EDesignC	N	N
Waterproofing/Leak Study	Steelhead Engineers, Inc.	Y	N
Environmental (Bayside)	Rincon Consultants, Inc.	N	N
Environmental (Consorcía & Tower)	ACC Environmental Consultants, Inc.	N	N
Structural Engineer	SMW & Associates, Inc.	Y (needs recertification)	N
PML Analysis Engineer	Simpson Gumpertz & Heger	N	N
Permit Expediting	Jules Mancilla, Inc.	N	N
Legal	Gubb & Barshay, LLP	N	N
HUD Legal	Klein & Hornig, LLP	N	N
ALTA Survey	Luk & Associates	Y	Y

5.1. Procurement Plan.

As a City requirement, Chinatown CDC engaged Contract Management Division (CMD) in the Project’s consultant procurement process. In June 2020, CMD established a 20% Local Business Enterprise (LBE) goal for the Project’s design and engineering portion.

SSDP as the architect, is the main consultant with the SBE/LBE status, and their contract comprises over 20% of the overall design/engineering fee. SMW & Associates is certified as a Minority-Owned SF

LBE, but the certification has expired. As of September 2021, SMW & Associates is still awaiting a response from CMD on the firm's recertification.

Due to challenges with the Project's Construction Manager this past year, the Sponsor terminated the Construction Manager contract. In September 2021, Chinatown CDC received CMD approval to hire a new Construction Manager without issuing a Request for Qualifications, in preparation for the Sponsor's GMP negotiations and construction start next year.

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:

Since 1981, the City and County of San Francisco (CCSF) provided various loans and grants to the Throughline Apartments.

Consortia (1981) was Chinatown Community Housing Corporation's (CCHC) (now known as Chinatown CDC) first affordable housing acquisition in March 1981. To finance the building's rehabilitation, the City loaned \$206,790 in funds to CCHC, at 6.0% simple interest for a 30-year term, and deferred repayment. This loan later was subordinated to the California Department of Housing & Community Development (HCD)'s Deferred Rehabilitation Program Loan (DRPL) of \$100,000 in July 1982 and the property's first mortgage lender. In April 1999, the City's loan was amended to include \$124,108 in accrued interest, totaling the outstanding principal loan balance to **\$330,898**. The loan matured on 11/17/2011, so no interest has accrued beyond this date.

Five years later in December 2004, CCSF made a second loan to Chinatown CDC in the amount of **\$101,423** in at 3.0% simple interest for a 55-year term, and residual receipts repayment. Chinatown CDC paid off HCD's \$100,000 DRPL loan in May 2018, moving the City's 1981 loan of \$330,898 and 2004 loan of \$101,423 to first and second-lien position. As of October 2021, the outstanding principal balance of the 2004 CDBG loan is \$10,625 with \$579 of accrued interest.

Tower (1983) was acquired by CCHC in August 1983. Through the San Francisco Community Housing Rehabilitation Program (CHRP), the City loaned \$340,000 in funds to finance the rehabilitation of the property in August 1983 at 6.0% simple interest for a 30-year term, and deferred repayment. The City loaned another \$22,709 in March 1984 and \$40,477 in March 1985, increasing the principal balance of the City's loan to \$403,186. To complete the rehab project in 1985, CCHC made a \$309,523 loan to the property and sits in second-lien position.

In April 1999, the original 1983 loan agreement and promissory note was amended to reflect the principal balance of \$403,186 and consolidated accrued interest of \$242,100, totaling the principal balance of CCSF's loan to **\$645,286**. The loan matured on 3/15/2005, so no interest has accrued beyond this date.

Bayside (1989) In September 1989, the City loaned **\$829,387** to Chinatown CDC to develop and construct Bayside at 10% simple interest for a 50-year term, and deferred repayment.

Existing HUD Financing:

In 1989, HUD loaned \$1,644,800 at 8.375% interest rate for a 40-year term and monthly mortgage payment of \$12,046 to Bayside Elderly Housing Corporation. The principal balance of \$987,209 will be paid off at construction closing through the LLC's purchase of the Project. HUD's deed of trust on the 202 mortgage will be reconveyed at closing.

Throughline (2020) In September 2020, MOHCD loaned \$800,000 (in Housing Trust Funds) at 3% interest rate for a 57-year term to the Sponsor as predevelopment loan funds. There is \$14,548.25 of accrued interest as of 10/15/21. The principal and accrued interest will be assigned from Throughline, L.P. to CCDC Throughline, LLC and rolled into MOHCD's final gap loan to the Project.

MOHCD's existing debt as of October 15, 2021, to the Project are as follows:

Property	Loan Type / Program	Loan Date	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Outstanding Principal Balance (A)	Accrued Interest as of 10/15/21 (B)	(Total of A+B)
Consortia	CDBG*	11/16/1981	\$330,898	6.00%	11/17/2011	Deferred payment	\$330,898.00	\$402,978.61	\$733,876.61
Tower	CDBG-CHRP*	8/15/1983	\$645,286	6.00%	3/15/2005	Deferred payment	\$645,286.00	\$392,871.63	\$1,038,157.63
Bayside	CDBG Acquisition	9/25/1989	\$829,387	10.00%	9/25/1939	Deferred payment	\$829,387.00	\$2,697,350.83	\$3,526,737.83
Consortia	CDBG	12/9/2004	\$101,423	3.00%	12/9/2054	Residual Receipts	\$10,625.33	\$579.08	\$11,204.41
Throughline	HTF	9/11/2020	\$800,000	3.00%	9/11/2077	Residual Receipts	\$800,000.00	\$14,548.25	\$814,548.25
Total			\$2,706,994				\$2,616,196.33	\$3,508,328.40	\$6,124,524.73

*The 1981 CDBG loan for Consortia and the 1983 CDBG loan for Tower have matured. No interest accrued beyond the maturity dates.

Before the acquisition, MOHCD will forgive \$2,398,821.37 (as part of this request) in accrued interest on MOHCD's 1989 Bayside loan in order to reduce the sales price; and allow MOHCD's acquisition loan to provide at least \$13,519,791 in seller proceeds to finance the rehab.

MOHCD's total existing debt (total outstanding principal balance and accrued interest to close) will not be repaid at construction closing and will be consolidated into a single subordinate loan, including the new \$14.84MM gap loan and PASS loan contemplated in this request. MOHCD's loan will be restructured and conform to an extended loan term of 55 years. See Section 6.4.1. Permanent Sources Evaluation Narrative for more details.

6.2. Disbursement Status.

In June 2020, Loan Committee approved the \$800,000 predevelopment loan to Throughline, L.P. Loan Committee approved the Project to incur costs dating back to January 1, 2019, so long as these costs are deemed acceptable and correspond to predevelopment budget. As of Draw #6 (approved August 2021), \$643,568 has been drawn with \$156,432 remaining.

As part of the acquisition, MOHCD's \$800K predevelopment loan will be assigned to the ultimate borrower of this loan request – CCDC Throughline, LLC, and included in the final MOHCD gap loan amount.

6.3. Fulfillment of Loan Conditions. Below is the status of Loan Conditions since this Project was last at Loan Committee on June 19, 2020 for the Project's preliminary gap and PASS financing:

By September 15, 2020:

- Sponsor will assess ways to improve the Project's CDLAC self-score to ensure a competitive application.
 - **Status: Complete.**
- Sponsor to provide an alternative funding schedule, in the event the Project does not receive a CDLAC/TCAC award in December 2020.
 - **Status: Complete.** Sponsor applied for federal appropriation funds.
- Sponsor will secure an extension from DBI on performing the seismic retrofit at Consortia Apartments and Tower Hotel.
 - **Status: Complete.**
- Sponsor to provide a community outreach plan for the period of January 2019 through construction completion. The plan should outline COVID-19 related health measures to conduct community outreach, identify key community stakeholders, description of the relocation team's community and resident relocation outreach strategy, and overall outreach timeline.
 - **Status: In Progress.** This will be a condition upon MOHCD's execution of the loan documents. See Section 9.2 Recommended Loan Conditions.

Prior to Gap Loan Request:

- Sponsor will work with MOHCD construction team to refine rehabilitation scope as the predevelopment period progresses.
 - **Status: In process.** This will be a condition upon MOHCD's execution of the loan documents. See Section 9.2 Recommended Loan Conditions.
- Sponsor to submit a relocation plan including COVID-19 related measures, schedule and budget for MOHCD review and approval.
 - **Status: In Process.** This will be a condition upon MOHCD's execution of the loan documents. See Section 9.2 Recommended Loan Conditions.
- Sponsor to submit a commercial leasing plan describing the proposed legal structure of the Project's commercial component, the Project's desired use of commercial cash flow, and the Sponsor's plan to fill commercial vacancies and loss of commercial revenue due to the COVID-19 small business impacts.
 - **Status: In Process.** This will be a condition upon MOHCD's execution of the loan documents. See Section 9.2 Recommended Loan Conditions.
- Sponsor must provide MOHCD financial analysis with more conservative underwriting assumptions, without increasing MOHCD's maximum gap commitment.
 - **Status: N/A.** The Project is not pursuing tax-credit and bond financing, so tax-credit underwriting standards are not applicable to the Project.
- Sponsor must provide the equity investor Request for Proposal (RFP) for MOHCD review and approval before finalizing and releasing the RFP.
 - **Status: N/A.** The Project is not pursuing tax-credit and bond financing.
- Sponsor must provide all lender and investor RFP responses prior to selections for MOHCD review and approval.
 - **Status: N/A.** The Project is not pursuing tax-credit and bond financing.
- Sponsor must notify MOHCD of the developer's lender and investor selection for MOHCD review and approval.
 - **Status: N/A.** The Project is not pursuing tax-credit and bond financing.
- Sponsor must provide true debt test.
 - **Status: N/A.** The Project is not pursuing tax-credit and bond financing.
- Sponsor must provide raw financial data from the developer or financial consultant prior to the selected lender and investors for MOHCD review and approval.
 - **Status: N/A.** The Project is not pursuing tax-credit and bond financing.

Prior to Closing:

- Sponsor must provide MOHCD the opportunity to comment on HUD and SFHA documents.
 - **Status: In Process.** Option to Lease Agreement with SFHA is in place, but this condition will be remain. See Section 9.2 Recommended Loan Conditions.
- Sponsor must provide MOHCD the opportunity to comment on the final commercial leases with the LLC.
 - **Status: In Process.** This will be a condition upon MOHCD's execution of the loan documents. See Section 9.2 Recommended Loan Conditions.
- Sponsor must obtain a TCAC waiver to reduce the 10% mobility requirement to 5% per building.
 - **Status: N/A.** The Project is not pursuing tax-credit and bond financing.
- Sponsor must apply to AHP in March 2021 and again in March 2022 if initial application is unsuccessful.
 - **Status: In Process.** This will be a condition upon MOHCD's execution of the loan documents. See Section 9.2 Recommended Loan Conditions.

Post-closing:

- Sponsor to provide marketing plan and budget to MOHCD 6 months prior to lease-up of newly vacant units.
 - **Status: In Process.** This will stay as a post-closing condition. See Section 9.2

Recommended Loan Conditions.

- Sponsor must continue to apply tiered rent increases to the Project without harming over-burdened tenants.
 - **Status: In Process.** This will stay as a post-closing condition. See Section 9.2 Recommended Loan Conditions.

6.4. Permanent Financing

HUD’s Debt Service Requirement

In November 2019 the Sponsor requested HUD’s pre-approval to pay off the HUD 202 mortgage and the scattered site financing structure. Bayside’s annual debt service at the time was \$144,552 (\$4,663/unit). As a condition to the new mortgage under Throughline Apartments, HUD required the Sponsor to reduce per unit debt service below the current \$4,663/unit. The \$8.49MM PASS mortgage contemplated in this request reflects an annual per unit debt service of \$3,658-- \$1,005 less than \$4,663. This requirement consequently reduces the permanent mortgage the Sponsor can borrow by approximately \$450K.

6.4.1. Permanent Sources Evaluation Narrative:

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

- 1) **MOHCD - PASS Permanent Loan (\$8,031,555)** – The Project estimates a permanent mortgage of \$8,499,000 or \$96,580/unit, at a blended interest rate of 2.742%, for a 40-year term. The source is MOHCD’s Preservation and Seismic Safety Loan Program (“PASS”), a taxable general obligation bond funded program that provides senior loans for the acquisition, improvement, and rehabilitation of at-risk multifamily buildings. The Project’s PASS loan (2020 Series C) will be fully secured by a first-lien position against the fee interest on all three properties and any improvements financed with PASS Loan proceeds. Below is the breakdown of the PASS loan amount.

Description	Amount	Term
PASS - Market Rate Loan	\$5,175,891	40 yrs. @ 3.87289%%
PASS - Below Market Rate Loan	\$2,855,664	40 yrs. @ 0.95763%
PASS - Deferred Loan	\$467,445	40 yrs. @ 0.95763%
Total	\$8,499,000	40 years @ 2.742% blended

The principal and interest on the PASS loan will be charged at closing and funds will be drawn down during construction. Operating income from the Project’s cash flow during construction will repay both principal and interest during construction – therefore the Project’s permanent sources and uses does not include cost for construction loan interest.

- 2) **PASS Deferred Loan (\$467,445)** – The \$467,445 PASS Deferred Loan will require a balloon payment at the 40-year maturity date and serves as a source to the Project.
- 3) **Accrued Deferred Interest on PASS Deferred Loan (\$317)** – Of the \$467,445 PASS Deferred Loan, \$318 of deferred interest accrued and serves as a source and a use to the Project.
- 4) **MOHCD-CDBG-HTF Gap Loan (\$13,519,791)** – MOHCD will loan \$14,840,000 to the LLC to acquire the Throughline Apartments to pay off Bayside’s HUD 202 mortgage of \$987,209 and \$333,000 in transfer taxes. The remaining difference of \$13,519,791 will be seller grant funds to the LLC to finance the rehab.

MOHCD’s \$14.84MM gap loan contemplated in this request will be a 3.0% interest rate with a 55-year term, with residual receipts repayment. Included in this amount is MOHCD’s \$800K predevelopment funds loaned to the Project, with \$21,524 of accrued

interest (to close on 3/15/22) that will be restructured as part of MOHCD's final gap loan.

In effort to reduce MOHCD's gap loan, Chinatown CDC will apply for the Federal Home Loan Bank of San Francisco (FHLB-SF) Affordable Housing Program (AHP) for \$880,000 in March 2022. The Sponsor did not apply for AHP in 2021 because the Project was still determining a finance plan without tax-credits and bonds. Awarded projects in the 2020 AHP round, received a minimum score of 72.68 points. The Project may be competitive with a self-score of 76.65 points. This is based on the deep affordability and timing to submit the application to maximize project readiness points. As a loan condition, Chinatown CDC will apply for AHP financing in 2022 and if not awarded, will apply again during construction in 2023.

- 5) **MOHCD-CHRP Loan/MOHCD-CDBG Loan/MOHCD-Site Acquisition Loan (\$2,946,077)** – Before the acquisition, MOHCD will forgive \$2,398,821.37 (as part of this request) in accrued interest on MOHCD's 1989 Bayside loan in order to reduce the sales price; and allow MOHCD's acquisition loan to provide at least \$13,519,791 in seller proceeds to finance the rehab.

See table below for the amount of MOHCD's existing loans that will be forgiven prior to acquisition and the remaining debt to be consolidated into one loan (along with the new gap financing) for a 55-year term. The interest rate will be lowered to the applicable federal rate (AFR) of currently 1.73%.

Property	Loan Type / Program	Original Loan Amount	Outstanding Principal Balance (A)	Interest Rate	Repayment Terms	Accrued Interest to Close 3/15/22 (B)	Debt Forgiveness Prior to Acquisition (C)	Total of A+B+C
Consortia	1981 CDBG*	\$330,898.00	\$330,898.00	6.00%	Deferred payment	\$402,978.61	\$0.00	\$733,876.61
Tower	1983 CDBG CHRP*	\$645,286.00	\$645,286.00	6.00%	Deferred payment	\$392,871.63	\$0.00	\$1,038,157.63
Bayside	1989 CDBG Acquisition	\$829,387.00	\$829,387.00	10.00%	Deferred payment	\$2,732,139.01	\$2,398,821.37	\$1,162,704.64
Consortia	2004 CDBG	\$101,423.00	\$10,625.33	6.00%	Residual Receipts	\$712.78	\$0.00	\$11,338.12
Total		\$1,906,994.00	\$1,816,196.33			\$3,528,702.03	\$2,398,821.37	\$2,946,077.00

*The 1981 CDBG loan for Consortia and the 1983 CDBG loan for Tower have matured. No interest accrued beyond the maturity dates.

MOHCD's total loan to the Project at closing will be broken down by the following:

Amount	Source	Term
\$5,175,891	PASS - Market Rate Loan	40 yrs. @ 3.87289%%
\$2,855,664	PASS - Below Market Rate Loan	40 yrs. @ 0.95763%
\$467,445	PASS - Deferred Loan	40 yrs. @ 0.95763%
\$14,840,000	MOHCD CDBG-HTF Acquisition Loan	55 yrs. @ 3% / Res Rec
\$733,876	1981 CDBG	55 yrs. @ AFR / Res Rec
\$1,038,157	1983 CDBG CHRP	55 yrs. @ AFR / Res Rec
\$1,162,704	1989 CDBG Acquisition	55 yrs. @ AFR / Res Rec
\$11,338	2004 CDBG	55 yrs. @ AFR / Res Rec
\$26,285,077	Total Amount in MOHCD Loan Agreement	

- 6) **Chinatown CDC 1985 Tower Loan (\$309,523)** – Chinatown CDC’s 1985 loan to Tower of \$309,523 will serve as a source and use to the Project. At construction closing, the loan will be extended another 55 years at AFR (currently 1.73%).
- 7) **Federal Appropriations Grant (\$2,500,000)** – In January 2022 federal appropriation funds are expected to be available to Chinatown CDC to rehab the Tower Hotel through Nancy Pelosi’s Office - <https://pelosi.house.gov/community-projects-funding>. The funds, when approved, will be come as a HUD-Economic Development Initiative Grant directly to Chinatown CDC; and drawn down by the end of December 2022 as a grant.
- 8) **GP Capital - Bayside Project Reserves (\$2,723,968)** – The Project’s existing reserves will serve as a source to the Project. In March 2020, HUD approved Chinatown CDC to use Bayside’s replacement reserves and residual receipts reserve, totaling approximately \$2.7MM to pay solely for the rehab work at Bayside.
- 9) **GP Capital – Hamlin Hotel Funds (\$600,000)** – In 2019, there were \$600,000 in excess rent proceeds from the new Section 8 subsidies the Sponsor received from the transfer of the Hamlin Hotel to the RAD program (RAD 2.0). MOHCD will require the Sponsor to use these funds as a source to the Project.
- 10) **GP Capital – Project Reserves for Predev Expenses prior to 12/31/2019 (\$125,391)**
 Before January 1, 2020, the Sponsor used existing replacement reserves to pay for early predevelopment costs like architectural design fees for the seismic retrofit and tax-credit and HUD counsel for feasibility analysis.

Chinatown CDC will draw down funds in the following order:

- 1) MOHCD’s CDBG-HTF Loan for acquisition
- 2) Chinatown CDC and Bayside Grants to the LLC (seller grant)
- 3) Federal Appropriations Grant – Tower Hotel
- 4) MOHCD PASS Loan
- 5) GP Capital – Bayside Project Reserves
- 6) GP Capital – Hamlin Hotel Funds

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

6.4.3. Commercial Space Sources and Uses Narrative
 The Sponsor is unable to provide a separate commercial space sources and uses because the renovation cost for the commercial space overlaps with the soft story retrofit. The development budget includes repairs for a warm shell plus cold shell finishes for the office; any work beyond that would be covered by each organization’s reserves. Tenant improvement costs are not included in the development budget.

6.4.4. Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	\$352,063/unit
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	N	Hard Cost Contingency is 11.3%, lower than MOHCD’s 15% standard for rehabs.

		The Sponsor is requesting a waiver on the Project's hard cost contingency; and will submit the final GMP contract prior to execution for MOHCD's review. If the \$333K in transfer tax is deemed not applicable to the acquisition, the Sponsor must reallocate those funds to hard cost contingency to cover any cost overruns.
Architecture and Engineering Fees are within standards	Y	Total Architectural & Design fees is \$895,000, which is within underwriting guidelines
Construction Management Fees are within standards	Y	\$90,000 total for a 12-month predevelopment and 17-month construction period.
Developer Fee is within standards, see also disbursement chart below	N	Total Dev Fee is \$500,000. See Section 6.4.5 below for waiver request.
Consultant and legal fees are reasonable	Y	\$105,000 for consultants and \$65,000 for legal fees is reasonable.
Entitlement fees are accurately estimated	Y	\$220,000 for entitlement / permit fees is accurate for this size project.
Construction Loan interest is appropriately sized	Y	\$0 in construction loan interest, as net operating income from cash flow during construction will pay the principal and interest for the PASS loan.
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 2.2%. Relocation line item includes its own contingency. Chinatown CDC is requesting a waiver on its soft cost contingency; and will apply for AHP financing in 2022 and if not awarded, will apply again during construction in 2023 to reduce MOHCD's gap loan and cover any cost overruns.
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is \$299,950 equals to 3 months.
Capitalized Replacement Reserves are a minimum of \$1,000 per unit (Rehab only)	Y	\$88,000 or \$1,000/unit for 88 units.

6.4.5. Developer Fee Evaluation:

Per [MOHCD's Policy on Development Fees For Non-Tax Credit Projects](#), the maximum allowable developer fee (the "Maximum Fee") for projects in which all units are newly affordable units shall not exceed the lesser of one-half of the maximum developer fee that would be allowed by the California Tax Credit Allocation Committee (CTCAC) for the project if it were financed with 9% Low Income Housing Tax Credits as may be modified by the CTCAC (max. \$2.2MM cash-out) or 7.5% of the total development costs (approx. 2MM), regardless of the source of the fee. Maximum Fee is \$1.1MM.

The maximum allowable developer fee for re-capitalizing existing affordable housing projects shall not exceed 25% of the Maximum fee (\$275k), with no at-risk fee allowed unless newly affordable units are being added to the existing affordable building. Since the Throughline Apartments is technically three rehab projects under one financing structure, MOHCD staff recommends waiving this policy and allow the Sponsor to collect \$500K in developer fee.

Total Developer Fee:	\$500,000	
Project Management Fee Paid to Date:	\$75,000	
Amount of Remaining Project Management Fee:	\$425,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$0	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	\$0	
Amount of Fee Deferred (the "Deferred Fee"):	\$0	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$0	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Predevelopment Loan Closing (Paid)	\$75,000	15%
Construction close	\$0	0%
Permanent Conversion	\$0	0%
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	\$0	0%
Permanent conversion	\$425,000	85%
Project close-out	\$0	0%
Milestones for Disbursement of that portion of Developer Fee defined as Commercial Fee	\$0	0%

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

7.1 Annual Operating Budget.

Chinatown CDC's operating budget is based off 2021 actuals and mostly compliant with MOHCD policies, except for the Project's vacancy assumptions. The current operating expense ("OpEx") breakdown shows the Project's OpEx per unit per annum ("PUPA"), ranging from \$8K-\$10K – significantly lower than comparable projects with escalated OpEx PUPA for year 2023, which range from \$12.5K - \$14.5K. The Sponsor is seeking a waiver on the Project's PUPA in order to leverage as much debt permitted by HUD to finance Project repairs.

Building	Percentage Breakdown	Total OpEx	PUPA
Bayside	38.00%	\$309,952	\$9,998
Consortia	29%	\$236,542	\$9,856
Tower	33.00%	\$269,168	\$8,157
	Total Operating Expenses	\$815,662	

Residential & Commercial Vacancy Assumptions

Both Bayside & Consortia have been fully occupied and rarely see any vacancies, unless when someone passes away. For Tower, the Sponsor has kept the 9 out of 33 units vacant in preparation for the major rehab and to prevent crowding during the COVID-19 pandemic in 2020 and 2021. After

completion of renovation in 2023, the Sponsor will lease the 9 vacant units through MOHCD's DAHLIA system.

The commercial operating proforma assumes the blended 20% vacancy rate in lieu of the industry standard of 50% vacancy rate. Since Chinatown CDC's Main Office is the major source of commercial revenue to the Project, the Sponsor is confident in the steady income source.

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	Y	DSCR is 1.272 at Year 1 and 1.144 at Year 17.
Vacancy meets TCAC Standards	Y	Vacancy is 5%
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	N	Income escalation factor is 2.0%. Escalation assumptions are consistent with Project's CHPC proforma.
Annual Operating Expenses are increased at 3.5% per year	N	Expenses escalation factor is 3.0% Escalation assumptions are consistent with Project's CHPC proforma.
Base year operating expenses per unit are reasonable per comparables	N	Total Operating Expenses are \$9,269 PUPA, including services and replacement reserve payments. See previous Section 7.1.
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is \$72,405 (or \$832 PUPA) + \$7,446 Commercial Management fee, totals \$79,851 (or \$918 PUPA).
Property Management staffing level is reasonable per comparables	Y	See above staffing chart, which includes a total of 3.0 FTE staff.
Asset Management (AM) and Partnership Management (PM) Fees meet standards	Y	Reflects a 2023 operating start with an annual AM Fee of \$22,670/yr. and no PM Fee collected since the Project is a non-tax credit project.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are \$52,600 or \$600 PUPA for 88 units.
Limited Partnership Asset Management Fee (LP AMF) meets standards	N/A	Project is a non-tax credit project.

7.3 Staffing Summary.

The operating budget for all 3 sites includes a staffing plan as follows:

Title	FTE allocated to Project	Exp allocated to Project
Office Salaries		
<i>Assistant Property Manager</i>	1.0	\$42,715
Subtotal	1.0	\$42,715
Manager Salaries		
<i>Property Manager</i>	1.0	\$61,250
Subtotal	1.0	\$61,250
Maintenance		
<i>Technician</i>	1.0	\$65,000
Subtotal	1.0	\$65,000
Total FTEs and Expenses	3.0	\$168,965

7.4 Capital Needs Assessment & Replacement Reserve Analysis.

The development budget includes \$299,933 in capitalized operating reserves for 3 months and \$88,000 (\$1,000/unit) in capitalized replacement reserves—both of which meet MOHCD’s Underwriting Guidelines. An annual replacement reserve deposit of \$52,800 or \$600 PUPA is included in the operating budget.

7.5 Income Restrictions for All Sources.

Current Income Restrictions

The Project serves 88 households including three unrestricted manager units. Tower Hotel includes a mix of SROs restricted to 80% to 140% AMI (per the low- and moderate-income definitions under the CDBG program¹). Consorcia Apartments is comprised of studios and one-bedrooms to accommodate individuals, couples, and families, restricted at 80% HUD AMI. Bayside Elderly Housing has 30 studios restricted to 50% HUD AMI for seniors receiving Project Based Rental Assistance with Section 8. Existing MOHCD-CDBG loans on the Projects reflect the maximum income restrictions in the table.

Property	Unit Type	Current Number of Units	Avg Sq. Ft	Avg Current Rent	Max. % AMI	Rent or Operating Subsidies
Tower	SRO	32	115	\$398	80% to 140%	
Bayside	studio	30	375	\$891	80%	PBRA
Consorcia	studio	17	375	\$428	80%	
Consorcia	1BR	6	500	\$553	80%	
Bayside	Studio	1	500	\$0	Manager’s Unit	
Consorcia	1BR	1	500	\$0	Manager’s Unit	
	Total Units	87				

¹https://www.hud.gov/program_offices/comm_planning/communitydevelopment/rulesandregs/memoranda/lmidef84

Consortia Income Restrictions

In the 2018 Annual Monitoring Report (AMR), the Sponsor stated there is now a large discrepancy between current rents and maximum allowed rents. Rents had been set at the State of California, Housing & Community Development's (HCD) required limit of 40% TCAC AMI. Chinatown CDC paid off the HCD loan in 2018 and the rent restrictions sunset. The maximum rent now goes to the next most restricted level as required by the MOHCD regulatory agreement which sets rents at 30% of 80% AMI. The average rent is at 23% AMI.

Chinatown CDC plans to increase revenue at the Consortia by charging the maximum allowed rents to incoming tenants. However, there is very little turnover at the Consortia. The last time a unit was vacated was in 2015 and currently, there are no vacancies. Chinatown CDC will use tiered rent increases to move the building toward the correct levels without harming already over-burdened tenants.

Tower Income Restrictions

Similar to Consortia, there is a large discrepancy between charged rents and maximum allowed rents at Tower. The current average rent at Tower is at 13% AMI. The 1983 CHRP-CDBG loan to Tower, Section 8.15 states, "51% of the units [are] to be restricted to HUD low-income (18 units at 80% AMI) and the remaining units [are] to be moderate-income (15 units up to 140% AMI)." This is per the low- and moderate-income definitions under the CDBG program.²

As a loan condition, Chinatown CDC will continue to apply tiered rent increases to the Project without harming existing over-burdened tenants and will require a marketing plan outlining the Sponsor's plan to lease up vacant units at the maximum allowed rents.

Bayside Section 8 PBRA Contract Rents

Bayside's Section 8 PBRA contract is directly with HUD and administered through the California Affordable Housing Initiatives, Inc. (CAHI). In order to increase contract rents, the Sponsor needs HUD's approval of a Rent Comparability Study (RCS) as part of their renewal of HUD's Mark-up-to-Market Program HAP under Option 1B for at least a 20-year term. In November 2020, HUD issued a third party RCS, which showed Bayside's HUD Section 8 subsidies \$500/unit/month less than the \$2,731/unit/month contract rent in June 2020 at \$2,231/unit/month. The Sponsor submitted a "directive waiver" request per HUD Section 8 renewal guide to postpone the use of new RCS for 3 years until the local economy is able to recover from the effects of the COVID-19 pandemic. HUD denied the request in February 2021. After further discussions with HUD's regional office and headquarters, HUD allowed the Sponsor to request a new RCS within the 5-year period, when the market is expected to improve. Chinatown CDC will need to submit a new RCS prior to closing or do the Operating Cost Adjustment Factor (OCAF) 120 days prior to the Housing Assistance Payments (HAP) contract date of 12/6/2021.

The Sponsor has consulted with an appraiser regarding the current market rent to submit an updated RSC to HUD before closing. The proforma assumes HUD will approve higher contract rents from \$2,231/unit/month to \$2,400/unit/month from an updated RCS. There is significant financial risk to the Project's financing should HUD deny the Sponsor's RCS before closing. This will consequently force the Sponsor to use lower contract rents (from November 2020) to leverage a smaller mortgage--creating a larger financing gap in the Project.

Required HUD Approvals

- Approval of the repayment of the existing HUD 202 loan (approved on 3/5/20)
- New Use Agreement as condition of prepaying the HUD 202 (approved on 3/5/20)
- Renewal of Mark-up-to-Market Program HAP under Option 1B for at least a 20-year term
- Approval of the Rent Comparability Study required for the Market-up to Market renewal application
- Approval to assign the HAP contract to the LLC
- Approval of the LLC executing the Purchase Agreement to acquire the Throughline Apartments

²Ibid

- o Approval of the LLC to enter into the 20-year Housing Assistance Payments Contract (HAP contract). For HUD to approve the renewal and assign the HAP contract to the LLC, Chinatown CDC will need to submit a rent comparability study to HUD.

As a loan condition, Chinatown CDC will provide MOHCD the opportunity to review all HUD documents prior to execution.

7.6 MOHCD Restrictions.

Proposed MOHCD Income Restrictions

MOHCD staff propose updating the income restrictions as reflected in MOHCD's September 2020 predevelopment loan and approved by MOHCD asset management.

Unit Number	No. of Units	Unit Size	Maximum Income Level
Bayside 102, 103, 104, 105, 106, 107, 108, 109, 110, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310	30	Studio	30% of Median Income
Tower 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35	32	SRO	50% of Median Income
Consortia 1, 3, 4, 5, 6, 9, 11, 12, 14, 15, 16, 18, 19, 21, 22, 24, 25	17	Studio	60% of Median Income
Consortia 2, 8, 10, 17, 20, 26	6	1BR	60% of Median Income
Bayside - Manager's Unit	1	Studio	N/A
Consortia – Manager's Unit	1	1BR	N/A
Tower – Manager's Unit	1	SRO	N/A
	88		

Property	No. of Units	Maximum Income Level
Bayside	30	30% of Median Income
Tower	32	50% of Median Income
Consortia	23	60% of Median Income
Manager's Units	3	N/A
	88	

8. SUPPORT SERVICES

8.1. Services Plan.

Chinatown CDC has developed its resident services program specifically to address resident health and wellness and the needs of immigrants, such as translation and interpretation. This includes assisting residents navigate paperwork and access to public benefits, and providing information on and referrals to local resources. In addition, the team works to build resident leadership by providing opportunities for residents to plan and implement community programs for residents and participate in advocacy efforts, including the ability preserve affordable housing.

Chinatown CDC's Resident Services team spends 25 hours a week (0.60 FTE) coordinating and facilitating the residential programs and activities at the Throughline Apartments. Services may include:

- o Social activities: bingo, arts and crafts, annual summer field trips, cultural, and holiday celebrations.
- o Education activities: residents' rights and responsibilities, independent living, home safety, disaster preparedness, financial management, health and wellness, greening (recycling, composting, water conservation, and energy conservation), voter education, resident relationships, cultural

competency, stress talk, and on-going inter-generational programming with Chinatown youth through Adopt A Senior Building program. Case management, information and referrals, benefits assistance and advocacy, money management, financial literacy and counseling.

- Resident meetings with site staff to share/discuss concerns and receive updates on management operations.
- Health and wellness activities: annual health fairs, health workshops, home delivery groceries, and the food bank.

Staff assigned to Throughline residents coordinate with various partner organizations like the Chinatown YMCA, San Francisco State University’s School of Nursing, San Francisco Friends Who Care, Self-Help for the Elderly, On Lok Lifeways, San Francisco Marin Food Bank, and Glide to provide services listed above.

8.2. Services Budget.

The Project’s operating budget includes a total \$38,000 for supportive services-- \$30,000 of which is for staff time (0.60 FTE) and \$8,000 for residential activities. Chinatown CDC services staff is able to provide more services to residents beyond what is paid through the operating budget with the help and collaboration of partner organizations.

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan/Grant Terms

Financial Description of Proposed Gap Loan (CDBG-HTF Acquisition)	
Loan Amount:	\$14,840,000
Loan Term:	Up to 55 years
Loan Maturity Date:	2077
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	January 1, 2019

Financial Description of Preservation and Seismic Safety (PASS) Loan	
Loan Amount:	\$8,499,000
Loan Term:	40 years
Loan Maturity Date:	2062
Loan Repayment Type:	Monthly payments on the Market Rate and Below Market Rate portions of the PASS loan. Payment on portion of Deferred Loan due at maturity.
Loan Interest Rate:	2.742% blended, compounding monthly
Date Loan Committee approves prior expenses can be paid:	October 15, 2021

9.2. Recommended Loan Conditions

Prior to Closing:

- Sponsor will work with MOHCD construction team to refine rehabilitation scope prior to executing the GMP.

- Sponsor to submit the final GMP contract prior to execution for MOHCD's review and approval.
- Sponsor must provide an updated appraisal prior to closing.
- Sponsor must forgive a portion of the existing \$309,523 CCDC loan at Tower Hotel should the final appraisal sales price decrease to ensure sufficient seller grant funds for the Project.
- Sponsor must allow MOHCD's review and approval of each grant disbursement request made by Chinatown CDC and Bayside Elderly Housing Corporation to the LLC for the Project.
- Sponsor to provide a community outreach plan for the period of January 2019 through construction completion. The plan should identify key community stakeholders, description of the relocation team's community and resident relocation outreach strategy, and overall outreach timeline.
- Sponsor to submit a relocation plan, schedule, and budget for MOHCD review and approval.
- Sponsor must provide MOHCD the opportunity to comment on HUD and SFHA documents.
- Sponsor must provide bi-weekly progress updates to MOHCD on HUD and SFHA approvals.
- Sponsor to submit a commercial leasing plan describing the proposed legal structure of the Project's commercial component, the Project's desired use of commercial cash flow, and the Sponsor's plan to fill commercial vacancies and loss of commercial revenue due to the COVID-19 small business impacts.
- Sponsor must provide MOHCD Asset Management the opportunity to comment on the final commercial leases with the LLC.
- Sponsor must apply to AHP in March 2022 and again in March 2023 if initial application is unsuccessful.

Post-closing:

- Sponsor must provide initial draft marketing plan within 8 months of anticipated TCO, prior to lease-up of the 9 vacant units. The plan should outline Chinatown CDC's plan to lease up vacant units at the maximum allowed rent; and the affirmative steps they will take to market the project to the City's preference program participants, including COP Holders and Displaced Tenants, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.
- Sponsor must continue to apply tiered rent increases to the Project without harming over-burdened tenants within 8 months of anticipated TCO.
- Sponsor must repay MOHCD's loan should there be excess proceeds after the rehabilitation.

10. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

Eric D. Shaw, Director
Mayor's Office of Housing
Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Salvador Minibar, Director of Housing
Department of Homelessness and Supportive Housing
Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Sally Oerth, Interim Executive Director
Office of Community Investment and Infrastructure
Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

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

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

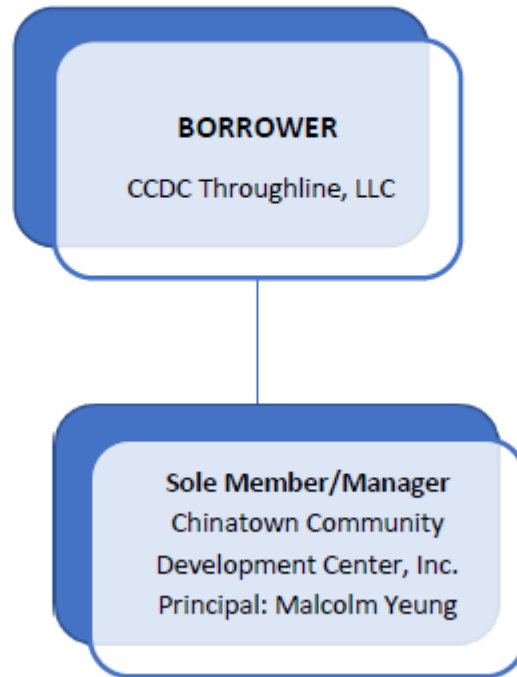
Attachment A: Project Milestones and Schedule

No.	Performance Milestone	Estimated or Actual Date	Contractual Deadline
A.	Prop I Noticing (if applicable)	<u>N/A</u>	
1	Acquisition/Predev Financing Commitment	<u>6/19/2020</u>	
2.	Site Acquisition	<u>11/01/2021</u>	_____
3.	Development Team Selection		
a.	Architect	<u>8/1/2019</u>	
b.	General Contractor	<u>11/1/2019</u>	
c.	Owner's Representative	<u>10/1/2021</u>	
d.	Property Manager	<u>N/A</u>	
e.	Service Provider	<u>N/A</u>	
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>10/30/2019</u>	_____
b.	Submittal of Design Development & Cost Estimate	<u>7/02/2020</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>9/22/2020</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>10/04/2021</u>	
5.	Environ Review/Land-Use Entitlements		
a.	CEQA Environ Review Submission	<u>N/A</u>	
b.	NEPA Environ Review Submission	<u>1/31/2022</u>	
c.	CUP/PUD/Variances Submission	<u>N/A</u>	
6.	Permits		
a.1.	Bayside Building / Site Permit Application Submitted	<u>10/1/2020</u>	_____
a.2.	Consortia Building / Site Permit Application Submitted	<u>10/28/2020</u>	_____
a.3.	Tower Building / Site Permit Application Submitted	<u>10/21/2020</u>	_____
b.	Addendum #1 Submitted	<u>N/A</u>	
c.	Addendum #2 Submitted	<u>N/A</u>	
7.	Request for Bids Issued	<u>10/2021</u>	
8.	Service Plan Submission	<u>N/A</u>	
a.	Preliminary	<u>N/A</u>	
b.	Interim	<u>N/A</u>	
c.	Update	<u>N/A</u>	
9.	Additional City Financing		
a.	Predevelopment Financing Application #2	<u>N/A</u>	
b.	Gap Financing Application	<u>10/15/2021</u>	

10.	Other Financing		
a.	Construction Financing RFP	<u>N/A</u>	
b.	HUD 202 or 811 Application	<u>N/A</u>	
c.	Other Financing Application	<u>N/A</u>	
11.	Closing		
a.	Construction Closing	<u>3/15/2022</u>	
b.	Permanent Financing Closing	<u>3/15/2022</u> PASS loan will close at construction closing.	
12.	Construction		
a.	Notice to Proceed	<u>4/1/2022</u>	_____
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>6/1/2023</u>	_____
13.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>1/2023</u>	_____
b.	Commence Marketing	<u>4/2023</u>	
c.	95% Occupancy	<u>9/1/2023</u>	_____
14.	Cost Certification/8609	<u>N/A</u>	
15.	Close Out MOH/OCII Loan(s)	<u>N/A</u>	

Attachment B: Borrower Org Chart

THROUGHLINE APARTMENTS – BORROWER ORGANIZATIONAL CHART



CCDC Throughline, LLC will be the ultimate borrower of the MOHCD Gap Loan. The LLC will purchase the 3 Throughline projects: Bayside, Consorcía and Tower, from Bayside Elderly Housing Corporation and Chinatown CDC. **Chinatown Community Development Center, Inc.** a 501(c)(3) tax-exempt California nonprofit public benefit corporation, is the sole member/manager of **CCDC Throughline LLC**.

Attachment C: Development Staff Resumes

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

Development Pipeline:

- Swiss American - 534 Broadway; soft-story only (\$6.2MM rehab); in process of securing funding
- Notre Dame – 1590 Broadway; (\$27.8MM rehab); in process of securing funding
- Hamlin - 385 Eddy St (\$13.6MM rehab); construction started beginning of 2020
- Larkin Pine (estimated \$11.1MM refinancing/rehab)
- Golden Gate Apartments (estimated \$22MM refinancing/rehab)
- Small Sites (4 buildings rehab projects)
 - 1535 Jackson – \$4M rehab, in construction; 99% complete
 - 1201 Powell/900 Jackson – \$2M rehab, in construction; 64% complete.
 - 289 9th/800-810 Clement, \$1M rehab, in construction; 28% complete.

- 937 Clay – \$1.5M rehab, in construction; 44% complete
- 1005 Powell - \$7.2M rehab, in pre-acquisition with acquisition target date of Nov 30, 2021 & construction to start Jan. 2021.
- 1590 Broadway – under renovation
- Maceo May; construction loan closed April 2020
- Throughline (777 Broadway, 1204 Mason, 1525-1529 Grant Ave.) major rehab permitting completed for 777 Broadway & 1204 Mason, and waiting on 1525 Grant Avenue.
- 730 Stanyan; predevelopment
- Transbay Block 2 Senior; predevelopment

Attachment D: Asset Management Evaluation of Project Sponsor

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

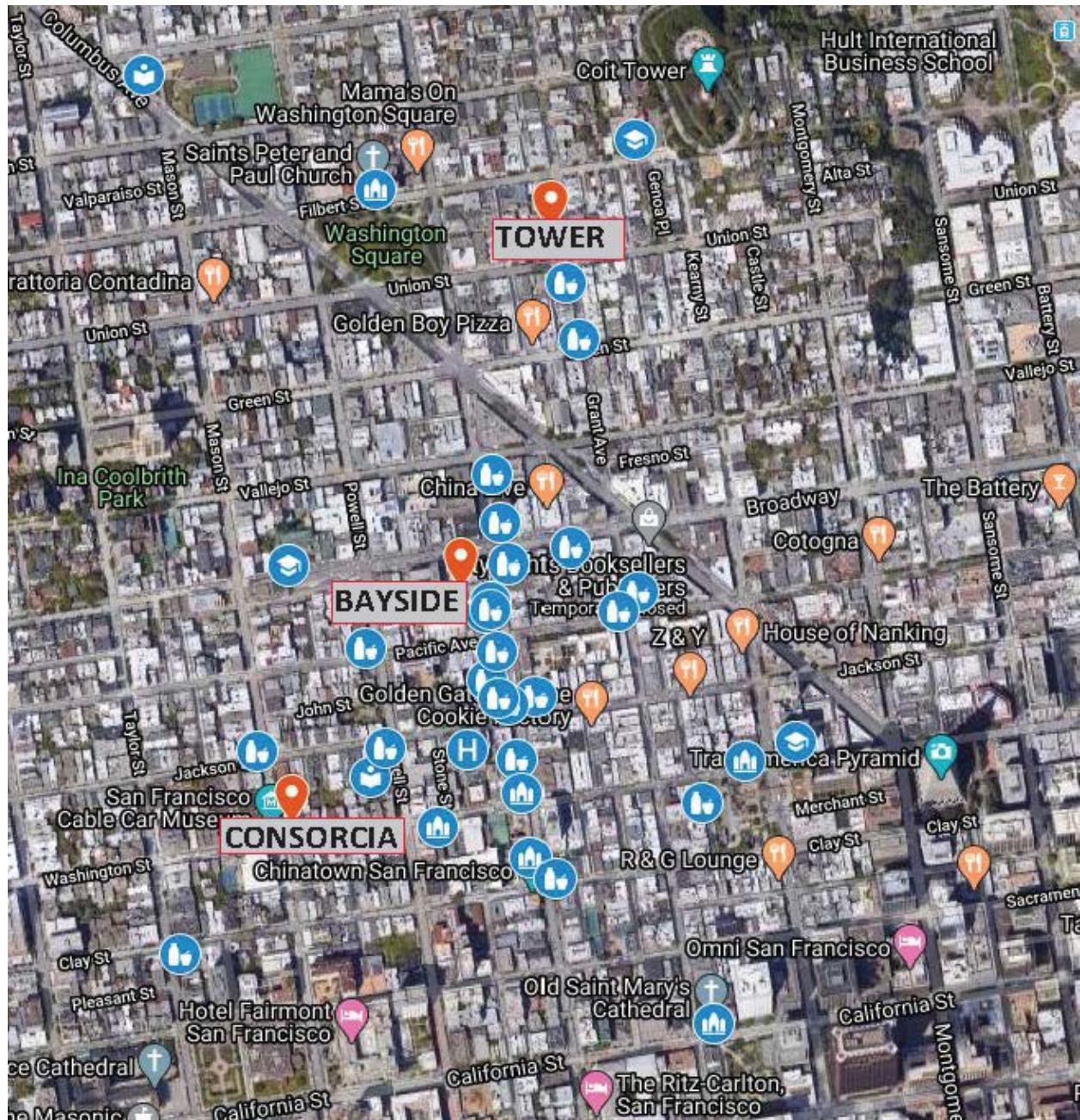
A number of other projects are under consideration and may be added to the portfolio. In addition, through the Small Sites program we expect to add 15 to 20 new properties totaling between 60 and 400 units.

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

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

N/A.

Attachment F: Site Map with amenities



Attachment G: Elevations and Floor Plans

N/A.

Attachment H: Comparison of City Investment in Other Housing Developments

See attached.

REHABILITATION COST COMPARISON (25 Units and Larger or Scattered)

Updated 10/8/2021

PROJECTS COMPLETED						Square Footage	DEVELOPMENT COSTS					Comments
Project Name	Address	Contract Date	Population Type	# of Units	# of BR ¹	Total	Acq. Cost ²	Constr. Cost ⁴	Soft Cost ⁵	Local Subsidy ⁶	Total Dev. Cost	
Robert B Pitts	1150 Scott Street	Dec-17	Family	203	543	80,251	36,224,828	42,170,436	8,989,530	-	87,384,794	RAD Phase I - significant rehab
Westside Courts	2501 Sutter Street	Dec-18	Family	136	224	106,953	26,920,000	51,531,653	17,457,234	10,189,576	95,908,887	RAD Phase II - significant rehab
Hunters Point East and West	1068 Palou	Jun-18	Family	213	532	258,406	47,300,000	64,008,965	22,576,070	845,790	133,885,035	RAD Phase I - significant rehab
Westbrook Apartments	40 Harbor Road	Jul-19	Family	223	656	233,493	42,570,000	102,555,121	7,281,442	16,705,632	152,406,563	RAD Phase II - significant rehab
Ping Yuen	655, 711, 895 Pacific	Mar-19	Family	234	539	238,081	67,240,000	70,327,265	35,351,530	5,787,522	172,918,795	RAD Phase II - significant rehab
Alemany Apartments	951 Ellsworth	Nov-19	Family	150	340	137,652	51,008,000	69,106,493	25,518,895	3,828,778	145,633,388	RAD Phase II - significant rehab
Completed Projects:	Average:			193	472	175,806	\$ 45,210,471	\$ 66,616,655	\$ 19,529,117	\$ 6,226,216	\$ 131,356,244	

PROJECTS UNDER CONSTRUCTION						Square Footage	DEVELOPMENT COSTS					Comments
Project Name	Address	Compl. Date	Population Type	# of Units	# of BR ¹	Total	Acq. Cost ²	Constr. Cost ⁴	Soft Cost ⁵	Local Subsidy ⁶	Total Dev. Cost	
Bernal Dwellings	3138 Kamille Court	Oct-21	Family	160	391	170,280	41,929,181	50,124,996	21,330,207	0	113,384,176	RAD Phase IV - significant rehab large site, 2 story townhomes
Hayes Valley South	401 Rose	Dec-21	Family	110	236	132,658	35,344,033	45,312,032	19,355,350	7,207,832	100,011,415	RAD Phase IV - significant rehab large site, 2 story townhomes
Hayes Valley North	650 - 667 Linden	Jul-22	Family	84	211	100,376	30,387,921	42,248,048	19,517,405	8,854,288	92,153,374	RAD Phase IV - significant rehab large site, 3 story townhomes (predev LE 4/20)
Gran Oriente	106 South Park	Dec-21	Senior	24	24							3 Story over basement, SRO major rehab & seismic
Park View	102 South Park	Jan-22	Senior	39	39	32,049	21,050,000	22,906,291	12,946,956	10,300,000	56,903,247	4 Story partial basement, SRO modest rehab & seismic
Hotel Madrid	22 South Park	Dec-21	Senior	44	44							3 Story over basement, SRO modest rehab & seismic
Under Construction:	Average:			77	158	108,841	\$ 32,177,784	\$ 40,147,842	\$ 18,287,480	\$ 8,787,373	\$ 60,408,737	

PROJECTS IN PREDEVELOPMENT						Square Footage	DEVELOPMENT COSTS					Comments
Project Name	Address	Start Date (anticipated)	Population Type	# of Units	# of BR ¹	Total	Acq. Cost ²	Constr. Cost ⁴	Soft Cost ⁵	Local Subsidy ⁶	Total Dev. Cost	
San Cristina	1000 Market Street	Jan-22	Senior	58	58	34,500	17,400,000	16,918,502	18,862,448	2,566,506	52,508,176	4 story, type III UMB (TCAC App 5/20/21)
480 Eddy Street - Yosemite		Nov-21	Mixed	32	32	20,178	5,619,999	15,166,293	9,429,056	1,800,000	30,215,348	6 story masonry and steel bldg., significant rehab with seismic
Mariposa Gardens	2425 Mariposa		Family	63	150	56,163	-	8,875,320	-	-	8,875,320	3 Buildings, 3-4 stories plus 59 pkg Community Rm Playground
2800 Bryant Street	2800 Bryant Street	Sep-21	Family	7	16	7,350	-	1,848,641	-	-	1,848,641	3 story wood framed wood siding + comml. GMP pricing 9/8/21
3019 23rd Street	3019 23rd Street		Family	6	10	4,780	-	3,212,038	-	-	3,212,038	3 story wood framed mixed siding
3434 18th Street	3434 18th Street		Family	11	11	4,202	-	3,639,756	-	-	3,639,756	3 story wood framed, 8 Units + 3 ADU
Dunleavy Plaza	36 Hoff St		Family	49	81	29,000	-	1,669,405	-	-	1,669,405	4 story wood framed 49 units + 22 parking
Maria Alicia Apts	3092 16th Street		Family	20	157	17,857	-	3,420,592	-	-	3,420,592	4 story wood framed
SFHA Scattered Sites	200 Randolph St., 2006 Great Highway	Jan-22	Family	70	67	68,915	17,592,500	43,470,283	17,140,072	31,377,832	78,202,855	5 Scattered Sites various ages, types and size properties
75 Dore - Folsom Dore Apts	75 Dore											
Ambassador / Ritz	55 Mason & 216 Eddy Streets	Jan-22	Sr. Disabled	186	186	102,109	30,841,633	41,100,938	24,215,585	1,424,514	96,158,156	2 bldgs 4-6 story SRO significant rehab (MOHCD app 5/26/20)
The Knox	241 6th Street	Jul-22	SRO	140	140	54,450	11,550,000	12,375,137	9,385,429	8,072,019	33,310,566	8 story Type I SRO constructed 1994 (May 21 Eval data)
In Predevelopment	Average:			35	65	36,319	\$ 7,545,830	\$ 13,790,628	\$ 15,806,518	\$ 9,048,174	\$ 28,460,078	

ALL PROJECTS	Average:			102	232	106,988	\$ 28,311,362	\$ 40,185,042	\$ 17,874,372	\$ 8,020,588	\$ 73,408,353	
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SUBJECT PROPERTY	777 Bdwy, 1204 Mason, 1525 Grant	Apr-22	Mixed	88	88	49,870	\$ -	\$ 22,753,459	\$ 8,470,608	\$ 13,519,791	\$ 31,224,067	Bayside: 3+ 1- pkg; Consorcia: 4+ prtl. bsmt; Tower: 3+ prtl. bsmt (9/28/21)
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PROJECTS COMPLETED		Construction Costs			Total Dev Costs by Unit / Bed / SF			Subsidy
Project Name	Contract Date	Const/unit	Const/Bedroom	Const / SF	Gross TDC / unit	TDC/Bedroom	Gross TDC/sq.ft ⁷	Subsidy / unit
Robert B Pitts	Dec-17	\$ 207,736	\$ 77,662	\$ 525	\$ 430,467	\$ 160,930	\$ 1,089	\$ -
Westside Courts	Dec-18	\$ 378,909	\$ 230,052	\$ 482	\$ 705,212	\$ 428,165	\$ 897	\$ 74,923
Hunters Point East and West	Jun-18	\$ 300,512	\$ 120,318	\$ 248	\$ 628,568	\$ 251,664	\$ 518	\$ 3,971
Westbrook Apartments	Jul-19	\$ 459,888	\$ 156,334	\$ 439	\$ 683,438	\$ 232,327	\$ 653	\$ 74,913
Ping Yuen	Mar-19	\$ 300,544	\$ 130,477	\$ 295	\$ 738,969	\$ 320,814	\$ 726	\$ 24,733
Alemany Apartments	Nov-19	\$ 460,710	\$ 203,254	\$ 502	\$ 970,889	\$ 428,333	\$ 1,058	\$ 25,525
Completed Projects:	Average:	\$ 351,383	\$ 153,016	\$ 415	\$ 692,924	\$ 303,705	\$ 823	\$ 34,011

PROJECTS UNDER CONSTRUCTION		Construction Costs			Total Dev Costs by Unit / Bed / SF			Subsidy
Project Name	Contract Date	Const/unit	Const/Bedroom	Const / SF	Gross TDC / unit	TDC/Bedroom	Gross TDC/sq.ft ⁷	Subsidy / unit
Bernal Dwellings	Oct-21	\$ 313,281	\$ 128,197	\$ 294	\$ 708,652	\$ 289,986	\$ 666	\$ -
Hayes Valley South	Dec-21	\$ 411,928	\$ 192,000	\$ 342	\$ 909,195	\$ 423,777	\$ 754	\$ 65,526
Hayes Valley North	Jul-22	\$ 502,953	\$ 200,228	\$ 421	\$ 1,097,064	\$ 436,746	\$ 918	\$ 105,408
Gran Oriente								
Park View		\$ 954,429	\$ 954,429	\$ 715	\$ 2,370,969	\$ 2,370,969	\$ 1,776	\$ 429,167
Hotel Madrid								
Under Construction:	Average:	\$ 545,648	\$ 368,713	\$ 443	\$ 1,271,470	\$ 880,369	\$ 1,028	\$ 200,034

PROJECTS IN PREDEVELOPMENT		Construction Costs			Total Dev Costs by Unit / Bed / SF			Subsidy
Project Name	Start Date (anticipated)	Const/unit	Const/Bedroom	Const / SF	Gross TDC / unit	TDC/Bedroom	Gross TDC/sq.ft ⁷	Subsidy / unit
San Cristina	Jan-22	\$ 291,698	\$ 291,698	\$ 490	\$ 905,313	\$ 905,313	\$ 1,522	\$ 44,250
480 Eddy Street- Yosemite	Apr-21	\$ 473,947	\$ 473,947	\$ 752	\$ 944,230	\$ 944,230	\$ 1,497	\$ 56,250
Mariposa Gardens		\$ 140,878	\$ 59,169	\$ 158	\$ 140,878	\$ 59,169	\$ 158	\$ -
2800 Bryant Street		\$ 264,092	\$ 115,540	\$ 252	\$ 264,092	\$ 115,540	\$ 252	\$ -
3019 23rd Street		\$ 535,340	\$ 321,204	\$ 672	\$ 535,340	\$ 321,204	\$ 672	\$ -
3434 18th Street		\$ 330,887	\$ 330,887	\$ 866	\$ 330,887	\$ 330,887	\$ 866	\$ -
Dunleavy Pl. 36 Hoff Street		\$ 34,069	\$ 20,810	\$ 58	\$ 34,069	\$ 20,810	\$ 58	\$ -
Maria Alicia Apts 3092 16th St.		\$ 171,030	\$ 21,787	\$ 192	\$ 171,030	\$ 21,787	\$ 192	\$ -
SFHA Scattered Sites	Jan-22	\$ 621,004	\$ 648,810	\$ 631	\$ 1,117,184	\$ 1,167,207	\$ 1,135	\$ 448,255
75 Dore - Folsom Dore								
Ambassador / Ritz	Jan-22	\$ 220,973	\$ 220,973	\$ 403	\$ 516,979	\$ 516,979	\$ 942	\$ 7,659
The Knox	Jul-22	\$ 88,394	\$ 88,394	\$ 227	\$ 237,933	\$ 237,933	\$ 612	\$ 57,657
In Predevelopment	Average:	\$ 288,392	\$ 235,729	\$ 427	\$ 472,839	\$ 421,896	\$ 719	\$ 55,825

All Projects:	AVERAGE	\$ 395,141	\$ 252,486	\$ 428	\$ 812,311	\$ 535,324	\$ 857	\$ 96,623
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Throughline (Grant, Mason, Bdwy)	Apr-22	\$ 258,562.03	\$ 258,562	\$ 456	\$ 354,819	\$ 354,818.94	\$ 626	\$ 153,634
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¹ Items highlighted in yellow represent gaps in information
² Includes studios as 1BRs
³ Residential sq. ft. includes circulation, recreation, parking, office space and common areas; excludes day care centers, and commercial (non-res.)
⁴ Acquisition includes cost of buying land/building including costs if City buys site; excludes demolition of existing building
⁵ Construction includes unit construction, site preparation/demolition (if applicable), site improvements, environmental remediation and hard cost contingency for Predev & During Construction. Completed projects include used Contingency and are escalated per ENR CCI data
⁶ Soft Cost = TDC less Acquisition and Hard Costs
⁷ All non-amortized local funds
⁸ Total square footage
⁹ Leveraging = subsidy/unit as % of TDC/unit Cost cert values

Attachment I: Predevelopment Budget

N/A.

Attachment J: Development Budget

See attached.

Application Date: 9/28/21 # Units: 88
 Project Name: Throughline Apartments # Bedrooms: 88
 Project Address: 777, 1204, 1525 Broadway, Mason, Grant St, St, A # Beds: 88
 Project Sponsor: Chinatown Community Development Center

SOURCES	13,519,791	8,031,555	467,445	317	2,500,000	3,255,600	3,323,968	125,391	-	Total Sources	31,224,067	Comments
Name of Sources: MOHCD/OCII	PASS Loan	PASS Deferred Loan	Accrued Def Interest - PASS	Community Project Fund	Existing Consorcia, Bayside + Tower CDBG debts & Accrued Def Interests	GP Capital - Proj Reserves	Predev Exp from RR up to 12/31/2019					

USES

ACQUISITION

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

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab	11,369,884	6,559,784			2,500,000						20,429,668	Include FF&E
Commercial Shell Construction												0
Demolition												0
Environmental Remediation												0
Onsite Improvements/Landscaping												0
Offsite Improvements												0
Infrastructure Improvements												0
Parking												0
GC Bond Premium/GC Insurance/GC Taxes												0
GC Overhead & Profit												0
CG General Conditions												0
<i>Sub-total Construction Costs</i>	<i>11,369,884</i>	<i>6,559,784</i>	<i>0</i>	<i>0</i>	<i>2,500,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>20,429,668</i>	
Design Contingency (remove at DD)												0
Bid Contingency (remove at bid)												0
Plan Check Contingency (remove/reduce during Plan Review)												0
Hard Cost Construction Contingency	569,501	1,471,771						282,519			2,323,791	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
<i>Sub-total Construction Contingencies</i>	<i>569,501</i>	<i>1,471,771</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>282,519</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>2,323,791</i>	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
TOTAL CONSTRUCTION COSTS	11,939,385	8,031,555	0	0	2,500,000	0	282,519	0	0	0	22,753,459	5% new construction / 15% rehab

Construction line item costs as a % of hard costs
 0.0%
 0.0%
 0.0%
 11.4%

SOFT COSTS

Architecture & Design

Architect design fees			400,000									400,000	See MOHCD A&E Fee Guidelines: http://smohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)												0	
Architect Construction Admin							300,000					300,000	
Reimbursables												0	
Additional Services												0	
<i>Sub-total Architect Contract</i>	<i>0</i>	<i>0</i>	<i>400,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>300,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>700,000</i>	
Other Third Party design consultants (not included under Architect contract)												195,000	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	195,000	0	400,000	0	0	0	300,000	0	0	0	0	895,000	

Engineering & Environmental Studies

Survey	2,555		7,445									10,000	
Geotechnical studies	20,000											20,000	
Phase I & II Reports			60,000									60,000	
CEQA / Environmental Review consultants												0	
NEPA / 106 Review												0	
CNA/PNA (rehab only)												0	
Other environmental consultants	15,000											15,000	Name consultants & contract amounts
Total Engineering & Environmental Studies	37,555	0	67,445	0	0	0	0	0	0	0	0	105,000	

Financing Costs

Construction Financing Costs													
Construction Loan Origination Fee													0
Construction Loan Interest													0
Title & Recording							40,000						40,000
CDLAC & CDIAC fees													0
Bond Issuer Fees													0
Other Bond Cost of Issuance													0
Construction/Perm Closing, Construction/Perm Lender Ex	47,513							24,237					71,750
<i>Sub-total Const. Financing Costs</i>	<i>47,513</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>64,237</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>111,750</i>
Permanent Financing Costs													
Permanent Loan Origination Fee	106,238												106,238
Credit Enhance. & Appl. Fee													0
Title & Recording													0
<i>Sub-total Perm. Financing Costs</i>	<i>106,238</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>106,238</i>
Total Financing Costs	153,751	0	0	0	0	0	64,237	0	0	0	0	0	217,988

Legal Costs

Borrower Legal fees													0
Land Use / CEQA Attorney fees													0
Tax Credit Counsel													0
Bond Counsel													0
Construction Lender Counsel	50,000												50,000
Permanent Lender Counsel								15,000					15,000
Other Legal (specify)													0
Total Legal Costs	50,000	0	0	0	0	0	15,000	0	0	0	0	0	65,000

Other Development Costs

Appraisal	30,000												30,000
Market Study													0
Insurance	300,000												300,000
Property Taxes													0
Accounting / Audit							10,000						10,000
Organizational Costs													0
Entitlement / Permit Fees	83,785												220,000
Marketing / Rent-up	50,000												50,000
Furnishings	76,800												76,800
PGE / Utility Fees													0
TCAC App / Alloc / Monitor Fees													0
Financial Consultant fees	50,000												50,000
Construction Management fees / Owner's Rep	90,000												90,000
Security during Construction													0
Relocation								1,927,997					1,927,997
Other - Accrued Interest - PASS Deferred Loan				317									317
Other - Existing Consorcia, Bayside + Tower + CDCC Debts							3,255,600						3,255,600
Other - Predev Expenses from RR prior to 12/31/2019									125,391				125,391
Total Other Development Costs	680,585	0	0	317	0	3,255,600	2,074,212	125,391	0	0	0	0	6,136,105

\$2,000/unit; See MOHCD U/W Guidelines on: <http://smohcd.org/documents-reports-and-forms>
 Total Soft Cost Contingency as % of Total Soft Costs
 2.2%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	163,565	0											163,565	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	1,280,456	0	467,445	317	0	3,255,600	2,453,449	125,391	0	0	0	0	7,582,658	

RESERVES

Operating Reserves	299,950												299,950
Replacement Reserves								88,000					88,000
Tenant Improvements Reserves													0
Other (specify)													0
Other (specify)													0
Other (specify)													0
TOTAL RESERVES	299,950	0	0	0	0	0	0	88,000	0	0	0	0	387,950

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones							500,000						500,000
Developer Fee - Cash-out At Risk													0
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
Other (specify)													0
TOTAL DEVELOPER COSTS	0	0	0	0	0	0	500,000	0	0	0	0	0	500,000

Need MOHCD approval for this cost, N/A for most projects

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	13,519,791	8,031,555	467,445	317	2,500,000	3,255,600	3,323,968	125,391	0	31,224,067
Development Cost/Unit as % of TDC by Source	153,634	91,268	5,312	4						

Attachment K: 1st Year Operating Budget

See attached.

Application Date: 9/28/2021 **Project Name:** Throughline Apartments
Total # Units: 88 **Project Address:** Ave.
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): **2023** **Project Sponsor:** Chinatown Community Development Center

INCOME	Total	Comments
Residential - Tenant Rents	327,876	Links from 'Existing Proj - Rent Info' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	866,988	Links from 'Existing Proj - Rent Info' Worksheet
Commercial Space	163,428	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	640	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income		
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	1,500	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	14,832	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)		
Gross Potential Income	1,375,264	
Vacancy Loss - Residential - Tenant Rents	(16,394)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(43,349)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial	(32,686)	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	1,282,835	PUPA: 14,578

OPERATING EXPENSES

Management	Total	Comments
Management Fee	72,405	1st Year to be set according to HUD schedule.
Asset Management Fee	22,670	
Sub-total Management Expenses	95,075	PUPA: 1,080

Salaries/Benefits	Total	Comments
Office Salaries	42,715	
Manager's Salary	61,250	
Health Insurance and Other Benefits	44,721	
Other Salaries/Benefits	3,914	
Administrative Rent-Free Unit	0	
Sub-total Salaries/Benefits	152,600	PUPA: 1,734

Administration	Total	Comments
Advertising and Marketing	3,000	
Office Expenses	29,626	Office supplies, Other Renting ex, Computer services, Telephone service
Office Rent		
Legal Expense - Property	3,000	
Audit Expense	23,570	
Bookkeeping/Accounting Services	10,032	
Bad Debts	8,393	
Miscellaneous	11,377	
Sub-total Administration Expenses	88,998	PUPA: 1,011

Utilities	Total	Comments
Electricity	35,166	
Water	27,523	
Gas	15,749	
Sewer	37,850	
Sub-total Utilities	116,288	PUPA: 1,321

Taxes and Licenses	Total	Comments
Real Estate Taxes	6,778	
Payroll Taxes	12,926	
Miscellaneous Taxes, Licenses and Permits	5,149	Misc Taxes, Licenses, Permits & Insurance
Sub-total Taxes and Licenses	24,853	PUPA: 282

Insurance	Total	Comments
Property and Liability Insurance	87,012	
Fidelity Bond Insurance		
Worker's Compensation		
Director's & Officers' Liability Insurance		
Sub-total Insurance	87,012	PUPA: 989

Maintenance & Repair	Total	Comments
Payroll	65,000	
Supplies		
Contracts	101,892	Janitor, Janitor Supplies, Elev Maint, Extermin, Deco, Repairs
Garbage and Trash Removal	38,498	
Security Payroll/Contract		
HVAC Repairs and Maintenance		
Vehicle and Maintenance Equipment Operation and Repairs		
Miscellaneous Operating and Maintenance Expenses		
Sub-total Maintenance & Repair Expenses	205,390	PUPA: 2,334

Supportive Services	38,000	Tenant Services & Activities
Commercial Expenses	7,446	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES **815,662** **PUPA: 9,269**

Reserves/Ground Lease Base Rent/Bond Fees	Total	Comments
Ground Lease Base Rent	0	lease with SFHA paid w/ See line 118
Bond Monitoring Fee	5,000	PASS LOAN FEE
Replacement Reserve Deposit	52,800	
Operating Reserve Deposit		
Other Required Reserve 1 Deposit		
Other Required Reserve 2 Deposit		
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	57,800	PUPA: 657

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	873,462	PUPA: 9,926	Min DSCR: 1.2
NET OPERATING INCOME (INCOME minus OP EXPENSES)	409,373	PUPA: 4,652	Mortgage Rate: 5.00%
			Term (Years): 30
			Supportable 1st Mortgage Pmt: 341,144
			Supportable 1st Mortgage Amt: \$5,295,742
			Proposed 1st Mortgage Amt: \$8,031,555

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)	Total	Comments
Hard Debt - First Lender	321,924	MOHCD PASS Loan Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len)	0	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL HARD DEBT SERVICE	321,924	PUPA: 3,658

CASH FLOW (NOI minus DEBT SERVICE) **87,449**

USES OF CASH FLOW BELOW (This row also shows DSCR.) **1.27**

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL	Total	Comments
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		
Partnership Management Fee (see policy for limits)		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		
Other Payments	15,750	SFHA Air Rights lease paid from residual cash (1.4% of effective gross income)
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)		Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt =<= Max Fee from cell I130)		Def. Develop. Fee split: 0% Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	15,750	PUPA: 179

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) **71,699**

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

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects	\$13,839,707	100.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value		0.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Total	Comments
MOHCD Residual Receipts Amount Due	47,799	67% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	47,799	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE **23,900**

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

REMAINDER (Should be zero unless there are distributions below) **23,900**
 Owner Distributions/Incentive Management Fee **23,900** 100% of Borrower share of 33% of residual receipts
 Other Distributions/Uses **0**
Final Balance (should be zero) **0**

Attachment L: 20-year Operating Proforma

See attached.

Throughline Apartments

Total # Units: 88

			Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
			2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
INCOME	% annual increase	Comments (related to annual inc assumptions)	Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Residential - Tenant Rents	2.0%		327,876	334,434	341,122	347,945	354,904	362,002	369,242	376,626	384,159	391,842
Residential - Tenant Assistance Payments (Non-LOSP)	2.0%		866,988	884,328	902,014	920,055	938,456	957,225	976,369	995,897	1,015,815	1,036,131
Commercial Space	2.0%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	163,428	163,428	163,428	166,697	170,030	173,431	176,900	180,438	184,046	187,727
Residential Parking			-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.0%		640	653	666	679	693	707	721	735	750	765
Supportive Services Income	2.0%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.0%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.0%		1,500	1,530	1,561	1,592	1,624	1,656	1,689	1,723	1,757	1,793
Tenant Charges	2.0%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.0%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	3.0%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	14,832	15,277	15,277	15,277	15,277	15,277	15,735	15,735	15,735	15,735
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-	-
Gross Potential Income			1,375,264	1,399,649	1,424,068	1,452,244	1,480,983	1,510,297	1,540,656	1,571,154	1,602,263	1,633,993
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(16,394)	(6,689)	(6,822)	(6,959)	(7,098)	(7,240)	(7,385)	(7,533)	(7,683)	(7,837)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		(43,349)	(17,687)	(18,040)	(18,401)	(18,769)	(19,144)	(19,527)	(19,918)	(20,316)	(20,723)
Vacancy Loss - Commercial	n/a		(32,686)	(81,714)	(81,714)	(83,348)	(85,015)	(86,716)	(88,450)	(90,219)	(92,023)	(93,864)
EFFECTIVE GROSS INCOME			1,282,835	1,293,560	1,317,491	1,343,535	1,370,101	1,397,197	1,425,294	1,453,485	1,482,240	1,511,570
OPERATING EXPENSES												
Management												
Management Fee	3.0%	1st Year to be set according to HUD schedule.	72,405	74,577	76,814	79,119	81,492	83,937	86,455	89,049	91,720	94,472
Asset Management Fee	3.0%	per MOHCD policy	22,670	23,350	24,051	24,772	25,515	26,281	27,069	27,881	28,718	29,579
Sub-total Management Expenses			95,075	97,927	100,865	103,891	107,008	110,218	113,525	116,930	120,438	124,051
Salaries/Benefits												
Office Salaries	3.0%		42,715	43,996	45,316	46,676	48,076	49,518	51,004	52,534	54,110	55,733
Manager's Salary	3.0%		61,250	63,088	64,980	66,930	68,937	71,006	73,136	75,330	77,590	79,917
Health Insurance and Other Benefits	3.0%		44,721	46,063	47,445	48,868	50,334	51,844	53,399	55,001	56,651	58,351
Other Salaries/Benefits	3.0%		3,914	4,031	4,152	4,277	4,405	4,537	4,674	4,814	4,958	5,107
Administrative Rent-Free Unit	3.0%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			152,600	157,178	161,893	166,750	171,753	176,905	182,212	187,679	193,309	199,108
Administration												
Advertising and Marketing	3.0%		3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Office Expenses	3.0%		29,626	30,515	31,430	32,373	33,344	34,345	35,375	36,436	37,529	38,655
Office Rent	3.0%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.0%		3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914
Audit Expense	3.0%		23,570	24,277	25,005	25,756	26,528	27,324	28,144	28,988	29,858	30,754
Bookkeeping/Accounting Services	3.0%		10,032	10,333	10,643	10,962	11,291	11,630	11,979	12,338	12,708	13,089
Bad Debts	3.0%		8,393	8,645	8,904	9,171	9,446	9,730	10,022	10,322	10,632	10,951
Miscellaneous	3.0%		11,377	11,718	12,070	12,432	12,805	13,189	13,585	13,992	14,412	14,844
Sub-total Administration Expenses			88,998	91,668	94,418	97,251	100,168	103,173	106,268	109,456	112,740	116,122
Utilities												
Electricity	3.0%		35,166	36,221	37,308	38,427	39,580	40,767	41,990	43,250	44,547	45,884
Water	3.0%		27,523	28,349	29,199	30,075	30,977	31,907	32,864	33,850	34,865	35,911
Gas	3.0%		15,749	16,221	16,708	17,209	17,726	18,257	18,805	19,369	19,950	20,549
Sewer	3.0%		37,850	38,986	40,155	41,360	42,601	43,879	45,195	46,551	47,947	49,386
Sub-total Utilities			116,288	119,777	123,370	127,071	130,883	134,810	138,854	143,020	147,310	151,729
Taxes and Licenses												
Real Estate Taxes	3.0%		6,778	6,981	7,191	7,407	7,629	7,858	8,093	8,336	8,586	8,844
Payroll Taxes	3.0%		12,926	13,314	13,713	14,125	14,548	14,985	15,434	15,897	16,374	16,865
Miscellaneous Taxes, Licenses and Permits	3.0%		5,149	5,303	5,463	5,626	5,795	5,969	6,148	6,333	6,523	6,718
Sub-total Taxes and Licenses			24,853	25,599	26,367	27,158	27,972	28,811	29,676	30,566	31,483	32,428
Insurance												
Property and Liability Insurance	3.0%		87,012	89,622	92,311	95,080	97,933	100,871	103,897	107,014	110,224	113,531
Fidelity Bond Insurance	3.0%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.0%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.0%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			87,012	89,622	92,311	95,080	97,933	100,871	103,897	107,014	110,224	113,531
Maintenance & Repair												
Payroll	3.0%		65,000	66,950	68,959	71,027	73,158	75,353	77,613	79,942	82,340	84,810
Supplies	3.0%		-	-	-	-	-	-	-	-	-	-
Contracts	3.0%		101,892	104,949	108,097	111,340	114,680	118,121	121,664	125,314	129,074	132,946
Garbage and Trash Removal	3.0%		38,498	39,653	40,843	42,068	43,330	44,630	45,969	47,348	48,768	50,231
Security Payroll/Contract	3.0%		-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.0%		-	-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.0%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.0%		-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses			205,390	211,552	217,898	224,435	231,168	238,103	245,246	252,604	260,182	267,987
Supportive Services	3.0%		38,000	39,140	40,314	41,524	42,769	44,052	45,374	46,735	48,137	49,581
Commercial Expenses		from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	7,669	7,899	8,136	8,381	8,632	8,891	9,158	9,432	9,715
TOTAL OPERATING EXPENSES			815,662	840,132	865,336	891,296	918,035	945,576	973,943	1,003,161	1,033,256	1,064,254
Reserves/Ground Lease Base Rent/Bond Fees			9,269									
Ground Lease Base Rent			-	-	-	-	-	-	-	-	-	-
Bond Monitoring Fee			5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Replacement Reserve Deposit			52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800
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			57,800	57,800	57,800	57,800	57,800	57,800	57,800	57,800	57,800	57,800
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			873,462	897,932	923,136	949,096	975,835	1,003,376	1,031,743	1,060,961	1,091,056	1,122,054
NET OPERATING INCOME (INCOME minus OP EXPENSES)			409,373	395,628	394,355	394,440	394,266	393,821	393,551	392,524	391,184	389,516
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender		Enter comments re: annual increase, etc.	321,924	321,924	321,924	321,924	321,924	321,924	321,924	321,924	321,924	321,924
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			321,924	321,924	321,924	321,924	321,924	321,924	321,924	321,924	321,924	321,924
CASH FLOW (NOI minus DEBT SERVICE)			87,449	73,704	72,431	72,516	72,342	71,897	71,627	70,600	69,260	67,592
USES OF CASH FLOW BELOW (This row also shows DSCR.)		DSCR:	1.272	1.229	1.225	1.225	1.225	1.223	1.222	1.219	1.215	1.21
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	per MOHCD policy	-	23,460	24,280	2						

Attachment M: 20-year Commercial Operating Proforma

See attached.

Throughline Apartments

Drop down menu to the right controls how much Net Commerical Revenue is contributed to the Residential Operating Budget. (100% is default, select another choice only if allowed by MOHCD policy.) 100%

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: COMMERCIAL INCOME, Commercial Space 1-5, Other Commercial Income, Gross Potential Income.

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: Vacancy Loss - Commercial, EFFECTIVE GROSS INCOME.

COMMERCIAL OPERATING EXPENSES

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: Management, Commercial Management Fee, Sub-total Management Expenses.

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: Utilities, Electricity, Water, Gas, Sewer, Sub-total Utilities.

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: Taxes and Licenses, Real Estate Taxes, Payroll Taxes, Miscellaneous Taxes, Licenses and Permits, Sub-total Taxes and Licenses.

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: Insurance, Property and Liability Insurance, Fidelity Bond Insurance, Worker's Compensation, Director's & Officers' Liability Insurance, Sub-total Insurance.

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: Maintenance & Repair, Payroll, Supplies, Contracts, Garbage and Trash Removal, Security Payroll/Contract, HVAC Repairs and Maintenance, Vehicle and Maintenance Equipment Operation and Repairs, Miscellaneous Operating and Maintenance Expenses, Sub-total Maintenance & Repair Expenses.

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: Reserves/Ground Lease Base Rent/Bond Fees, Replacement Reserve Deposit, Operating Reserve Deposit, Other Required Reserve 1 Deposit, Other Required Reserve 2 Deposit, Sub-total Reserves/Ground Lease Base Rent/Bond Fees.

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: TOTAL COMMERCIAL OPERATING EXPENSES, NET OPERATING INCOME (INCOME minus OP EXPENSES).

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans), Hard Debt - First Lender, Hard Debt - Second Lender, Hard Debt - Third Lender, Hard Debt - Fourth Lender, TOTAL HARD DEBT SERVICE.

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Row: CASH FLOW (NOI minus DEBT SERVICE).

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: REPLACEMENT RESERVE - RUNNING BALANCE, Replacement Reserve Starting Balance, Replacement Reserve Deposits, Replacement Reserve Withdrawals (ideally tied to CNA), Replacement Reserve Interest, RR Running Balance.

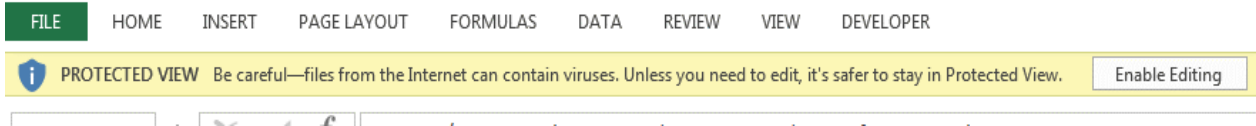
Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: OPERATING RESERVE - RUNNING BALANCE, Operating Reserve Starting Balance, Operating Reserve Deposits, Operating Reserve Withdrawals, Operating Reserve Interest, OR Running Balance.

Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: 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.

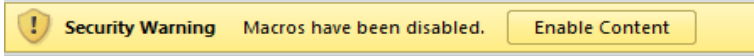
Table with columns: Business Year, Year 1 2023, Year 2 2024, Year 3 2025, Year 4 2026, Year 5 2027, Year 6 2028, Year 7 2029, Year 8 2030, Year 9 2031, Year 10 2032, Year 11 2033, Year 12 2034, Year 13 2035, Year 14 2036, Year 15 2037, Year 16 2038, Year 17 2039, Year 18 2040, Year 19 2041, Year 20 2042. Rows include: 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.

MOHCD - DEVELOPMENT & OPERATING BUDGET PROFORMA TEMPLATE -- INSTRUCTIONS

This file may open in Protected view. If the warning message below appears, click "Enable Editing" in order to proceed.



This file contains macros. When first opening the file, the Security Warning below may first appear. Click "Enable Content" in order to use macros.



This workbook contains worksheets colored red (Instructions), blue (data entry), and green (output only - no data entry). Data entry is allowed only in the yellow highlighted cells on the blue worksheets. Instructions are also provided in the data entry worksheets. Throughout the workbook, red error messages will appear data has not been correctly entered. Once corrected, red error messages will disappear.

DATA ENTRY WORKSHEETS

Worksheet: 1.GeneralProjectInfo

Begin here. Input to this worksheet will flow into the other worksheets in this file. Therefore, **it is very important that this worksheet is completed with all errors fixed before moving onto the other blue worksheets**. This worksheet collects general project information, information about target populations, rental subsidies as well as project financing information. **If applicable, be sure to select the local funding program** (Small Sites or LOSP) at the top of the page. This will ensure that the appropriate format of the following worksheets is displayed for data entry and printing.

Project Neighborhood, Supervisorial District, and Real Estate Districts should be identified using the San Francisco Property Information Map here:
<https://sfpplanningqis.org/PIM/>

Worksheet: 2.Utilities&OtherIncome

Next, enter assumptions about utilities and other project income here. Input to this worksheet will flow into the other worksheets in this file.

Worksheets: 3a.NewProj-Rent&UnitMix/3b.ExistingProj-RentRoll

Fill out only one worksheet, not both. For new developments, provide rent and unit information on the worksheet "3a.New Proj-Rent&UnitMix". For existing developments, provide rent and unit information on the worksheet "3b.ExistingProj-RentRoll". Input to these worksheets will flow into the other worksheets in this file.

Worksheets: 4a.PredevS&U/4b.PermanentS&U

Complete either "4a.PredevS&U" or "4b.PermanentS&U" depending on the funding requested. Insert the number of bedrooms on the top right of the "Source Uses" worksheet. Then, insert the names of any Other Sources of funding besides MOHCD, in the yellow highlighted cells, to the right of the "MOHCD" column. needed for a permanent financing request, insert additional columns for sources and uses.

Use the line items to describe all the uses of funds proposed to be paid by each identified Source. Use the "Comments" column to describe how the amounts are derived, i.e., whether the costs are estimated or bid and provide any other relevant information which justifies the budgeted expenses, such as cost per square foot, an applicable percentage of other costs (e.g. construction contingency as a percentage of construction costs), or an estimated number of work hours. Explain any costs that are not consistent with MOHCD underwriting guidelines.

Worksheet: 4c.Commercial Sources and Uses

If the project does not have a commercial component, skip this worksheet. Insert the number of commercial spaces on the top right of the "Sources & Uses" worksheet. Then, insert the descriptions of each commercial space, the gross square footage, and the names of the commercial development sources, in the yellow highlighted cells.

Worksheet: 5.CommOp.Budget

If the project does not have a commercial component, skip this worksheet. If the project has a commercial component, enter a full year of budget data, annual increase assumptions, comments, and 20-year cashflow in the worksheet. Use the drop-down menu in cell C2 to control how much Net Commercial Revenue is contributed to the Residential Operating Budget. (100% is default, select another choice only if allowed by MOHCD policy.)

Worksheet: 6.1stYrOpBudget

Enter a full year of budget data, regardless of the projected start month. Data flows automatically from this worksheet into the "20Yr-Details" worksheet. Note that some data will be pulled from the worksheets 1, 2, 3, and 5, if applicable. Red error messages will appear if debt service comments have not been provided. Once corrected, red error messages will disappear.

Supply comments explain how proposed costs were estimated or derived, what assumptions were made, what other projects were the costs based on. Please provide comments to explain any formulas used.

For LOSP projects, if Shelter+Care (S+C) subsidy is anticipated, 100% of S+C Subsidy should be allocated to LOSP units, per LOSP program guidelines.

Worksheet: 7a.20YrDetails

Column F can be used to provide the rate of annual increase for budget line items. Default rates have are autopopulated.

Reserves/Ground Lease Base Rent/Bond Fees and hard debt service autopopulate based on 1st Year data entry. Update as needed. *Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*

Enter uses of cash flow that preceded MOHCD debt service in water fall for years 2-20.

Lastly, be sure to provide the starting balance, withdrawals, and interest earnings for the Replacement Reserve, Operating Reserve, and any other required reserves.

Supply comments explain how proposed costs were estimated or derived, what assumptions were made, what other projects were the costs based on. Please provide comments to explain any formulas used.

Worksheet: 8.Developer Fee Calculation

This tab should be completed last. Input the developer fee amounts allowed under MOHCD's Developer Fee Policy in rows 1 through 7. If the project does not have a commercial component, clear contents in Cell D9 and rows 29-32.

In Cell D44, input the tax credit rate assumed in the proforma. Identify if the project is in a QCT/DDA in cell C45.

Small Sites Program ONLY - Worksheet: CNA

The CNA worksheet is split into two main categories, "Common Area" and "Units." Input improvements in clearly delineated subcategories, e.g. Electrical, Structural, Plumbing, Exterior, Interior, Grounds and by individual unit numbers. These subcategories should be bolded and/or in CAPS to clarify the division between them. Use "Item" column to list proposed improvements. Use "Description" column to provide a more detailed description of items in the "Item" column, i.e. any details about the materials to be used, whether the item will be replaced or repaired, rationale for timing or treatment of individual scope item etc. Use the "Add Comment" button to leave a comment anywhere in the document. Include the report name and page # of each scope item in the "Report Section #" column for reference. The worksheet will tabulate the immediate needs scope and 10-year total which can be linked to tab 4b.PermanentS&U and each subsequent year which are automatically included in tab 7.20YrDetails as withdrawals from the project's replacement reserves.

PASS Program ONLY - Worksheets: 9a.PASS/9d.Refi

Worksheet **9a.PASS** is used to size a PASS loan and the associated fees. The resulting outputs (e.g. Loan Amount, Annual Payment Amount, Origination Fee, Compliance Monitoring Fees, Loan Servicing Fees, etc.) should be subsequently input in **1.GeneralProjectInfo**, **4b.PermS&U**, and **6.1stYrOpBudget** as necessary.

Worksheet **9d.Refi** is an analytical tool to evaluate a future refinancing and the capitalization of reserves over the next 20 years.

OUTPUT WORKSHEETS

Worksheet: 20YrSummary

Summarizes the worksheet "7.20YrDetails".

LOSP Projects ONLY - Worksheet: ExhibitsA1&A2

LOSP Funding and Disbursement schedules.

PASS Projects ONLY - Worksheets: 9b.MR_Amort/9c.BMR_Amort

PASS Market Rate Note and Below Market Rate Note amortization schedules.

OTHER NOTES

Protection: All of the worksheets in this workbook are "protected"; most of the cells are locked. The protection prevents users from overriding formulas and ensure that all projects are analyzed uniformly.

Printing: The worksheets have been formatted for optimal printing on MOHCD printers. Some worksheets are setup to print on legal-size paper. Please do not change the print settings without first conferring with the MOHCD staff with whom you are working. To avoid creating problems when MOHCD staff need to print, typically best approach is to change the print settings on a copy of the file.

MOHCD's Annual Monitoring Report ("AMR") has been designed in parallel with this Operating Budget Proforma. Please review the latest version of the AMR if you have any questions or concerns about how your project's Operating Budget Actuals will be analyzed in the future.

GENERAL PROJECT INFORMATION

Application Date	1/24/2022	Current AMI/Rent Year:	2021
1st Yr of Operations	2023		
1st Month of Operations (1-12)	4		

This application for financing is for (select only one):
 New Construction **Complete 'Existing Proj - Rent Roll' Sheet**
 Existing Development

Financing is requested for:
 Acquisition/Predevelopment/Construction
 Permanent/Gap

Local Funding Programs:
 Small Sites PASS Program
 LOSP Program

PROPOSED DEVELOPMENT

Project Name	Throughline Apartments	Project Street #	777, 1204, 1525	Project Street Name	Broadway, Mason, Grant	Project Street Suffix (St/Ave/etc.)	St, St, Ave.	Project Zip Code	94133, 94108, 94133		
Project Neighborhood	Chinatown	Supervisorial District	3	Real Estate District	8 - Northeast	Building Type	Midrise (40-85', or 4-6 stories)	Gross SF	49,870	# Floors	4, 4, 3
Total Units	88	# of Affordable Units	88	Occupancy Type	SRO/MRO Mix	Supportive Housing?	No	Transitional Housing?	No	If Transitional, # Beds	88
# Comm Units	4	Comm SF	8,205	Project Sponsor (parent entit(ies), not LP)		Ownership Type		Property Owner			
Bo Han		Project Manager		Chinatown Community Development Center		Non Profit Corporation		Throughline L.P.			
Property Owner Contact Name		Property Owner Contact Title		Property Owner Contact Email			Property Owner Contact Phone				
Bo Han		Project Manager		bo.han@chinatowncdc.org			415-722-2947				

PROPOSED UNIT DISTRIBUTION

Enter the total proposed number of units, including manager units, and unrestricted units, if any.

Unit Types	Proposed # Units include Mgr's Unit(s)	% of Total Units
SRO	33	38%
Studio	48	55%
1 BR	7	8%
2 BR		0%
3 BR		0%
4 BR		0%
5 BR		0%
Total Units	88	100%

TARGET POPULATION

Enter # of persons within each target proposed to be served: For persons that qualify for more than one target population group, include the individual in each target population group.

Families	55
Persons with HIV/AIDS	
Homeless Persons	
Mentally or Physically Disabled	
Developmentally Disabled	
Seniors	30
Persons with Substance Abuse	
Domestic Violence Survivors	
Veterans	
Formerly Incarcerated	
Transition-Aged Youth ("TAY")	

Narrative: Please provide summary of target population proposed to be served.
 Bayside has 3 stories of 30 studios with Air Rights over ground floor garage structure owned by SFHA. All units are for seniors plus 1 one-bedroom manager's unit. Consorcia has 3 stories of 18 studios plus 6 one-bedroom units including 1 studio for manager's unit over ground floor commercial with 3 commercial spaces. Each one-bedroom unit can accommodate up to 3 persons. Tower Hotel has 2 stories of 33 SRO units including one for manager's unit over ground and partial basement commercial.

PROJECT FINANCING

In the table below, please provide information about all existing and proposed project financing, including all hard and soft debt lenders. Lenders should be listed in lien order with the most senior lender in the first lien position and the most junior lender in the last lien position. Enter information for all columns. If not applicable, enter "N/A."
Data entry below is required! Drop down menus in the 1st Year Operating Budget will not work if the Project Financing Table is not completed.

Lien Order	Lender (and Funding Program if applicable)	Total Funding Amount	Interest Rate	First Repymt Due Date	Maturity Date	Hard Debt/Soft Debt/Both	Repayment Terms (select from drop down)	Annual Payment Amount (or N/A, if not applicable)	Notes (please note any anticipate changes to repayment obligations)
1	MOHCD PASS Loan	8,031,555	2.74%	4/1/2022	4/1/2062	Hard	Periodic	322,454	
2	CDBG New - MOHCD	13,519,791	3.00%	4/1/2022	4/1/2077	Soft	Forgivable		
3	PASS Deferred Loan	467,445	0.96%	4/1/2022	4/1/2062	Soft	Deferred		
4	Community Proj Fund	2,500,000	0.00%	4/1/2022	4/1/2077	Soft			
5	Consortia 1981 CDBG	733,877	0.00%	4/1/2022	4/1/2077	Soft			
6	Tower 1983 CDBG	1,038,158	0.00%	4/1/2022	4/1/2077	Soft			
7	Bayside 1989 CDBG	1,162,698	0.00%	4/1/2022	4/1/2077	Soft			
8	Consortia 2004 CDBG	11,344	0.00%	4/1/2022	4/1/2077	Soft			
9	CCDC Sponsor Loan	309,523	0.00%						
10	GP Capital Contribution	3,449,359							
Total Funding:		\$31,223,750							

Does the project have/will have HCD financing?	No	Acquisition cost minus the present value of 55 years of ground lease base rent payments. (This data informs the pro rata split of residual receipts, see worksheet 6, I134-I138 for detailed breakdown.)	Does the project have/will have Federal Funding?	Yes
--	----	--	--	-----

PROPOSED RENTAL SUBSIDIES

Enter # of units proposed to be supported by each rental subsidy type.

LOSP	
Project-Based-Section 8	30
Project-Based-Section 8 (Mod Rehab SRO) HAP Contract With (Select if any PB-Sec8 Units):	
Section 8-Voucher	
HOPWA	

RESIDUAL RECEIPTS/GROUND LEASE INFORMATION

Does/Will the project have a MOHCD/OCII Residual Receipts loan repayment obligation?	Yes
Will the project defer the payment of the Developer Fee, and therefore have two different Residual Receipts splits? (See Developer Fee Policy.)	No
Residual Receipts split for all years.	
% of Residual Receipts available for distribution to all soft debt lenders:	67%
% of Residual Receipts available for distribution to Owner:	33%

MOHCD Proforma - General Project Information

PRAC - 202					
PRAC - 811					
S+C					
VASH					
HOME TBA					
Other:					
		Does/Will the project have a MOHCD/OCII ground lease?			No
		Does/Will the project have a non-MOHCD/OCII ground lease?			Yes
		If yes, enter Lessor name:			Air Rights lease with SFHA paid w/ residual cash. See Tab 6 Li
Must Pay Base Rent Amount:		Residual Rent Amount:		Annual Rent Amount:	0

UTILITIES AND OTHER PROJECT INCOME

Throughline Apartments

Application Date: 1/24/2022

UTILITY ALLOWANCE

For each utility type below, select either "Tenant" or "Owner" and the type of utility source, as applicable. The selections will automatically calculate the total utility allowance by unit type, and will be used in the calculation of "Max Tenant Paid Rent" in the "New Devt - Rent & Unit Mix" and "Existing Devt - Rent Roll" worksheets.

If using an engineer calculated utility allowance, select "Owner" for all utility types, and enter in calculated utility allowance directly in the row "Other".

Utility Allowance Year:	2021	Who Pays? <i>(select from drop down menu)</i>	Type	SRO	Studio	1BR	2BR	3BR	4BR	5BR
Heating*	Owner	Natural Gas		0	0	0	0	0	0	0
Cooking*	Tenant	Electric		0	11	13	23	30	37	44
Other Electric*	Tenant			0	41	48	68	91	115	138
Water Heating*	Owner	Natural Gas		0	0	0	0	0	0	0
Other: (please describe)										
Total Utility Allowance				0	52	61	91	121	152	182

Utility Allowances approved for the San Francisco Housing Authority, effective 10/23/2020:

OTHER PROJECT INCOME

Please use the tables below to provide detailed information about other projected monthly residential and commercial income. The information provided below will link to income line items in the 1st year Operating Budget worksheet.

Residential Parking

No. of Tenant Rental Spaces	
Monthly Income Per Space	
Monthly Residential Parking Income	0
Annual Residential Parking Income	0

Miscellaneous Rent Income

In the table below, enter each type of anticipated rent-related income not already included in the calculation of gross rental income.

Miscellaneous Rent Income Source	Amount
Tenant charges	13
Cleaning & Damages	40
Monthly Miscellaneous Rent Income	53
Annual Miscellaneous Rent Income	640

Laundry

No. of Units Using Central Laundry	31
Weekly Assumed Income Per Unit	0.93
Annual Total Laundry Income	1,500

Interest Income - Project Operations

Interest Income Source	Amount
Monthly Interest Income	0
Annual Interest Income - Project Operations	0

Tenant Charges

Tenant Charges Source	Amount
Monthly Tenant Charges	0
Annual Tenant Charges Income	0

Miscellaneous Residential Income

In the table below, itemize other revenue proposed to be generated by the project and not already included in other income line items. Do not include misc. rent-related income below; enter those under Miscellaneous Rent Income.

Miscellaneous Residential Income Source	Amount
Monthly Misc Residential Income	0
Annual Misc Residential Income	0

Other Commercial Income

In the table below, enter each type of anticipated Other Monthly

Other Commercial Income Source	Amount
celltower lease	1236
Monthly Other Commercial Income	1,236
Annual Commercial income	14,832

RENT AND UNIT MIX INFORMATION - NEW CONSTRUCTION PROJECTS ONLY

Throughline Apartments

Skip this worksheet!

Application Date: 1/24/2022
 Current AMI/Rent Year: 2021
 Utility Allowance Year: 2021

RESTRICTED UNITS - NO RENTAL SUBSIDY

In the four tables below, enter information for restricted units that will not receive any rental subsidy. Use one table for each AMI/rent limit level proposed for the project. First select the applicable income limit and corresponding regulatory agency that sets the Applicable Rent Limit. Enter the number of units at the selected AMI level. The table will automatically populate with the current Maximum Gross Rent and Utility Allowance. After reviewing the Maximum Gross Rent, then enter the Proposed Tenant Paid Rents based on the most restrictive funder that are at or below the MOHCD Maximum Tenant Paid Rent.

Note that TCAC is an available Applicable Rent Limit for analytical purposes only. The final version of the proforma must be based on MOHCD AMI/rent levels.

Income Limit (% AMI) <small>(select from drop down)</small>	Applicable Rent Limit <small>(select from drop down)</small>	Unit Type	No. of Units	Max Gross Rent	Less Utility Allowance	Max Tenant Paid Rent	Proposed Tenant Paid Rent <small>(most restrictive)</small>	Monthly Income at Proposed Tenant Paid Rents	Monthly Income at Maximum Tenant Paid Rents	Name of Most Restrictive Funder
		SRO								
		Studio								
		1BR								
		2BR								
		3BR								
		4BR								
		5BR								
Subtotal:			0					0	0	

Income Limit (% AMI) <small>(select from drop down)</small>	Applicable Rent Limit <small>(select from drop down)</small>	Unit Type	No. of Units	Max Gross Rent	Less Utility Allowance	Max Tenant Paid Rent	Proposed Tenant Paid Rent <small>(most restrictive)</small>	Monthly Income at Proposed Tenant Paid Rents	Monthly Income at Maximum Tenant Paid Rents	Name of Most Restrictive Funder
		SRO								
		Studio								
		1BR								
		2BR								
		3BR								
		4BR								
		5BR								
Subtotal:			0					0	0	

Income Limit (% AMI) <small>(select from drop down)</small>	Applicable Rent Limit <small>(select from drop down)</small>	Unit Type	No. of Units	Max Gross Rent	Less Utility Allowance	Max Tenant Paid Rent	Proposed Tenant Paid Rent <small>(most restrictive)</small>	Monthly Income at Proposed Tenant Paid Rents	Monthly Income at Maximum Tenant Paid Rents	Name of Most Restrictive Funder
		SRO								
		Studio								
		1BR								
		2BR								
		3BR								
		4BR								
		5BR								
Subtotal:			0					0	0	

Income Limit (% AMI) <small>(select from drop down)</small>	Applicable Rent Limit <small>(select from drop down)</small>	Unit Type	No. of Units	Max Gross Rent	Less Utility Allowance	Max Tenant Paid Rent	Proposed Tenant Paid Rent <small>(most restrictive)</small>	Monthly Income at Proposed Tenant Paid Rents	Monthly Income at Maximum Tenant Paid Rents	Name of Most Restrictive Funder
		SRO								
		Studio								
		1BR								
		2BR								
		3BR								
		4BR								
		5BR								
Subtotal:			0					0	0	

Income Limit (% AMI) <small>(select from drop down)</small>	Applicable Rent Limit <small>(select from drop down)</small>	Unit Type	No. of Units	Max Gross Rent	Less Utility Allowance	Max Tenant Paid Rent	Proposed Tenant Paid Rent <small>(most restrictive)</small>	Monthly Income at Proposed Tenant Paid Rents	Monthly Income at Maximum Tenant Paid Rents	Name of Most Restrictive Funder
		SRO								
		Studio								
		1BR								
		2BR								
		3BR								
		4BR								
		5BR								
Subtotal:			0					0	0	

Income Limit (% AMI) <small>(select from drop down)</small>	Applicable Rent Limit <small>(select from drop down)</small>	Unit Type	No. of Units	Max Gross Rent	Less Utility Allowance	Max Tenant Paid Rent	Proposed Tenant Paid Rent <small>(most restrictive)</small>	Monthly Income at Proposed Tenant Paid Rents	Monthly Income at Maximum Tenant Paid Rents	Name of Most Restrictive Funder
		SRO								
		Studio								
		1BR								
		2BR								
		3BR								
		4BR								
		5BR								
Subtotal:			0					0	0	

RENT AND UNIT MIX INFORMATION - NEW CONSTRUCTION PROJECTS ONLY

Throughline Apartments

Skip this worksheet!

Application Date: 1/24/2022
Current AMI/Rent Year: 2021
Utility Allowance Year: 2021

Subtotal:	0	0	0
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Total Restricted Non-Subsidy Units: 0 Total Monthly Tenant Paid Rent from Non-Rental Subsidy Units: 0 AVG Tenant Paid Rent expressed as MOHCD AMI equivalent

RENT AND UNIT MIX INFORMATION - NEW CONSTRUCTION PROJECTS ONLY

Throughline Apartments

Skip this worksheet!

Application Date: 1/24/2022
 Current AMI/Rent Year: 2021
 Utility Allowance Year: 2021

RESTRICTED UNITS - WITH RENTAL SUBSIDY

In the four tables below, only enter information for restricted units that will receive rental subsidy. Use one table for each AMI/rent limit level with subsidized units. First select the applicable income limit and Subsidy Program. Enter the Monthly Contract Rent set by the subsidy program selected. Then, enter the Estimated Tenant Paid Rent for the applicable unit size. Tenant Assistance Payment will automatically calculate as Monthly Contract Rent minus Estimated Tenant Paid Rent. Enter the number of units at the selected AMI level and subsidy program. Please also provide any notes to describe the calculation of the Tenant Assistance Payments.

For LOSP Projects - leave "Monthly Contract Rent" blank, and enter Estimated Tenant Paid Rent and Number of Units. The amount of LOSP subsidy is calculated on the 1st Year and 20-Year Operating Budget worksheets.

Income Limit (% AMI) <small>(select from drop down)</small>	Applicable Rent Limit	Unit Type	Monthly Contract Rent <small>(per unit)</small>	Estimated Tenant Paid Rent Excluding Utility Allowance	Tenant Assistance Payment <small>(per unit)</small>	No. of Units	Monthly Income at Estimated Tenant Paid Rents	Monthly Income from Tenant Assistance Payments	Monthly Income from Contract	Tenant Assistance Payment Notes
		SRO			0			0		
		Studio			0			0		
Subsidy Program: <small>(select from drop down)</small>		1BR			0			0		
		2BR			0			0		
		3BR			0			0		
		4BR			0			0		
		5BR			0			0		
Subtotal						0	0	0	0	

Income Limit (% AMI) <small>(select from drop down)</small>	Applicable Rent Limit	Unit Type	Monthly Contract Rent <small>(per unit)</small>	Estimated Tenant Paid Rent Excluding Utility Allowance	Tenant Assistance Payment <small>(per unit)</small>	No. of Units	Monthly Income at Estimated Tenant Paid Rents	Monthly Income from Tenant Assistance Payments	Monthly Income from Contract	Tenant Assistance Payment Notes
		SRO			0			0		
		Studio			0			0		
Subsidy Program: <small>(select from drop down)</small>		1BR			0			0		
		2BR			0			0		
		3BR			0			0		
		4BR			0			0		
		5BR			0			0		
Subtotal						0	0	0	0	

Income Limit (% AMI) <small>(select from drop down)</small>	Applicable Rent Limit	Unit Type	Gross Monthly Contract Rent <small>(per unit)</small>	Estimated Tenant Paid Rent Excluding Utility Allowance	Tenant Assistance Payment <small>(per unit)</small>	No. of Units	Monthly Income at Estimated Tenant Paid Rents	Monthly Income from Tenant Assistance Payments	Monthly Income from Contract	Tenant Assistance Payment Notes
		SRO			0			0		
		Studio			0			0		
Subsidy Program: <small>(select from drop down)</small>		1BR			0			0		
		2BR			0			0		
		3BR			0			0		
		4BR			0			0		
		5BR			0			0		
Subtotal						0	0	0	0	

Income Limit (% AMI) <small>(select from drop down)</small>	Applicable Rent Limit	Unit Type	Monthly Contract Rent <small>(per unit)</small>	Estimated Tenant Paid Rent Excluding Utility Allowance	Tenant Assistance Payment <small>(per unit)</small>	No. of Units	Monthly Income at Estimated Tenant Paid Rents	Monthly Income from Tenant Assistance Payments	Monthly Income from Contract	Tenant Assistance Payment Notes
		SRO			0			0		
		Studio			0			0		
Subsidy Program: <small>(select from drop down)</small>		1BR			0			0		
		2BR			0			0		
		3BR			0			0		
		4BR			0			0		
		5BR			0			0		
Subtotal						0	0	0	0	

Income Limit (% AMI) <small>(select from drop down)</small>	Applicable Rent Limit	Unit Type	Monthly Contract Rent <small>(per unit)</small>	Estimated Tenant Paid Rent Excluding Utility Allowance	Tenant Assistance Payment <small>(per unit)</small>	No. of Units	Monthly Income at Estimated Tenant Paid Rents	Monthly Income from Tenant Assistance Payments	Monthly Income from Contract	Tenant Assistance Payment Notes
		SRO			0			0		
		Studio			0			0		
Subsidy Program: <small>(select from drop down)</small>		1BR			0			0		
		2BR			0			0		
		3BR			0			0		
		4BR			0			0		
		5BR			0			0		
Subtotal						0	0	0	0	

RENT AND UNIT MIX INFORMATION - NEW CONSTRUCTION PROJECTS ONLY

Throughline Apartments

Skip this worksheet!

Application Date: 1/24/2022
 Current AMI/Rent Year: 2021
 Utility Allowance Year: 2021

Income Limit (% AMI) <small>(select from drop down)</small>	Applicable Rent Limit	Unit Type	Monthly Contract Rent <small>(per unit)</small>	Estimated Tenant Paid Rent Excluding Utility Allowance	Tenant Assistance Payment <small>(per unit)</small>	No. of Units	Monthly Income at Estimated Tenant Paid Rents	Monthly Income from Tenant Assistance Payments	Monthly Income from Contract	Tenant Assistance Payment Notes
		SRO			0			0		
		Studio			0			0		
Subsidy Program: <small>(select from drop down)</small>		1BR			0			0		
		2BR			0			0		
		3BR			0			0		
		4BR			0			0		
		5BR			0			0		
Subtotal						0	0	0	0	

Total Restricted Units with Rent Subsidy: 0

Total Monthly Income From Rent-Subsidized Units:	
Tenant Paid Rent	Tenant Asst. Payments
0	0

AVG Tenant Paid Rent expressed as MOHCD AMI equivalent

RENT AND UNIT MIX INFORMATION - NEW CONSTRUCTION PROJECTS ONLY

Throughline Apartments

Skip this worksheet!

Application Date: 1/24/2022
 Current AMI/Rent Year: 2021
 Utility Allowance Year: 2021

UNRESTRICTED UNITS				RENTAL INCOME SUMMARY		
<i>In the table below, enter in information for non-restricted units. Rents entered below will flow into the calculation of total Tenant Rents in the 1st Year Operating Budget.</i>				Monthly Tenant Paid Rental Income - Restricted Units		
Unrestricted Units (Indicate if Mgr's unit)	Unit Size	No. of Units	Proposed Tenant Paid Rent	Monthly Income at Proposed Tenant Paid Rents	Tenant Paid Rent from Restricted Non-Subsidy Units	0
					Tenant Paid Rent from Restricted Subsidized Units	0
					Subtotal Monthly Tenant Paid Rent - Restricted Units	0
					Monthly Tenant Paid Rental Income - Unrestricted Units	0
					Tenant Paid Rent from Unrestricted Units	0
					Total Monthly Tenant Paid Rental Income - Restricted and Unrestricted Units	0
					Total Annual Tenant Paid Rental Income - Restricted and Unrestricted Units (O138 x 12)	0
					Annual Tenant Paid Rent - Rent Adjustments:	
					<i>Rent adjustments are not typically applicable. If rent adjustment is entered, please provide description of rent adjustment here.</i>	
					Total Residential Tenant Paid Rents (Annual Rental Income + Rent Adjustments):	0
					<i>(Number above will link to 1st Year Op. Budget, cell F9)</i>	
					Income from Tenant Assistance Payments	0
					Monthly Income from Tenant Assistance Payments	0
					Annual Income from Tenant Assistance Payments (O147 x 12)	0
					<i>(Number above will link to 1st Year Op. Budget, cell F10)</i>	
Total for Unrestricted Units:		0		0		

SUMMARY OF PROPOSED UNIT TYPES BY INCOME CATEGORIES		
<i>Unit distribution by AMI level will auto-populate when detailed information is entered above. No data entry is needed in the table below. If unit count information does not match the total numbers provided in the Proposed Unit Distribution table above, red error messages will appear. When unit information above has been corrected, red error messages will disappear. If you don't understand the cause for an error message, please check with MOHCD asset management staff.</i>		
Restricted Units - No Subsidy		
Unit Types	Total Restricted Units - No Subsidy	
SRO	0	
Studio	0	
1BR	0	
2BR	0	
3BR	0	
4BR	0	
5BR	0	
Total Units	0	
Restricted Units - With Rental Subsidy		

Rent Roll Date: **Throughline Apartments**

Current AMI/Rent Year: 2021

Total Units:

Rent Roll Date: 12/31/2020

Row Num	Unit No.	Summary of Current and Proposed Affordability Limits					Unrestricted/ Manager Units	Total Restricted Units	MOHCD 80%
		Unit Types	Total # Units (inc. Mgr's Unit)	Unrestricted/ Manager Units	Total Restricted Units	Other 0%			
1	Bayside 101	SRO	33	1	0	1	32	32	
2	Bayside 102	Studio	48	1	30	1	47	47	
3	Bayside 103	1BR	7	1	0	1	6	6	
4	Bayside 104	2BR	0	0	0	0	0	0	
5	Bayside 105	3BR	0	0	0	0	0	0	
6	Bayside 106	4BR	0	0	0	0	0	0	
7	Bayside 107	5BR	0	0	0	0	0	0	
8	Bayside 108	Total Units	88	3	30	3	85	85	
9	Bayside 109	Calculated Unadjusted MOHCD AMI per Current Gross Rents:							18.1%
10	Bayside 110	Calculated Unadjusted MOHCD AMI per Proposed Gross Rents:							16.2%
11	Bayside 201								

RENT AND UNIT MIX INFORMATION - EXISTING PROJECTS ONLY

Throughline Apartments

Complete this worksheet!

Application Date: 1/24/2022

Current AMI/Rent Year: 2021

Utility Allowance Year: 2021

Rent Roll Date: 12/31/2020

Average Household AMI: 18%

Monthly Rental Assistance: \$72,249

Annual Rental Assistance: \$866,988

Total Units: 88

(Number above links to 1st Year Op. Budget, cell F10)

Row Num	Unit No.	Current Unit Restriction (select below)	Unit Type (select below)	Date Of Most Recent Recertification	Household Annual Income as of Most Recent Recertification	Household Size as of Most Recent Recertification (select below)	Household Income AMI	Rental Assistance Type (select below)	Amount of Monthly Rental Assistance	Utility Allowance
1	Bayside 101	Manager	1BR							\$61
2	Bayside 102	Restricted	Studio	7/1/2020	\$43,824	1	47%	Section 8 - Project-Based	\$1,667	\$52
3	Bayside 103	Restricted	Studio	12/1/2020	\$19,470	2	18%	Section 8 - Project-Based	\$2,276	\$52
4	Bayside 104	Restricted	Studio	1/1/2020	\$11,351	1	12%	Section 8 - Project-Based	\$2,479	\$52
5	Bayside 105	Restricted	Studio	1/1/2020	\$19,288	2	18%	Section 8 - Project-Based	\$2,281	\$52
6	Bayside 106	Restricted	Studio	12/1/2020	\$18,960	2	18%	Section 8 - Project-Based	\$2,289	\$52
7	Bayside 107	Restricted	Studio	11/1/2020	\$11,316	1	12%	Section 8 - Project-Based	\$2,480	\$52
8	Bayside 108	Restricted	Studio	1/1/2020	\$11,964	2	11%	Section 8 - Project-Based	\$2,464	\$52
9	Bayside 109	Restricted	Studio	7/1/2020	\$613	1	1%	Section 8 - Project-Based	\$2,728	\$52
10	Bayside 110	Restricted	Studio	2/1/2020	\$11,566	1	12%	Section 8 - Project-Based	\$2,474	\$52
11	Bayside 201	Restricted	Studio	10/1/2020	\$8,964	1	10%	Section 8 - Project-Based	\$2,539	\$52
12	Bayside 202	Restricted	Studio	4/1/2020	\$11,325	1	12%	Section 8 - Project-Based	\$2,480	\$52
13	Bayside 203	Restricted	Studio	2/1/2020	\$17,559	2	16%	Section 8 - Project-Based	\$2,324	\$52
14	Bayside 204	Restricted	Studio	5/1/2020	\$11,325	1	12%	Section 8 - Project-Based	\$2,480	\$52
15	Bayside 205	Restricted	Studio	11/1/2020	\$11,316	1	12%	Section 8 - Project-Based	\$2,480	\$52
16	Bayside 206	Restricted	Studio	12/1/2020	\$11,316	1	12%	Section 8 - Project-Based	\$2,480	\$52
17	Bayside 207	Restricted	Studio	3/1/2020	\$11,172	1	12%	Section 8 - Project-Based	\$2,480	\$52
18	Bayside 208	Restricted	Studio	12/1/2020	\$11,317	1	12%	Section 8 - Project-Based	\$2,480	\$52
19	Bayside 209	Restricted	Studio	11/1/2020	\$11,316	1	12%	Section 8 - Project-Based	\$2,480	\$52
20	Bayside 210	Restricted	Studio	12/5/2020	\$11,557	1	12%	Section 8 - Project-Based	\$2,474	\$52
21	Bayside 211	Restricted	Studio	12/1/2020	\$18,960	2	18%	Section 8 - Project-Based	\$2,289	\$52
22	Bayside 301	Restricted	Studio	12/1/2020	\$18,960	2	18%	Section 8 - Project-Based	\$2,289	\$52
23	Bayside 302	Restricted	Studio	9/1/2020	\$11,556	1	12%	Section 8 - Project-Based	\$2,474	\$52
24	Bayside 303	Restricted	Studio	10/1/2020	\$11,532	1	12%	Section 8 - Project-Based	\$2,475	\$52
25	Bayside 304	Restricted	Studio	4/4/2020	\$11,326	1	12%	Section 8 - Project-Based	\$2,480	\$52
26	Bayside 305	Restricted	Studio	8/1/2020	\$18,960	2	18%	Section 8 - Project-Based	\$2,289	\$52
27	Bayside 306	Restricted	Studio	2/1/2020	\$20,534	2	19%	Section 8 - Project-Based	\$2,345	\$52
28	Bayside 307	Restricted	Studio	12/1/2020	\$11,556	1	12%	Section 8 - Project-Based	\$2,474	\$52
29	Bayside 308	Restricted	Studio	8/1/2020	\$11,316	1	12%	Section 8 - Project-Based	\$2,480	\$52
30	Bayside 309	Restricted	Studio	6/1/2020	\$16,704	2	16%	Section 8 - Project-Based	\$2,345	\$52
31	Bayside 310	Restricted	Studio	7/1/2020	\$11,556	1	12%	Section 8 - Project-Based	\$2,474	\$52
32	Tower 1	Manager	SRO							\$0
33	Tower 2	Restricted	SRO	11/1/2020	\$11,325	1	12%	none		\$0
34	Tower 3	Restricted	SRO			vacant		none		\$0
35	Tower 5	Restricted	SRO	1/1/2020	\$18,986	2	18%	none		\$0
36	Tower 6	Restricted	SRO	11/1/2020	\$9,758	1	10%	none		\$0
37	Tower 7	Restricted	SRO	2/1/2020	\$9,493	1	10%	none		\$0
38	Tower 8	Restricted	SRO			vacant		none		\$0
39	Tower 9	Restricted	SRO			vacant		none		\$0
40	Tower 10	Restricted	SRO	9/1/2020	\$11,325	1	12%	none		\$0
41	Tower 11	Restricted	SRO	4/1/2020	\$10,192	1	11%	none		\$0
42	Tower 12	Restricted	SRO	3/1/2020	\$12,204	1	13%	none		\$0
43	Tower 14	Restricted	SRO			vacant		none		\$0
44	Tower 15	Restricted	SRO	8/1/2020	\$24,367	2	23%	none		\$0
45	Tower 16	Restricted	SRO	1/1/2020	\$20,521	1	22%	none		\$0
46	Tower 17	Restricted	SRO	6/1/2020	\$11,325	1	12%	none		\$0
47	Tower 18	Restricted	SRO	2/1/2020	\$10,432	1	11%	none		\$0
48	Tower 19	Restricted	SRO	8/1/2020	\$15,120	1	16%	none		\$0
49	Tower 20	Restricted	SRO	10/1/2020	\$23,684	1	25%	none		\$0
50	Tower 21	Restricted	SRO			vacant		none		\$0
51	Tower 22	Restricted	SRO	5/1/2020	\$11,569	1	12%	none		\$0
52	Tower 23	Restricted	SRO			vacant		none		\$0
53	Tower 24	Restricted	SRO	2/1/2020	\$13,104	1	14%	none		\$0
54	Tower 25	Restricted	SRO	3/1/2020	\$11,575	1	12%	none		\$0
55	Tower 26	Restricted	SRO			vacant		none		\$0
56	Tower 27	Restricted	SRO	9/1/2020	\$11,567	1	12%	none		\$0
57	Tower 28	Restricted	SRO	7/1/2020	\$13,918	1	15%	none		\$0
58	Tower 29	Restricted	SRO	12/1/2020	\$11,325	1	12%	none		\$0
59	Tower 30	Restricted	SRO	7/1/2020	\$4,880	1	5%	none		\$0
60	Tower 31	Restricted	SRO	12/1/2020	\$50,884	1	55%	none		\$0
61	Tower 32	Restricted	SRO	12/1/2020	\$7,848	1	8%	none		\$0
62	Tower 33	Restricted	SRO			vacant		none		\$0
63	Tower 34	Restricted	SRO	3/1/2020	\$12,331	1	13%	none		\$0
64	Tower 35	Restricted	SRO			vacant		none		\$0
65	Consort 1	Restricted	Studio	8/1/2019	\$47,092	1	51%	none		\$52
66	Consort 2	Restricted	1BR	7/1/2020	\$33,516	1	36%	none		\$61
67	Consort 3	Restricted	Studio	2/1/2020	\$19,070	2	19%	none		\$52
68	Consort 4	Restricted	Studio	11/1/2020	\$19,236	2	18%	none		\$52
69	Consort 5	Restricted	Studio	12/1/2020	\$49,200	1	53%	none		\$52
70	Consort 6	Restricted	Studio	7/1/2020	\$18,986	2	18%	none		\$52
71	Consort 7	Manager	Studio							\$52
72	Consort 8	Restricted	1BR	12/1/2020	\$12,252	1	13%	none		\$61

Throughline Aptarmer
 Application Date:
 Current AMI/Rent Year:
 Utility Allowance Year:
 Rent Roll Date:

Throughline Apartments
 Application Date: 1/24/2022
 Current AMI/Rent Year: 2021
 Utility Allowance Year: 2021
 Rent Roll Date: 12/31/2020
 Total Units: 88

Monthly Proposed Max Tenant Rent: \$142,399
 Annual Proposed Max Tenant Rent: \$1,708,788

Monthly Proposed Tenant Rent: \$27,323
 Annual Proposed Tenant Rent: \$327,876

Application Date: 1/24/2022
 Current AMI/Rent Year: 2021
 UA Year: 2021
 Rent Roll Date: 12/31/2020
 Total Units: 88

(# above links to 1stYearOpBudget, cell F9)

Row Num	Unit No.	Current Tenant Paid Rent and Affordability Restrictions								Proposed Tenant Paid Rent and Affordability Restrictions									
		Current Tenant Rent (monthly)	Current Tenant Gross Rent + Utility Allowance	Calculated Unadjusted MOHCD AMI (Current Tenant Gross Rent expressed as % of rent based on 100% AMI)	Current Income Limit (% MOHCD AMI) Leave blank for unrestricted units	Maximum Tenant Gross Rent	Applicable Rent Limit (Select if not MOHCD, otherwise leave blank)	Income Limit (Select below if cell is highlighted yellow.)	Max Gross Rent (Enter if cell is highlighted yellow.)	Current Max Tenant Rent (Max Gross Rent per Income Limit - Utility Allowance)	Proposed Unit Restriction (select below) If no change from current, press button below to copy Col C.	Proposed Income Limit (% MOHCD AMI) If no change from current, press button below to copy Col O.	Proposed Max Gross Rent	Proposed Max Tenant Rent (Max Gross Rent per Income Limit - Utility Allowance)	Proposed Rent Type (Select from below)	Proposed Tenant Rent Amount	% Change (Proposed Tenant Rent vs. Current Tenant Rent)	Calculated Unadjusted MOHCD AMI (Proposed Tenant Gross Rent expressed as % of rent based on 100% AMI)	Rent Burden @ Proposed Tenant Gross Rent
1	Bayside 101		\$61							Manager									
2	Bayside 102	\$1,064	\$1,116	47.9%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$1,064	0.0%	47.9%	30.6%
3	Bayside 103	\$455	\$507	21.7%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$455	0.0%	21.7%	31.2%
4	Bayside 104	\$252	\$304	13.0%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$252	0.0%	13.0%	32.1%
5	Bayside 105	\$450	\$502	21.5%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$450	0.0%	21.5%	31.2%
6	Bayside 106	\$442	\$494	21.2%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$442	0.0%	21.2%	31.3%
7	Bayside 107	\$251	\$303	13.0%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$251	0.0%	13.0%	32.1%
8	Bayside 108	\$267	\$319	13.7%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$267	0.0%	13.7%	32.0%
9	Bayside 109	\$3	\$55	2.4%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$3	0.0%	2.4%	107.7%
10	Bayside 110	\$257	\$309	13.3%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$257	0.0%	13.3%	32.1%
11	Bayside 201	\$192	\$244	10.5%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$192	0.0%	10.5%	32.7%
12	Bayside 202	\$251	\$303	13.0%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$251	0.0%	13.0%	32.1%
13	Bayside 203	\$407	\$459	19.7%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$407	0.0%	19.7%	31.4%
14	Bayside 204	\$251	\$303	13.0%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$251	0.0%	13.0%	32.1%
15	Bayside 205	\$251	\$303	13.0%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$251	0.0%	13.0%	32.1%
16	Bayside 206	\$251	\$303	13.0%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$251	0.0%	13.0%	32.1%
17	Bayside 207	\$251	\$303	13.0%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$251	0.0%	13.0%	32.1%
18	Bayside 208	\$251	\$303	13.0%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$251	0.0%	13.0%	32.1%
19	Bayside 209	\$251	\$303	13.0%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$251	0.0%	13.0%	32.1%
20	Bayside 210	\$257	\$309	13.3%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$257	0.0%	13.3%	32.1%
21	Bayside 211	\$442	\$494	21.2%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$442	0.0%	21.2%	31.3%
22	Bayside 301	\$442	\$494	21.2%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$442	0.0%	21.2%	31.3%
23	Bayside 302	\$257	\$309	13.3%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$257	0.0%	13.3%	32.1%
24	Bayside 303	\$256	\$308	13.2%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$256	0.0%	13.2%	32.0%
25	Bayside 304	\$251	\$303	13.0%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$251	0.0%	13.0%	32.1%
26	Bayside 305	\$442	\$494	21.2%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$442	0.0%	21.2%	31.3%
27	Bayside 306	\$386	\$438	18.8%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$386	0.0%	18.8%	25.6%
28	Bayside 307	\$257	\$309	13.3%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$257	0.0%	13.3%	32.1%
29	Bayside 308	\$251	\$303	13.0%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$251	0.0%	13.0%	32.1%
30	Bayside 309	\$386	\$438	18.8%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$386	0.0%	18.8%	31.5%
31	Bayside 310	\$257	\$309	13.3%				\$2,400	\$2,348	Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$913	\$257	0.0%	13.3%	32.1%
32	Tower 1	\$252	\$252	14.4%						Manager									
33	Tower 2	\$281	\$281	16.1%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$281	0.0%	16.1%	29.8%
34	Tower 3	\$0	\$0							Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$0	0.0%		
35	Tower 5	\$324	\$324	18.5%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$324	0.0%	18.5%	20.5%
36	Tower 6	\$439	\$439	25.1%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$439	0.0%	25.1%	54.0%
37	Tower 7	\$331	\$331	18.9%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$331	0.0%	18.9%	41.8%
38	Tower 8	\$0	\$0							Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$0	0.0%		
39	Tower 9	\$0	\$0							Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$0	0.0%		
40	Tower 10	\$295	\$295	16.9%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$295	0.0%	16.9%	31.3%
41	Tower 11	\$192	\$192	11.0%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$192	0.0%	11.0%	22.6%
42	Tower 12	\$248	\$248	14.2%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$248	0.0%	14.2%	24.4%
43	Tower 14	\$0	\$0							Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$0	0.0%		
44	Tower 15	\$265	\$265	15.2%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$265	0.0%	15.2%	13.1%
45	Tower 16	\$257	\$257	14.7%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$257	0.0%	14.7%	15.0%
46	Tower 17	\$265	\$265	15.2%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$265	0.0%	15.2%	28.1%
47	Tower 18	\$258	\$258	14.8%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$258	0.0%	14.8%	29.7%
48	Tower 19	\$426	\$426	24.4%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$426	0.0%	24.4%	33.8%
49	Tower 20	\$232	\$232	13.3%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$232	0.0%	13.3%	11.8%
50	Tower 21	\$0	\$0							Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$474	\$0	0.0%		
51	Tower 22	\$307	\$307	17.6%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$307	0.0%	17.6%	31.8%
52	Tower 23	\$0	\$0							Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$0	0.0%		
53	Tower 24	\$302	\$302	17.3%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$302	0.0%	17.3%	27.7%
54	Tower 25	\$331	\$331	18.9%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$331	0.0%	18.9%	34.3%
55	Tower 26	\$0	\$0							Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$0	0.0%		
56	Tower 27	\$448	\$448	25.6%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$448	0.0%	25.6%	46.5%
57	Tower 28	\$270	\$270	15.4%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$270	0.0%	15.4%	23.3%
58	Tower 29	\$427	\$427	24.4%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$427	0.0%	24.4%	45.2%
59	Tower 30	\$237	\$237	13.6%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$237	0.0%	13.6%	58.3%
60	Tower 31	\$435	\$435	24.9%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$435	0.0%	24.9%	10.3%
61	Tower 32	\$274	\$274	15.7%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$274	0.0%	15.7%	41.9%
62	Tower 33	\$0	\$0							Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$0	0.0%		
63	Tower 34	\$338	\$338	19.3%						Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$338	0.0%	19.3%	32.9%
64	Tower 35	\$0	\$0							Restricted	80%	\$1,399	\$1,399	Current Tenant Rent	\$645	\$0	0.0%		
65	Consort 1	\$273	\$325	13.9%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$273	0.0%	13.9%	8.3%
66	Consort 2	\$593	\$644	24.2%						Restricted	80%	\$2,131	\$2,070	Current Tenant Rent	\$630	\$593	0.0%	24.2%	23.1%
67	Consort 3	\$446	\$498	21.4%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$446	0.0%	21.4%	31.3%
68	Consort 4	\$446	\$498	21.4%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$446	0.0%	21.4%	31.1%
69	Consort 5	\$448	\$500	21.4%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$448	0.0%	21.4%	12.2%
70	Consort 6	\$446	\$498	21.4%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$446	0.0%	21.4%	31.5%
71	Consort 7	\$52	\$52							Manager									
72	Consort 8	\$573	\$634	23.8%						Restricted	80%	\$2,131	\$2,070	Current Tenant Rent	\$630	\$573	0.0%	23.8%	62.1%

73	Conсор 9	Restricted	Studio	9/1/2020	\$43,482	2	41%	none		\$52
74	Conсор 10	Restricted	1BR	3/1/2020	\$19,241	2	18%	none		\$61
75	Conсор 11	Restricted	Studio	3/1/2020	\$16,666	1	18%	none		\$52
76	Conсор 12	Restricted	Studio	6/1/2020	\$34,213	1	37%	none		\$52
77	Conсор 14	Restricted	Studio	8/1/2020	\$18,985	2	18%	none		\$52
78	Conсор 15	Restricted	Studio	3/1/2020	\$9,516	1	10%	none		\$52
79	Conсор 16	Restricted	Studio	8/1/2020	\$17,206	1	18%	none		\$52
80	Conсор 17	Restricted	1BR	3/1/2020	\$58,661	3	49%	none		\$61
81	Conсор 18	Restricted	Studio	12/1/2020	\$14,861	2	14%	none		\$52
82	Conсор 19	Restricted	1BR	4/1/2020	\$19,235	2	18%	none		\$61
83	Conсор 20	Restricted	Studio	9/1/2020	\$11,324	1	12%	none		\$52
84	Conсор 21	Restricted	Studio	7/1/2020	\$18,940	1	20%	none		\$52
85	Conсор 22	Restricted	Studio	6/23/2020	\$11,024	2	10%	none		\$52
86	Conсор 24	Restricted	Studio	10/1/2020	\$7,124	1	8%	none		\$52
87	Conсор 25	Restricted	Studio	5/1/2020	\$52,581	1	56%	none		\$52
88	Conсор 26	Restricted	1BR	8/1/2020	\$50,655	2	48%	none		\$61
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MOHCD Proforma - Existing Project Rent Roll

73	Conzor 9	\$446	\$498	21.4%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$446	0.0%	21.4%	13.7%
74	Conzor 10	\$460	\$521	19.6%						Restricted	80%	\$2,131	\$2,070	Current Tenant Rent	\$630	\$460	0.0%	19.6%	32.5%
75	Conzor 11	\$446	\$498	21.4%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$446	0.0%	21.4%	35.9%
76	Conzor 12	\$397	\$449	19.3%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$397	0.0%	19.3%	15.7%
77	Conzor 14	\$412	\$464	19.9%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$412	0.0%	19.9%	29.3%
78	Conzor 15	\$433	\$485	20.8%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$433	0.0%	20.8%	61.2%
79	Conzor 16	\$446	\$498	21.4%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$446	0.0%	21.4%	34.7%
80	Conzor 17	\$590	\$651	24.4%						Restricted	80%	\$2,131	\$2,070	Current Tenant Rent	\$630	\$590	0.0%	24.4%	13.3%
81	Conzor 18	\$446	\$498	21.4%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$446	0.0%	21.4%	40.2%
82	Conzor 19	\$611	\$672	25.2%						Restricted	80%	\$2,131	\$2,070	Current Tenant Rent	\$630	\$611	0.0%	25.2%	41.9%
83	Conzor 20	\$446	\$498	21.4%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$446	0.0%	21.4%	52.8%
84	Conzor 21	\$380	\$432	18.5%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$380	0.0%	18.5%	27.4%
85	Conzor 22	\$446	\$498	21.4%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$446	0.0%	21.4%	54.2%
86	Conzor 24	\$380	\$432	18.5%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$380	0.0%	18.5%	72.8%
87	Conzor 25	\$446	\$498	21.4%						Restricted	80%	\$1,865	\$1,813	Current Tenant Rent	\$484	\$446	0.0%	21.4%	11.4%
88	Conzor 26	\$460	\$521	19.6%						Restricted	80%	\$2,131	\$2,070	Current Tenant Rent	\$630	\$460	0.0%	19.6%	12.3%
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MOHCD Proforma - Existing Project Rent Roll

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Application Date: 1/24/22 # Units: 88
 Project Name: Throughline Apartments # Bedrooms: 88
 Project Address: 777, 1204, 1525 Broadway, Mason, Grant St, A # Beds: 88
 Project Sponsor: Chinatown Community Development Center

SOURCES	800,000	125,391	-	-	-	-	-	Total Sources	925,391	Comments
		Predev Exp from RR up to 12/31/2019								
Name of Sources: MOHCD/OCII										

USES

ACQUISITION

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

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab										0	Include FF&E
Commercial Shell Construction										0	
Demolition										0	
Environmental Remediation										0	
Onsite Improvements/Landscaping										0	
Offsite Improvements										0	
Infrastructure Improvements										0	HOPE SF/OCII costs for streets etc.
Parking										0	
GC Bond Premium/GC Insurance/GC Taxes										0	
GC Overhead & Profit										0	
CG General Conditions										0	
<i>Sub-total Construction Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Design Contingency (remove at DD)										0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)										0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)										0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency										0	5% new construction / 15% rehab
<i>Sub-total Construction Contingencies</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0	0	0	0	0	

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design

Architect design fees	300,000	115,141								415,141	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)										0	
Architect Construction Admin										0	
Reimbursables										0	
Additional Services										0	
<i>Sub-total Architect Contract</i>	<i>300,000</i>	<i>115,141</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>415,141</i>	
Other Third Party design consultants (not included under Architect contract)											Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	300,000	115,141	0	0	0	0	0	0	0	415,141	

Engineering & Environmental Studies

Survey	19,500									19,500	
Geotechnical studies										0	
Phase I & II Reports	65,000									65,000	
CEQA / Environmental Review consultants	10,000									10,000	
NEPA / 105 Review										0	
CNA/PNA (rehab only)										0	
Other environmental consultants										0	Name consultants & contract amounts
Total Engineering & Environmental Studies	94,500	0	0	0	0	0	0	0	0	94,500	

Financing Costs

Construction Financing Costs											
Construction Loan Origination Fee										0	
Construction Loan Interest										0	
Title & Recording										0	
CDLAC & CDIAC fees										0	
Bond Issuer Fees										0	
Other Bond Cost of Issuance										0	
Other Lender Costs (specify)										0	
<i>Sub-total Const. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Permanent Financing Costs											
Permanent Loan Origination Fee										0	
Credit Enhance. & Appl. Fee										0	
Title & Recording										0	
<i>Sub-total Perm. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	
Total Financing Costs	0	0	0	0	0	0	0	0	0	0	

Legal Costs

Borrower Legal fees	10,000									10,000	
Land Use / CEQA Attorney fees										0	
Tax Credit Counsel	15,000	5,000								20,000	
Bond Counsel	20,000									20,000	
Construction Lender Counsel										0	
Permanent Lender Counsel										0	
Other Legal (HUD Loan)	4,750	5,250								10,000	
Total Legal Costs	49,750	10,250	0	0	0	0	0	0	0	60,000	

Other Development Costs

Appraisal	20,000									20,000	
Market Study	19,500									19,500	
Insurance										0	
Property Taxes										0	
Accounting / Audit										0	
Organizational Costs	5,000									5,000	
Entitlement / Permit Fees	20,000									20,000	
Marketing / Rent-up										0	
Furnishings										0	
PGE / Utility Fees										0	
TCAC App / Alloc / Monitor Fees	54,581									54,581	
Financial Consultant fees	25,000									25,000	
Construction Management fees / Owner's Rep	40,000									40,000	
Security during Construction										0	
Relocation	71,669									71,669	
Other (Special Inspection / Testing)	20,000									20,000	
Other (specify)										0	
Other (specify)										0	
Total Other Development Costs	275,750	0	0	0	0	0	0	0	0	275,750	

Total Soft Cost Contingency as % of Total Soft Costs 9.5%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)	80,000	0	0	0	0	0	0	0	0	80,000	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	800,000	125,391	0	0	0	0	0	0	0	925,391	

RESERVES

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

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones										0	
Developer Fee - Cash-out At Risk										0	
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	0	0	0	0	0	0	0	0	0	

TOTAL DEVELOPMENT COST

	800,000	125,391	0	0	0	0	0	0	0	925,391	
Development Cost/Unit by Source	9,091	1,425	0	0	0	0	0	0	0	10,516	
Development Cost/Unit as % of TDC by Source	86.4%	13.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source

	0	0	0	0	0	0	0	0	0	0	
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Construction Cost (inc Const Contingency)/Unit By Source

	0	0	0	0	0	0	0	0	0	0	
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Construction Cost (inc Const Contingency)/SF

	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
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Possible non-eligible GO Bond/COP Amount:

	101,669										
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City Subsidy/Unit

	9,091										
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Tax Credit Equity Pricing:

	N/A										
--	-----	--	--	--	--	--	--	--	--	--	--

Construction Bond Amount:

	N/A										
--	-----	--	--	--	--	--	--	--	--	--	--

Construction Loan Term (in months):

	N/A										
--	-----	--	--	--	--	--	--	--	--	--	--

Construction Loan Interest Rate (as %):

	N/A										
--	-----	--	--	--	--	--	--	--	--	--	--

Application Date: 1/24/22 # Units: 88
 Project Name: Throughline Apartments # Bedrooms: 88
 Project Address: 777, 1204, 1525 Broadway, Mason, Grant St, St. # Beds: 88
 Project Sponsor: Chinatown Community Development Center

SOURCES	Total Sources											Comments	
	6,031,555	13,519,791	467,445	2,500,000	733,877	1,038,158	1,162,698	11,344	309,523	2,723,968	600,000		125,391
	PASS Loan	CDBG - New MOHCD	PASS Deferred Loan	Community Project Fund	Conservation 1981 CDBG debt	Tower 1983 CDBG debt	Bayview 1989 CDBG Site Acq debt	Conservation 2004 CDBG debt	CCDC Sponsor Loan	GP Proj Reserves	GP Proj Reserves (Hamlin)	Priority EIP from RR prior to 12/31/2019	

USES

Name of Sources:	MOHCD/OCI	PASS Loan	CDBG - New MOHCD	PASS Deferred Loan	Community Project Fund	Conservation 1981 CDBG debt	Tower 1983 CDBG debt	Bayview 1989 CDBG Site Acq debt	Conservation 2004 CDBG debt	CCDC Sponsor Loan	GP Proj Reserves	GP Proj Reserves (Hamlin)	Priority EIP from RR prior to 12/31/2019
ACQUISITION													
Acquisition cost or value													
Legal Closing costs / Broker's Fee													
Holding Costs													
Transfer Tax													
TOTAL ACQUISITION	0	0	0	0	0	0	0	0	0	0	0	0	0

CONSTRUCTION (HARD COSTS)

Unit Construction/Rehab		4,185,909	13,519,791								2,723,968		20,429,668	Include FF&E
Commercial Shell Construction													0	
Demolition													0	
Environmental Remediation													0	
Drainage/Improvement/Landscaping													0	
Offsite Improvements													0	
Infrastructure Improvements													0	HOPE SF/OCIL costs for streets etc.
Parking													0	
GC Bond Premium/GC Insurance/GC Taxes													0	
GC Overhead & Profit													0	
GIS General Conditions													0	
Sub-total Construction Costs	0	4,185,909	13,519,791	0	0	0	0	0	0	0	2,723,968	0	20,429,668	
Design Contingency (remove at DD)													0	0% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM
Bid Contingency (remove at bid)													0	0% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM
Plan Check Contingency (remove/reduce during Plan Review)													0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM
Hard Cost Construction Contingency		2,323,752	0	0	0	0	0	0	0	0	0	0	2,323,752	5% new construction / 15% rehab
Sub-total Construction Contingencies	0	2,323,752	0	0	0	0	0	0	0	0	0	0	2,323,752	
TOTAL CONSTRUCTION COSTS	0	6,509,701	13,519,791	0	0	0	0	0	0	0	2,723,968	0	22,753,460	

SOFT COSTS

Architecture & Design

Architect design fees					400,000								400,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)													300,000	
Architect Construction Admin													300,000	
Rememorials													0	
Additional Services													0	
Sub-total Architect Contract	0	0	0	0	700,000	0	0	0	0	0	0	0	700,000	
Other Third Party design consultants (not included under Architect contract)													195,000	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	0	195,000	0	0	700,000	0	0	0	0	0	0	0	895,000	

Engineering & Environmental Studies

Survey		10,000											10,000	
Geotechnical studies		20,000											20,000	
Phase I & II Reports		50,000											50,000	
CEQA / Environmental Review consultants													0	
NEPA / 106 Review													0	
CA/PA (rehab only)													0	
Other environmental consultants		15,000											15,000	Name consultants & contract amount
Total Engineering & Environmental Studies	0	105,000	0	0	0	0	0	0	0	0	0	0	105,000	

Financing Costs

Construction Financing Costs

Construction Loan Origination Fee													0	
Construction Loan Interest													0	
Title & Recording					40,000								40,000	
CLAC & CDAC fees													0	
Bond Issuance Fees													0	
Other Bond Cost of Issuance													0	
Construction/Perm Closing, Construction/Perm Lender Ex		98,750											98,750	
Sub-total Const. Financing Costs	0	136,750	0	0	0	0	0	0	0	0	0	0	136,750	

Permanent Financing Costs

Permanent Loan Origination Fee													108,238	
Credit Enhance. & Appl. Fee													0	
Title & Recording													0	
Sub-total Perm. Financing Costs	0	108,238	0	0	0	0	0	0	0	0	0	0	108,238	
Total Financing Costs	0	244,988	0	0	0	0	0	0	0	0	0	0	244,988	

Legal Costs

Business Legal fees													0	
Land Use / CEQA Attorney fees													0	
Tax Credit Counsel													0	
Bond Counsel													0	
Construction Lender Counsel		25,000											25,000	
Permanent Lender Counsel		15,000											15,000	
Other Legal (specify)													0	
Total Legal Costs	0	40,000	0	0	0	0	0	0	0	0	0	0	40,000	

Other Development Costs

Appraisal		30,000											30,000	
Market Study													0	
Insurance					200,000						100,000		300,000	
Property Taxes													10,000	
Accounting / Audit					10,000								10,000	
Organizational Costs													0	
Entitlement / Permit Fees		220,000											220,000	
Marketing / Rent-up			50,000										50,000	
Furnishings		78,800											78,800	25,000 unit - See MOHCD U/W Guidelines on http://sfmohcd.org/documents-reports-and-forms
PIE / Utility Fees													0	
FCAC App / Alloc / Monitor Fees													0	
Financial Consultant fees		50,000											50,000	
Construction Management fees / Owner's Rep		90,000											90,000	
Security during Construction													0	
Relocation		220,552		467,445	1,240,000								1,927,997	
Existing CDBG debts						733,877	1,038,158	1,162,698	11,344	309,523			2,946,077	Total Soft Cost
CCDC Sponsor Loan													309,523	Contingency as % of Total Soft Costs
Total Other Development Costs	0	687,352	0	467,445	1,500,000	733,877	1,038,158	1,162,698	11,344	309,523	0	100,000	6,010,397	2.1%

Soft Cost Contingency

Contingency (Arch, Eng, Fin, Legal & Other Dev)		163,513		50									163,563	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	0	1,433,854	0	467,445	2,200,050	733,877	1,038,158	1,162,698	11,344	309,523	0	100,000	7,456,949	

RESERVES

Operating Reserves					299,950								299,950	
Replacement Reserves		88,000											88,000	
Tenant Improvements Reserves													0	
Priority Loan Interest / Fees												125,391	125,391	
Other (specify)													0	
TOTAL RESERVES	0	88,000	0	0	299,950	0	0	0	0	0	0	0	125,391	513,341

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones												500,000	500,000	
Developer Fee - Cash-out At Risk													0	
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	0	0	0	0	0	0	0	0	0	0	0	500,000	500,000

TOTAL DEVELOPMENT COST

Development Cost/Unit by Source	0	8,031,555	13,519,791	467,445	2,500,000	733,877	1,038,158	1,162,698	11,344	309,523	2,723,968	600,000	125,391	31,223,750
Development Cost/Unit as % of TDC by Source	0%	25.7%	43.3%	1.5%	8.0%	2.4%	3.3%	3.7%	0.0%	1.0%	8.7%	1.9%	0.4%	100.0%

Acquisition Cost/Unit by Source

Construction Cost (inc. Const. Contingency)/Unit By Source	0	73,674	153,634	0	0	0	0	0	0	0	30,954	0	0	258,562
Construction Cost (inc. Const. Contingency)/SF	0.00	130.53	271.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	54.62	0.00	0.00	456.26

*Possible non-eligible GO Bond/COP Amount: City Subsidy/Unit

Tax Credit Equity Pricing	N/A
Construction Bond Amount	

Application Date: 1/24/22 # Commercial Spaces:
 Project Name: Throughline Apartments
 Project Address: 777, 1204, 1525 Broadway, Mason, Grant St, St, Ave.
 Project Sponsor: Chinatown Community Development Center

Don't forget to fill in D138:D140!

COMMERCIAL SPACE	Space 1	Space 2	Space 3	Space 4	Space 5	%age Total Building Costs in Commercial Budget
Commercial Use - Description						
Gross SF						Total Commercial SF

SOURCES	Total Sources					Comments
Name of Sources:						

USES	Total Sources					Comments
Name of Sources:						

ACQUISITION	Space 1	Space 2	Space 3	Space 4	Space 5	
Acquisition cost or value						0
Legal / Closing costs / Broker's Fee						0
Holding Costs						0
Transfer Tax						0
TOTAL ACQUISITION	0	0	0	0	0	0

CONSTRUCTION (HARD COSTS)	Space 1	Space 2	Space 3	Space 4	Space 5	
Unit Construction/Rehab						0
Commercial Warm Shell Construction						0
Commercial Cold Shell Construction						0
Demolition						0
Environmental Remediation						0
Onsite Improvements/Landscaping						0
Offsite Improvements						0
Infrastructure Improvements						0
Parking						0
GC Bond Premium/GC Insurance/GC Taxes						0
GC Overhead & Profit						0
CG General Conditions						0
<i>Sub-total Construction Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Design Contingency (remove at DD)						0
Bid Contingency (remove at bid)						0
Plan Check Contingency (remove/reduce during Plan Review)						0
Hard Cost Construction Contingency						0
<i>Sub-total Construction Contingencies</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL CONSTRUCTION COSTS	0	0	0	0	0	0

Construction line item costs as a % of hard costs

SOFT COSTS	Space 1	Space 2	Space 3	Space 4	Space 5	
Architecture & Design						
Architect design fees	0			0		0
Architecture design fees for Schematic Drawings for tenant-paid tenant improvements						0
Design Subconsultants to the Architect (incl. Fees)						0
Architect Construction Admin						0
Reimbursables						0
Additional Services						0
<i>Sub-total Architect Contract</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Other Third Party design consultants (not included under Architect contract)						0
Total Architecture & Design	0	0	0	0	0	0

See MOHCD A&E Fee Guidelines: <http://sfmohcd.org/documents-reports-and-forms>

Engineering & Environmental Studies						
Survey						0
Geotechnical studies						0
Phase I & II Reports						0
CEQA / Environmental Review consultants						0
NEPA / 106 Review						0
CNA/PNA (rehab only)						0
Other environmental consultants						0
Total Engineering & Environmental Studies	0	0	0	0	0	0

Name consultants & contract amounts

Financing Costs						
Construction Financing Costs						
Construction Loan Origination Fee						0
Construction Loan Interest						0
Title & Recording						0
CDLAC & CDIAC fees						0
Bond Issuer Fees						0
Other Bond Cost of Issuance						0
Other Lender Costs (specify)						0
<i>Sub-total Const. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Permanent Financing Costs						
Permanent Loan Origination Fee						0
Credit Enhance. & Appl. Fee						0
Title & Recording						0
Commercial Loan Origination Fee						0
<i>Sub-total Perm. Financing Costs</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total Financing Costs	0	0	0	0	0	0

Legal Costs						
Borrower Legal fees						0
Land Use / CEQA Attorney fees						0
Tax Credit Counsel						0
Bond Counsel						0
Construction Lender Counsel						0
Permanent Lender Counsel						0
Other Legal (specify)						0
Total Legal Costs	0	0	0	0	0	0

Other Development Costs						
Appraisal						0
Market Study						0
Insurance						0
Property Taxes						0
Accounting / Audit						0
Organizational Costs						0
Entitlement / Permit Fees						0
Marketing / Lease-up						0
Furnishings						0
PGE / Utility Fees						0
TCAC App / Alloc / Monitor Fees						0
Financial Consultant fees						0
Construction Management fees / Owner's Rep						0
Security during Construction						0
Relocation						0
Other (specify)						0
Other (specify)						0
Other (specify)						0
Total Other Development Costs	0	0	0	0	0	0

Total Soft Cost Contingency as % of Total Soft Costs

Soft Cost Contingency						
Contingency (Arch, Eng, Fin, Legal & Other Dev)						5%
TOTAL SOFT COSTS	0	0	0	0	0	0

RESERVES						
Operating Reserves						0
Replacement Reserves						0
Tenant Improvements Reserves						0
Commercial Lease-Up Reserves						0
Other (specify)						0
TOTAL RESERVES	0	0	0	0	0	0

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

TOTAL DEVELOPMENT COST	0	0	0	0	0	0
Development Cost/SF by Source						
Development Cost/Unit as % of TDC by Source						

Acquisition Cost/SF by Source						
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Construction Cost (inc Const Contingency)/SF By Source						
Construction Cost (inc Const Contingency)/SF						0.00

Commercial Loan Amount: Fill in with value or 'N/A' if not applicable.
 Commercial Loan Term (in years): Fill in with value or 'N/A' if not applicable.
 Commercial Interest Rate (as %): Fill in with value or 'N/A' if not applicable.

Throughline Apartments

Drop down menu to the right controls how much Net Commercial Revenue is contributed to the Residential Operating Budget. (100% is default, select another choice only if allowed by MOHCD policy.)

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	
Total # Units:		88																				
COMMERCIAL INCOME																						
Commercial Space 1		2.0%	87,060	87,060	87,060	88,801	90,577	92,389	94,237	96,121	98,044	100,005	102,005	104,045	106,126	108,248	110,413	112,621	114,874	117,171	119,515	121,905
Commercial Space 2		2.0%	36,000	36,000	36,000	36,720	37,454	38,203	38,968	39,747	40,542	41,353	42,180	43,023	43,884	44,761	45,657	46,570	47,501	48,451	49,420	50,409
Commercial Space 3		2.0%	24,720	24,720	24,720	25,214	25,719	26,233	26,758	27,293	27,839	28,396	28,963	29,543	30,134	30,736	31,351	31,978	32,618	33,270	33,935	34,614
Commercial Space 4		2.0%	15,648	15,648	15,648	15,961	16,280	16,606	16,938	17,277	17,622	17,975	18,334	18,701	19,075	19,456	19,845	20,242	20,647	21,060	21,481	21,911
Commercial Space 5		2.0%																				
Other Commercial Income		3.0%	14,832	15,277	15,277	15,277	15,277	15,277	15,735	15,735	15,735	16,207	16,207	16,207	16,207	16,207	16,207	16,207	16,694	16,694	16,694	16,694
Gross Potential Income			178,260	178,705	178,705	181,974	185,307	188,708	192,635	196,173	199,782	203,463	207,217	211,519	215,425	219,410	223,474	227,619	232,333	236,646	241,045	245,532
Rent/SF/Month:			\$1.66	\$1.66	\$1.66	\$1.69	\$1.73	\$1.76	\$1.80	\$1.83	\$1.87	\$1.91	\$1.94	\$1.98	\$2.02	\$2.06	\$2.11	\$2.15	\$2.19	\$2.23	\$2.28	\$2.32
Vacancy Loss - Commercial		n/a	(32,696)	(81,714)	(81,714)	(83,348)	(85,015)	(86,718)	(88,450)	(90,219)	(92,023)	(93,864)	(95,741)	(97,656)	(99,609)	(101,601)	(103,633)	(105,706)	(107,820)	(109,976)	(112,176)	(114,419)
EFFECTIVE GROSS INCOME			145,574	96,991	96,991	98,625	100,292	101,993	104,185	105,954	107,759	109,599	111,476	113,863	115,816	117,808	119,840	121,913	124,513	126,670	128,869	131,113
COMMERCIAL OPERATING EXPENSES																						
Management																						
Commercial Management Fee		3.0%	7,446	7,669	7,899	8,136	8,381	8,632	8,891	9,158	9,432	9,715	10,007	10,307	10,616	10,935	11,263	11,601	11,949	12,307	12,676	13,057
Sub-total Management Expenses			7,446	7,669	7,899	8,136	8,381	8,632	8,891	9,158	9,432	9,715	10,007	10,307	10,616	10,935	11,263	11,601	11,949	12,307	12,676	13,057
Utilities																						
Electricity		3.0%																				
Water		3.0%																				
Gas		3.0%																				
Sewer		3.0%																				
Sub-total Utilities																						
Taxes and Licenses																						
Real Estate Taxes		3.0%																				
Payroll Taxes		3.0%																				
Miscellaneous Taxes, Licenses and Permits		3.0%																				
Sub-total Taxes and Licenses																						
Insurance																						
Property and Liability Insurance		3.0%																				
Fidelity Bond Insurance		3.0%																				
Worker's Compensation		3.0%																				
Director's & Officers' Liability Insurance		3.0%																				
Sub-total Insurance																						
Maintenance & Repair																						
Payroll		3.0%																				
Supplies		3.0%																				
Contracts		3.0%																				
Garbage and Trash Removal		3.0%																				
Security Payroll/Contract		3.0%																				
HVAC Repairs and Maintenance		3.0%																				
Vehicle and Maintenance Equipment Operation and Repairs		3.0%																				
Miscellaneous Operating and Maintenance Expenses		3.0%																				
Sub-total Maintenance & Repair Expenses																						
Reserves/Ground Lease Base Rent/Bond Fees																						
Replacement Reserve Deposit																						
Operating Reserve Deposit																						
Other Required Reserve 1 Deposit																						
Other Required Reserve 2 Deposit																						
Sub-total Reserves/Ground Lease Base Rent/Bond Fees																						
TOTAL COMMERCIAL OPERATING EXPENSES			7,446	7,669	7,899	8,136	8,381	8,632	8,891	9,158	9,432	9,715	10,007	10,307	10,616	10,935	11,263	11,601	11,949	12,307	12,676	13,057
NET OPERATING INCOME (INCOME minus OP EXPENSES)			138,128	89,322	89,091	90,489	91,912	93,361	95,294	96,796	98,326	99,884	101,469	103,556	105,200	106,874	108,578	110,312	112,565	114,363	116,193	118,056
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																						
Hard Debt - First Lender																						
Hard Debt - Second Lender																						
Hard Debt - Third Lender																						
Hard Debt - Fourth Lender																						
TOTAL HARD DEBT SERVICE																						
CASH FLOW (NOI minus DEBT SERVICE)			138,128	89,322	89,091	90,489	91,912	93,361	95,294	96,796	98,326	99,884	101,469	103,556	105,200	106,874	108,578	110,312	112,565	114,363	116,193	118,056
REPLACEMENT RESERVE - RUNNING BALANCE																						
Replacement Reserve Starting Balance																						
Replacement Reserve Deposits																						
Replacement Reserve Withdrawals (ideally tied to CNA)																						
Replacement Reserve Interest																						
RR Running Balance																						
OPERATING RESERVE - RUNNING BALANCE																						
Operating Reserve Starting Balance																						
Operating Reserve Deposits																						
Operating Reserve Withdrawals																						
Operating Reserve Interest																						
OR Running Balance																						
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE																						
Other Reserve 1 Starting Balance																						
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																						

Application Date: 1/24/2022 Project Name: Throughline Apartments
 Total # Units: 88 Project Address: Ave.
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2023 Project Sponsor: Chinatown Community Development Center
Correct errors noted in Col N!

INCOME	Total	Comments
Residential - Tenant Rents	327,876	Links from 'Existing Proj - Rent Info' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	866,988	Links from 'Existing Proj - Rent Info' Worksheet
Commercial Space	163,428	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Residential Parking	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	640	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	1,500	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	14,832	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	
Gross Potential Income	1,375,264	
Vacancy Loss - Residential - Tenant Rents	(16,394)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	(43,349)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial	(32,686)	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	1,282,835	PUPA: 14,578

OPERATING EXPENSES		
Management		
Management Fee	72,405	1st Year to be set according to HUD schedule.
Asset Management Fee	0	
Sub-total Management Expenses	72,405	PUPA: 823

Salaries/Benefits		
Office Salaries	42,715	
Manager's Salary	61,250	
Health Insurance and Other Benefits	44,721	
Other Salaries/Benefits	3,914	
Administrative Rent-Free Unit	0	
Sub-total Salaries/Benefits	152,600	PUPA: 1,734

Administration		
Advertising and Marketing	3,000	
Office Expenses	29,626	Office supplies, Other Renting ex. Computer services, Telephone service
Office Rent	0	
Legal Expense - Property	3,000	
Audit Expense	23,570	
Bookkeeping/Accounting Services	10,032	
Bad Debts	8,393	
Miscellaneous	6,317	
Sub-total Administration Expenses	83,998	PUPA: 955

Utilities		
Electricity	35,166	
Water	27,523	
Gas	15,749	
Sewer	37,850	
Sub-total Utilities	116,288	PUPA: 1,321

Taxes and Licenses		
Real Estate Taxes	6,778	
Payroll Taxes	12,026	
Miscellaneous Taxes, Licenses and Permits	10,149	Misc Taxes, Licenses, Permits & Insurance; PASS Fee
Sub-total Taxes and Licenses	29,853	PUPA: 339

Insurance		
Property and Liability Insurance	87,012	
Fidelity Bond Insurance	0	
Worker's Compensation	0	
Director's & Officers' Liability Insurance	0	
Sub-total Insurance	87,012	PUPA: 989

Maintenance & Repair		
Payroll	65,000	
Supplies	0	
Contracts	101,892	Janitor, Janitor Supplies, Elev Maint, Extermin, Deco, Repairs
Garbage and Trash Removal	38,498	
Security Payroll/Contract	0	
HVAC Repairs and Maintenance	0	
Vehicle and Maintenance Equipment Operation and Repairs	0	
Miscellaneous Operating and Maintenance Expenses	0	
Sub-total Maintenance & Repair Expenses	205,390	PUPA: 2,334

Supportive Services	38,000	Tenant Services & Activities
Commercial Expenses	7,446	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES 792,992 PUPA: 9,011

Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent	0	lease with SFHA paid w/ See line 118
Bond Monitoring Fee	0	
Replacement Reserve Deposit	52,800	
Operating Reserve Deposit	0	
Other Required Reserve 1 Deposit	0	
Other Required Reserve 2 Deposit	0	
Required Reserve Deposits, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	52,800	PUPA: 600

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	845,792	PUPA: 9,611	Min DSCR: 1.09
NET OPERATING INCOME (INCOME minus OP EXPENSES)	437,043	PUPA: 4,966	Mortgage Rate: 5.00%
			Term (Years): 30
			Supportable 1st Mortgage Pmt: 400,957
			Supportable 1st Mortgage Amt: \$6,224,243
			Proposed 1st Mortgage Amt: \$8,031,555

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)		
Hard Debt - First Lender	322,454	MOHCD PASS Loan Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	0	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%
TOTAL HARD DEBT SERVICE	322,454	PUPA: 3,664

CASH FLOW (NOI minus DEBT SERVICE) 114,589

USES OF CASH FLOW BELOW (This row also shows DSCR.) 1.36

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)	22,670	
Partnership Management Fee (see policy for limits)	0	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	15,750	SFHA Air Rights lease paid from residual cash (1.4% of effective gross income)
Other Payments	0	
Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)	0	Provide additional comments here, if needed.
Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)	0	Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	Def. Develop. Fee split: 0% Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	38,420	PUPA: 437

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) 76,169

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

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. recs	\$13,839,707	100.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Ground Lease Value		0.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	50,779	67% of residual receipts, multiplied by 100% - MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	50,779	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 25,390

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

REMAINDER (should be zero unless there are distributions below)		
Owner Distributions/Incentive Management Fee	25,390	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses	0	
Final Balance (should be zero)	0	

		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
INCOME	% annual increase	Comments (related to annual inc assumptions)									
		Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
Other Reserve 2 Interest											
<i>Other Required Reserve 2 Running Balance</i>											

Throughline Apartments

Total # Units: 88

	% annual increase	Comments (related to annual inc assumptions)	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
			2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
INCOME												
Residential - Tenant Rents	2.0%		399,679	407,673	415,826	424,143	432,625	441,278	450,103	459,106	468,288	477,653
Residential - Tenant Assistance Payments (Non-LOSP)	2.0%		1,086,854	1,077,991	1,099,550	1,121,541	1,143,972	1,166,852	1,190,189	1,213,993	1,238,272	1,263,038
Commercial Space	2.0%	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%	191,482	195,312	199,218	203,202	207,266	211,412	215,640	219,953	224,352	228,839
Residential Parking			-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.0%		780	796	812	828	844	861	879	896	914	932
Supportive Services Income	2.0%		-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.0%		-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.0%		1,828	1,865	1,902	1,940	1,979	2,019	2,059	2,100	2,142	2,185
Tenant Charges	2.0%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.0%		-	-	-	-	-	-	-	-	-	-
Other Commercial Income	3.0%	from 'Commercial Op. Budget' Worksheet, Commercial to Residential allocation: 100%	15,735	16,207	16,207	16,207	16,207	16,207	16,694	16,694	16,694	16,694
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-	-
Gross Potential Income			1,666,358	1,699,843	1,733,516	1,767,862	1,802,895	1,838,629	1,875,563	1,912,741	1,950,662	1,989,341
Vacancy Loss - Residential - Tenant Rents	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(19,984)	(20,394)	(20,791)	(21,207)	(21,631)	(22,064)	(22,505)	(22,955)	(23,414)	(23,883)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a		(52,843)	(53,900)	(54,978)	(56,077)	(57,199)	(58,343)	(59,509)	(60,700)	(61,914)	(63,152)
Vacancy Loss - Commercial	n/a		(95,741)	(97,656)	(99,609)	(101,601)	(103,633)	(105,706)	(107,820)	(109,976)	(112,176)	(114,419)
EFFECTIVE GROSS INCOME			1,497,791	1,527,904	1,558,138	1,588,976	1,620,432	1,652,516	1,685,729	1,719,109	1,753,158	1,787,887

OPERATING EXPENSES

Management

Management Fee	3.0%	1st Year to be set according to HUD schedule.	97,306	100,225	103,232	106,329	109,519	112,805	116,189	119,674	123,265	126,963
Asset Management Fee	3.0%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-
Sub-total Management Expenses			97,306	100,225	103,232	106,329	109,519	112,805	116,189	119,674	123,265	126,963

Salaries/Benefits

Office Salaries	3.0%		57,405	59,128	60,901	62,728	64,610	66,549	68,545	70,601	72,719	74,901
Manager's Salary	3.0%		82,315	84,784	87,328	89,948	92,646	95,426	98,288	101,237	104,274	107,402
Health Insurance and Other Benefits	3.0%		60,101	61,904	63,761	65,674	67,645	69,674	71,764	73,917	76,135	78,419
Other Salaries/Benefits	3.0%		5,260	5,418	5,580	5,748	5,920	6,098	6,281	6,469	6,663	6,863
Administrative Rent-Free Unit	3.0%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits			205,081	211,234	217,571	224,098	230,821	237,746	244,878	252,225	259,791	267,585

Administration

Advertising and Marketing	3.0%		4,032	4,153	4,277	4,406	4,538	4,674	4,814	4,959	5,107	5,261
Office Expenses	3.0%		39,815	41,009	42,240	43,507	44,812	46,156	47,541	48,967	50,436	51,949
Office Rent	3.0%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.0%		4,032	4,153	4,277	4,406	4,538	4,674	4,814	4,959	5,107	5,261
Audit Expense	3.0%		31,676	32,626	33,605	34,613	35,652	36,721	37,823	38,958	40,126	41,330
Bookkeeping/Accounting Services	3.0%		13,482	13,887	14,303	14,732	15,174	15,630	16,098	16,581	17,079	17,591
Bad Debts	3.0%		11,279	11,618	11,966	12,325	12,695	13,076	13,468	13,872	14,289	14,717
Miscellaneous	3.0%		8,570	8,827	9,092	9,365	9,646	9,935	10,233	10,540	10,856	11,182
Sub-total Administration Expenses			112,886	116,273	119,761	123,354	127,055	130,866	134,792	138,836	143,001	147,291

Utilities

Electricity	3.0%		47,260	48,678	50,138	51,642	53,192	54,787	56,431	58,124	59,868	61,664
Water	3.0%		36,989	38,098	39,241	40,418	41,631	42,880	44,166	45,491	46,856	48,262
Gas	3.0%		21,165	21,800	22,454	23,128	23,822	24,536	25,273	26,031	26,812	27,616
Sewer	3.0%		50,867	52,393	53,965	55,584	57,252	58,969	60,738	62,560	64,437	66,370
Sub-total Utilities			156,281	160,970	165,799	170,773	175,896	181,173	186,608	192,206	197,973	203,912

Taxes and Licenses

Real Estate Taxes	3.0%		9,109	9,392	9,684	9,984	10,292	10,606	10,927	11,253	11,589	11,935
Payroll Taxes	3.0%		17,371	17,895	18,429	18,982	19,552	20,138	20,742	21,362	22,000	22,666
Miscellaneous Taxes, Licenses and Permits	3.0%		13,639	14,049	14,470	14,904	15,351	15,812	16,286	16,775	17,278	17,796
Sub-total Taxes and Licenses			40,119	41,324	42,563	43,840	45,155	46,510	47,905	49,342	50,823	52,347

Insurance

Property and Liability Insurance	3.0%		116,937	120,445	124,058	127,780	131,613	135,562	139,629	143,818	148,132	152,576
Fidelity Bond Insurance	3.0%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.0%		-	-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.0%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance			116,937	120,445	124,058	127,780	131,613	135,562	139,629	143,818	148,132	152,576

Maintenance & Repair

Payroll	3.0%		87,355	89,975	92,674	95,455	98,318	101,268	104,306	107,435	110,658	113,978
Supplies	3.0%		-	-	-	-	-	-	-	-	-	-
Contracts	3.0%		136,934	141,042	145,274	149,632	154,121	158,744	163,507	168,412	173,464	178,668
Garbage and Trash Removal	3.0%		51,738	53,290	54,889	56,536	58,232	59,979	61,778	63,631	65,540	67,506
Security Payroll/Contract	3.0%		-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.0%		-	-	-	-	-	-	-	-	-	-
Vehicle and Maintenance Equipment Operation and Repairs	3.0%		-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.0%		-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses			276,027	284,308	292,837	301,622	310,671	319,991	329,591	339,478	349,663	360,153

Supportive Services

Supportive Services	3.0%		51,069	52,601	54,179	55,804	57,478	59,203	60,979	62,808	64,692	66,633
Commercial Expenses			10,007	10,307	10,616	10,935	11,263	11,601	11,949	12,307	12,676	13,057

TOTAL OPERATING EXPENSES

TOTAL OPERATING EXPENSES			1,065,715	1,097,686	1,130,617	1,164,535	1,199,472	1,235,456	1,272,519	1,310,695	1,350,016	1,390,516
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Reserves/Ground Lease Base Rent/Bond Fees

	*iple cells.											
Ground Lease Base Rent	-	-	-	-	-	-	-	-	-	-	-	-
Bond Monitoring Fee	-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800
Operating Reserve Deposit	-	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit	-	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit	-	-	-	-	-	-	-	-	-	-	-	-
Required Reserve Deposits, Commercial	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800	52,800

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

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			1,118,515	1,150,486	1,183,417	1,217,335	1,252,272	1,288,256	1,325,319	1,363,495	1,402,816	1,443,316
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NET OPERATING INCOME (INCOME minus OP EXPENSES)

NET OPERATING INCOME (INCOME minus OP EXPENSES)			379,276	377,418	374,721	371,641	368,160	364,261	360,409	356,614	350,342	344,571
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DEBT SERVICE/MUST PAY PAYMENTS (hard debt/amortized loans)

	*iple cells.											
Hard Debt - First Lender	322,454	322,454	322,454	322,454	322,454	322,454	322,454	322,454	322,454	322,454	322,454	322,454
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE	322,454	322,454	322,454	322,454	322,454	322,454	322,454	322,454	322,454	322,454	322,454	322,454

CASH FLOW (NOI minus DEBT SERVICE)

CASH FLOW (NOI minus DEBT SERVICE)			56,822	54,964	52,267	49,187	45,706	41,807	37,955	33,160	27,888	22,117
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			Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
			2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
			Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
INCOME	% annual increase	Comments (related to annual inc assumptions)										
Other Reserve 2 Interest												
<i>Other Required Reserve 2 Running Balance</i>												

Throughline Apartments

Total # Units: 88

Year 20
2042

	% annual increase	Total
INCOME		
Residential - Tenant Rents	2.0%	477,653
Residential - Tenant Assistance Payments (Non-LOSP)	2.0%	1,263,038
Commercial Space	2.0%	228,639
Other Income	-	-
Gross Potential Income		1,989,341
Vacancy Loss - Residential - Tenant Rents	n/a	(23,883)
Vacancy Loss - Residential - Tenant Assistance Payment	n/a	(63,152)
Vacancy Loss - Commercial	n/a	(114,419)
EFFECTIVE GROSS INCOME		1,787,887

OPERATING EXPENSES		
Management	3.0%	126,963
Salaries/Benefits	3.0%	267,585
Administration	3.0%	147,291
Utilities	3.0%	203,912
Taxes and Licenses	3.0%	52,347
Insurance	3.0%	152,576
Maintenance & Repair	3.0%	360,153
Supportive Services	3.0%	66,633
Commercial Expenses	-	13,057

TOTAL OPERATING EXPENSES		1,390,516
Reserves/Ground Lease Base Rent/Bond Fees		
Ground Lease Base Rent		0
Bond Monitoring Fee		0
Replacement Reserve Deposit		52,800
Operating Reserve Deposit		0
Other Required Reserve 1 Deposit		0
Other Required Reserve 2 Deposit		0
Required Reserve Deposit/s, Commercial		0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees		52,800

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		1,443,316
NET OPERATING INCOME (INCOME minus OP EXPENSES)		344,571

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)		
Hard Debt - First Lender		322,454
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)		-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		-
Hard Debt - Fourth Lender		-
Commercial Hard Debt Service		-
TOTAL HARD DEBT SERVICE		322,454

CASH FLOW (NOI minus DEBT SERVICE)		22,117
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USES OF CASH FLOW BELOW (This row also shows DSCR.)		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL		
Deferred Developer Fee (Enter amt <= Max Fee from row 131)		-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	43,410
Partnership Management Fee (see policy for limits)	0.0%	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		-
Other Payments		-
Non-amortizing Loan Pmnt - Lender 1		-
Non-amortizing Loan Pmnt - Lender 2		-
TOTAL PAYMENTS PRECEDING MOHCD		43,410

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)		(21,293)
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Does Project have a MOHCD Residual Receipt Obligation?	Yes	
Will Project Defer Developer Fee?	No	
Residual Receipts split for all years. - Lender/Ownr	37%/133%	
	[Dist. Split]	
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	100.00%	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve		-
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	0.00%	-
Lender 4 Residual Receipts Due	0.00%	-
Lender 5 Residual Receipts Due	0.00%	-
Total Non-MOHCD Residual Receipts Debt Service		-

REMAINDER (Should be zero unless there are distributions below)		-
Owner Distributions/Incentive Management Fee		-
Other Distributions/Uses		-
Final Balance (should be zero)		-

RR Running Balance		1,056,000
OR Running Balance		-
Other Required Reserve 1 Running Balance		-
Other Required Reserve 2 Running Balance		-

DEFERRED DEVELOPER FEE - RUNNING BALANCE		
Developer Fee Starting Balance		-
Deferred Developer Fee Earned in Year		-
Developer Fee Remaining Balance		-

TOTAL DEVELOPER FEE BREAKDOWN			
RESIDENTIAL DEVELOPER FEE	Fee Percentage	Amount	Comments
Project Management Fee available during predevelopment and construction:	0%	\$0	
Project Management Fee available at risk (the "At Risk Fee"):	0%	\$0	
Additional Project Management Fee that is available at risk (the "At Risk Fee") to large projects over 100 units:	0%	\$0	\$10K per unit over 100 units allowed. If taking + \$1.1MM at risk fee for large projects, Sponsor to provide analysis that additional fee does not increase MOHCD loan.
General Partner Equity	100%	\$2,723,968	Minimum \$500K. +\$500k encouraged.
Deferred Developer Fee	0%	\$0	Deferred fee allowed when distribution changed to 50% and taking higher fee doesn't increase MOHCD's loan (see analysis below.)
TOTAL RESIDENTIAL DEVELOPER FEE	100%	\$2,723,968	
TOTAL COMMERCIAL DEVELOPER FEE		\$0	
TOTAL DEVELOPER FEE IN DEVELOPMENT BUDGET		\$2,723,968	

DISBURSEMENT MILESTONES FOR CASH-OUT DEVELOPER FEE			
Milestones for Disbursement for Residential Developer Fee payable for Project Management and At-Risk Fee	Fee Percentage	Amount Paid at Milestone	Comments
Project Management Fee: Acquisition/Predev	15%	\$0	<i>Gray areas show the totals in the MOHCD Developer Fee Policy</i>
Project Management Fee: Predev with no more than 35% of total Project Management Fee to be disbursed prior to construction closing (see breakdown below)	35%		<i>Gray areas show the totals in the MOHCD Developer Fee Policy</i>
Proj Mgt Fee portion 1 of 3: Predevelopment - Close of predevelopment financing	15%	\$0	<i>This amount will be part of this predev request and in the Developer Fee Agreement.</i>
Proj Mgt Fee portion 2 of 3: Predevelopment - Submission of HCD funding application	10%	\$0	<i>This amount will be part of this predev request and in the Developer Fee Agreement.</i>
Proj Mgt Fee portion 3 of 3: Predevelopment - Submission of joint CDLAC and TCAC application	10%	\$0	<i>This amount will be part of this predev request and in the Developer Fee Agreement.</i>
Project Management Fee: At Construction Closing	20%	\$0	<i>These amounts are shown for possible disbursement of the overall project developer fee.</i>
Project Management Fee: During Construction (disbursed upon request depending on % of construction completion) or Completion of Construction	20%	\$0	<i>Same as above.</i>
Project Management: Project Close-Out - Placed-In-Service application; 100% lease-up; City approval of sponsor's project completion report and documents; and City acceptance of final cost certification.	10%	\$0	<i>Same as above.</i>
TOTAL PROJECT MANAGEMENT FEE	100%	\$0	
At Risk Fee: 95% Leased Up and Draft Cost Certification	20%	\$0	These amounts are shown for possible disbursement of the overall project.
At Risk Fee: Permanent Loan Closing/Conversion (Final Cost Certification)	50%	\$0	
At Risk Fee: Project Close Out (See Project Management Project Close-Out milestone activities)	30%	\$0	
TOTAL AT-RISK FEE	100%	\$0	
Milestones for Disbursement Payable for Commercial Developer Fee			
	Fee Percentage	Amount Paid at Milestone	Comments
At completion of condominium subdivision mapping	25%	\$0	
Executed LOI with commercial tenant	25%	\$0	
Executed lease with commercial tenant	25%	\$0	Conditional and will not be paid no earlier than TCO.
Occupancy by commercial tenant provider	25%	\$0	
TOTAL COMMERCIAL DEVELOPER FEE	100%	\$0	See MOHCD Commercial Underwriting Guidelines for Total Allowed Commercial Developer Fee: http://sfmohcd.org/documents-reports-and-forms
TOTAL CASH-OUT DEVELOPER FEE		\$0	

ADDITIONAL DEVELOPER FEE ANALYSIS ON MOHCD/OCII GAP LOAN			
RESIDENTIAL DEVELOPER FEE		Amount	Comments
Additional Project Management Fee that is available at risk (the "At Risk Fee") to large projects over 100 units:		\$0	
General Partner Equity		\$2,723,968	
Deferred Developer Fee		\$0	
		\$2,723,968	SUBTOTAL OF RESIDENTIAL DEVELOPER FEE
Credit Rate		4.00%	
Pay-In		N/A	
QCT/DDA		100%	
Tax Credit Equity		#VALUE!	
Tax Credit Delivery Years		10	
		#VALUE!	ADDITIONAL EQUITY GENERATED
NET PRESENT VALUE OF CASH FLOW LOSS			
		Amount	Comments
10 Year Surplus Cash (no developer fee)		\$313,370	
Developer fee Generated through Year 11		\$0	
Upon Full Payment of Deferred Developer Fee - Surplus Cash Flow Split	66%	\$206,824	
Deferred Developer Fee - Surplus Cash Flow Split	50%	\$156,685	
Loss of Residual Receipts to MOHCD		\$50,139	
		\$50,119	NET PRESENT VALUE OF CASH FLOW LOSS
Additional Equity generated after paying for additional developer fee and loss of cash flow		#VALUE!	
DOES ADDITIONAL DEVELOPER FEE INCREASE THE MOHCD/OCII GAP LOAN?		#VALUE!	

PASS LOAN SCHEDULE & FEES

PROJECT INFO

Project Name:	Throughline Apartments	Closing Date:	3/1/2022
Sponsor:	Chinatown Community Development Center	First Payment Date:	4/1/2022
Total # Units:	88	Maturity Date:	3/1/2062

LOAN SIZING

Net Operating Income (NOI)			437,043						
Total Development Cost (TDC)			31,223,750						
Appraised Value			-						
Maximum Loan based on DSCR, LTV and LTC sizing Constraints:				Loan Amount					
Minimum DSCR	1.100	9,912,000.00		Term	40	40	40		
Maximum LTV	90.00%	-		Amort	40	40	40		
Maximum LTC	80.00%	24,979,000.00		Rate	3.87289%	0.95763%	0.95763%		
		Maximum PASS Loan	-	Annual Payment	-	-	-		
		U/W PASS Loan (\$1,000 denominations)	-	Monthly Payment	-	-	-		
				Amortized	-	-	-		
CCSF TIC	2020 Series C	2.87289%		Balloon	-	-	-		
PASS Sizing TIC		2.57661%		DSCR	-	-	-		
Loan Term (years)		40.00		per unit	-	-	-		
Loan Amortization (years)		40.00							

LOAN FEES AND FEE ALLOCATION

Upfront Fees (capitalize in 4b.PermS&U)				Allocation %	0.00%	100.00%	0.00%	100.00%
Origination	a)	1.25% of PASS Loan b)	15,000.00	greater of a) or b)	-	15,000.00	-	15,000.00
City Attorney			15,000.00		-	15,000.00	-	15,000.00
Initial Compliance Monitoring	a)	0.05% of PASS Loan b)	2,500.00	greater of a) or b)	-	2,500.00	-	2,500.00
First Year Loan Servicing			2,500.00		-	2,500.00	-	2,500.00
					-	35,000.00	-	35,000.00
Ongoing Fees (include in 6.1stYrOpBudget)				Allocation %	0.00%	100.00%	0.00%	100.00%
Compliance Monitoring			2,500.00	per annum	-	2,500.00	-	2,500.00
Loan Servicing			2,500.00	per annum	-	2,500.00	-	2,500.00
					-	5,000.00	-	5,000.00

INTERIM INTEREST DUE AT CLOSING

Start Date	3/1/2022								
End Date	3/31/2022								
# Days Interest	30								
		Note Amount	Rate	Pier Diem	# Days Interest	Amount Due	Interest (Cost of Funds)	Interest (Admin Fees)	Principal
Market Rate Note		-	3.87289%	-	30	-	-	-	-
Below Market Rate Note		-	0.95763%	-	30	-	-	-	-
Deferred Note		-	0.95763%	-	30	-	-	-	-
Totals		-	-	-	-	-	-	-	-

Project Name: Throughline Apartments
Sponsor: Chinatown Community Development Center

Loan Amount	-
Rate	3.87289%
Term	40
Amortization	40
Monthly Payment	-

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
1	4/1/2022	-	-	-	-	-	-
2	5/1/2022	-	-	-	-	-	-
3	6/1/2022	-	-	-	-	-	-
4	7/1/2022	-	-	-	-	-	-
5	8/1/2022	-	-	-	-	-	-
6	9/1/2022	-	-	-	-	-	-
7	10/1/2022	-	-	-	-	-	-
8	11/1/2022	-	-	-	-	-	-
9	12/1/2022	-	-	-	-	-	-
10	1/1/2023	-	-	-	-	-	-
11	2/1/2023	-	-	-	-	-	-
12	3/1/2023	-	-	-	-	-	-
13	4/1/2023	-	-	-	-	-	-
14	5/1/2023	-	-	-	-	-	-
15	6/1/2023	-	-	-	-	-	-
16	7/1/2023	-	-	-	-	-	-
17	8/1/2023	-	-	-	-	-	-
18	9/1/2023	-	-	-	-	-	-
19	10/1/2023	-	-	-	-	-	-
20	11/1/2023	-	-	-	-	-	-
21	12/1/2023	-	-	-	-	-	-
22	1/1/2024	-	-	-	-	-	-
23	2/1/2024	-	-	-	-	-	-
24	3/1/2024	-	-	-	-	-	-
25	4/1/2024	-	-	-	-	-	-
26	5/1/2024	-	-	-	-	-	-
27	6/1/2024	-	-	-	-	-	-
28	7/1/2024	-	-	-	-	-	-
29	8/1/2024	-	-	-	-	-	-
30	9/1/2024	-	-	-	-	-	-
31	10/1/2024	-	-	-	-	-	-
32	11/1/2024	-	-	-	-	-	-
33	12/1/2024	-	-	-	-	-	-
34	1/1/2025	-	-	-	-	-	-
35	2/1/2025	-	-	-	-	-	-
36	3/1/2025	-	-	-	-	-	-
37	4/1/2025	-	-	-	-	-	-
38	5/1/2025	-	-	-	-	-	-
39	6/1/2025	-	-	-	-	-	-
40	7/1/2025	-	-	-	-	-	-
41	8/1/2025	-	-	-	-	-	-
42	9/1/2025	-	-	-	-	-	-
43	10/1/2025	-	-	-	-	-	-
44	11/1/2025	-	-	-	-	-	-
45	12/1/2025	-	-	-	-	-	-
46	1/1/2026	-	-	-	-	-	-
47	2/1/2026	-	-	-	-	-	-
48	3/1/2026	-	-	-	-	-	-
49	4/1/2026	-	-	-	-	-	-
50	5/1/2026	-	-	-	-	-	-
51	6/1/2026	-	-	-	-	-	-
52	7/1/2026	-	-	-	-	-	-
53	8/1/2026	-	-	-	-	-	-
54	9/1/2026	-	-	-	-	-	-
55	10/1/2026	-	-	-	-	-	-
56	11/1/2026	-	-	-	-	-	-
57	12/1/2026	-	-	-	-	-	-
58	1/1/2027	-	-	-	-	-	-

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
59	2/1/2027	-	-	-	-	-	-
60	3/1/2027	-	-	-	-	-	-
61	4/1/2027	-	-	-	-	-	-
62	5/1/2027	-	-	-	-	-	-
63	6/1/2027	-	-	-	-	-	-
64	7/1/2027	-	-	-	-	-	-
65	8/1/2027	-	-	-	-	-	-
66	9/1/2027	-	-	-	-	-	-
67	10/1/2027	-	-	-	-	-	-
68	11/1/2027	-	-	-	-	-	-
69	12/1/2027	-	-	-	-	-	-
70	1/1/2028	-	-	-	-	-	-
71	2/1/2028	-	-	-	-	-	-
72	3/1/2028	-	-	-	-	-	-
73	4/1/2028	-	-	-	-	-	-
74	5/1/2028	-	-	-	-	-	-
75	6/1/2028	-	-	-	-	-	-
76	7/1/2028	-	-	-	-	-	-
77	8/1/2028	-	-	-	-	-	-
78	9/1/2028	-	-	-	-	-	-
79	10/1/2028	-	-	-	-	-	-
80	11/1/2028	-	-	-	-	-	-
81	12/1/2028	-	-	-	-	-	-
82	1/1/2029	-	-	-	-	-	-
83	2/1/2029	-	-	-	-	-	-
84	3/1/2029	-	-	-	-	-	-
85	4/1/2029	-	-	-	-	-	-
86	5/1/2029	-	-	-	-	-	-
87	6/1/2029	-	-	-	-	-	-
88	7/1/2029	-	-	-	-	-	-
89	8/1/2029	-	-	-	-	-	-
90	9/1/2029	-	-	-	-	-	-
91	10/1/2029	-	-	-	-	-	-
92	11/1/2029	-	-	-	-	-	-
93	12/1/2029	-	-	-	-	-	-
94	1/1/2030	-	-	-	-	-	-
95	2/1/2030	-	-	-	-	-	-
96	3/1/2030	-	-	-	-	-	-
97	4/1/2030	-	-	-	-	-	-
98	5/1/2030	-	-	-	-	-	-
99	6/1/2030	-	-	-	-	-	-
100	7/1/2030	-	-	-	-	-	-
101	8/1/2030	-	-	-	-	-	-
102	9/1/2030	-	-	-	-	-	-
103	10/1/2030	-	-	-	-	-	-
104	11/1/2030	-	-	-	-	-	-
105	12/1/2030	-	-	-	-	-	-
106	1/1/2031	-	-	-	-	-	-
107	2/1/2031	-	-	-	-	-	-
108	3/1/2031	-	-	-	-	-	-
109	4/1/2031	-	-	-	-	-	-
110	5/1/2031	-	-	-	-	-	-
111	6/1/2031	-	-	-	-	-	-
112	7/1/2031	-	-	-	-	-	-
113	8/1/2031	-	-	-	-	-	-
114	9/1/2031	-	-	-	-	-	-
115	10/1/2031	-	-	-	-	-	-
116	11/1/2031	-	-	-	-	-	-
117	12/1/2031	-	-	-	-	-	-
118	1/1/2032	-	-	-	-	-	-
119	2/1/2032	-	-	-	-	-	-
120	3/1/2032	-	-	-	-	-	-
121	4/1/2032	-	-	-	-	-	-
122	5/1/2032	-	-	-	-	-	-
123	6/1/2032	-	-	-	-	-	-
124	7/1/2032	-	-	-	-	-	-
125	8/1/2032	-	-	-	-	-	-

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
126	9/1/2032	-	-	-	-	-	-
127	10/1/2032	-	-	-	-	-	-
128	11/1/2032	-	-	-	-	-	-
129	12/1/2032	-	-	-	-	-	-
130	1/1/2033	-	-	-	-	-	-
131	2/1/2033	-	-	-	-	-	-
132	3/1/2033	-	-	-	-	-	-
133	4/1/2033	-	-	-	-	-	-
134	5/1/2033	-	-	-	-	-	-
135	6/1/2033	-	-	-	-	-	-
136	7/1/2033	-	-	-	-	-	-
137	8/1/2033	-	-	-	-	-	-
138	9/1/2033	-	-	-	-	-	-
139	10/1/2033	-	-	-	-	-	-
140	11/1/2033	-	-	-	-	-	-
141	12/1/2033	-	-	-	-	-	-
142	1/1/2034	-	-	-	-	-	-
143	2/1/2034	-	-	-	-	-	-
144	3/1/2034	-	-	-	-	-	-
145	4/1/2034	-	-	-	-	-	-
146	5/1/2034	-	-	-	-	-	-
147	6/1/2034	-	-	-	-	-	-
148	7/1/2034	-	-	-	-	-	-
149	8/1/2034	-	-	-	-	-	-
150	9/1/2034	-	-	-	-	-	-
151	10/1/2034	-	-	-	-	-	-
152	11/1/2034	-	-	-	-	-	-
153	12/1/2034	-	-	-	-	-	-
154	1/1/2035	-	-	-	-	-	-
155	2/1/2035	-	-	-	-	-	-
156	3/1/2035	-	-	-	-	-	-
157	4/1/2035	-	-	-	-	-	-
158	5/1/2035	-	-	-	-	-	-
159	6/1/2035	-	-	-	-	-	-
160	7/1/2035	-	-	-	-	-	-
161	8/1/2035	-	-	-	-	-	-
162	9/1/2035	-	-	-	-	-	-
163	10/1/2035	-	-	-	-	-	-
164	11/1/2035	-	-	-	-	-	-
165	12/1/2035	-	-	-	-	-	-
166	1/1/2036	-	-	-	-	-	-
167	2/1/2036	-	-	-	-	-	-
168	3/1/2036	-	-	-	-	-	-
169	4/1/2036	-	-	-	-	-	-
170	5/1/2036	-	-	-	-	-	-
171	6/1/2036	-	-	-	-	-	-
172	7/1/2036	-	-	-	-	-	-
173	8/1/2036	-	-	-	-	-	-
174	9/1/2036	-	-	-	-	-	-
175	10/1/2036	-	-	-	-	-	-
176	11/1/2036	-	-	-	-	-	-
177	12/1/2036	-	-	-	-	-	-
178	1/1/2037	-	-	-	-	-	-
179	2/1/2037	-	-	-	-	-	-
180	3/1/2037	-	-	-	-	-	-
181	4/1/2037	-	-	-	-	-	-
182	5/1/2037	-	-	-	-	-	-
183	6/1/2037	-	-	-	-	-	-
184	7/1/2037	-	-	-	-	-	-
185	8/1/2037	-	-	-	-	-	-
186	9/1/2037	-	-	-	-	-	-
187	10/1/2037	-	-	-	-	-	-
188	11/1/2037	-	-	-	-	-	-
189	12/1/2037	-	-	-	-	-	-
190	1/1/2038	-	-	-	-	-	-
191	2/1/2038	-	-	-	-	-	-
192	3/1/2038	-	-	-	-	-	-

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
193	4/1/2038	-	-	-	-	-	-
194	5/1/2038	-	-	-	-	-	-
195	6/1/2038	-	-	-	-	-	-
196	7/1/2038	-	-	-	-	-	-
197	8/1/2038	-	-	-	-	-	-
198	9/1/2038	-	-	-	-	-	-
199	10/1/2038	-	-	-	-	-	-
200	11/1/2038	-	-	-	-	-	-
201	12/1/2038	-	-	-	-	-	-
202	1/1/2039	-	-	-	-	-	-
203	2/1/2039	-	-	-	-	-	-
204	3/1/2039	-	-	-	-	-	-
205	4/1/2039	-	-	-	-	-	-
206	5/1/2039	-	-	-	-	-	-
207	6/1/2039	-	-	-	-	-	-
208	7/1/2039	-	-	-	-	-	-
209	8/1/2039	-	-	-	-	-	-
210	9/1/2039	-	-	-	-	-	-
211	10/1/2039	-	-	-	-	-	-
212	11/1/2039	-	-	-	-	-	-
213	12/1/2039	-	-	-	-	-	-
214	1/1/2040	-	-	-	-	-	-
215	2/1/2040	-	-	-	-	-	-
216	3/1/2040	-	-	-	-	-	-
217	4/1/2040	-	-	-	-	-	-
218	5/1/2040	-	-	-	-	-	-
219	6/1/2040	-	-	-	-	-	-
220	7/1/2040	-	-	-	-	-	-
221	8/1/2040	-	-	-	-	-	-
222	9/1/2040	-	-	-	-	-	-
223	10/1/2040	-	-	-	-	-	-
224	11/1/2040	-	-	-	-	-	-
225	12/1/2040	-	-	-	-	-	-
226	1/1/2041	-	-	-	-	-	-
227	2/1/2041	-	-	-	-	-	-
228	3/1/2041	-	-	-	-	-	-
229	4/1/2041	-	-	-	-	-	-
230	5/1/2041	-	-	-	-	-	-
231	6/1/2041	-	-	-	-	-	-
232	7/1/2041	-	-	-	-	-	-
233	8/1/2041	-	-	-	-	-	-
234	9/1/2041	-	-	-	-	-	-
235	10/1/2041	-	-	-	-	-	-
236	11/1/2041	-	-	-	-	-	-
237	12/1/2041	-	-	-	-	-	-
238	1/1/2042	-	-	-	-	-	-
239	2/1/2042	-	-	-	-	-	-
240	3/1/2042	-	-	-	-	-	-
241	4/1/2042	-	-	-	-	-	-
242	5/1/2042	-	-	-	-	-	-
243	6/1/2042	-	-	-	-	-	-
244	7/1/2042	-	-	-	-	-	-
245	8/1/2042	-	-	-	-	-	-
246	9/1/2042	-	-	-	-	-	-
247	10/1/2042	-	-	-	-	-	-
248	11/1/2042	-	-	-	-	-	-
249	12/1/2042	-	-	-	-	-	-
250	1/1/2043	-	-	-	-	-	-
251	2/1/2043	-	-	-	-	-	-
252	3/1/2043	-	-	-	-	-	-
253	4/1/2043	-	-	-	-	-	-
254	5/1/2043	-	-	-	-	-	-
255	6/1/2043	-	-	-	-	-	-
256	7/1/2043	-	-	-	-	-	-
257	8/1/2043	-	-	-	-	-	-
258	9/1/2043	-	-	-	-	-	-
259	10/1/2043	-	-	-	-	-	-

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
260	11/1/2043	-	-	-	-	-	-
261	12/1/2043	-	-	-	-	-	-
262	1/1/2044	-	-	-	-	-	-
263	2/1/2044	-	-	-	-	-	-
264	3/1/2044	-	-	-	-	-	-
265	4/1/2044	-	-	-	-	-	-
266	5/1/2044	-	-	-	-	-	-
267	6/1/2044	-	-	-	-	-	-
268	7/1/2044	-	-	-	-	-	-
269	8/1/2044	-	-	-	-	-	-
270	9/1/2044	-	-	-	-	-	-
271	10/1/2044	-	-	-	-	-	-
272	11/1/2044	-	-	-	-	-	-
273	12/1/2044	-	-	-	-	-	-
274	1/1/2045	-	-	-	-	-	-
275	2/1/2045	-	-	-	-	-	-
276	3/1/2045	-	-	-	-	-	-
277	4/1/2045	-	-	-	-	-	-
278	5/1/2045	-	-	-	-	-	-
279	6/1/2045	-	-	-	-	-	-
280	7/1/2045	-	-	-	-	-	-
281	8/1/2045	-	-	-	-	-	-
282	9/1/2045	-	-	-	-	-	-
283	10/1/2045	-	-	-	-	-	-
284	11/1/2045	-	-	-	-	-	-
285	12/1/2045	-	-	-	-	-	-
286	1/1/2046	-	-	-	-	-	-
287	2/1/2046	-	-	-	-	-	-
288	3/1/2046	-	-	-	-	-	-
289	4/1/2046	-	-	-	-	-	-
290	5/1/2046	-	-	-	-	-	-
291	6/1/2046	-	-	-	-	-	-
292	7/1/2046	-	-	-	-	-	-
293	8/1/2046	-	-	-	-	-	-
294	9/1/2046	-	-	-	-	-	-
295	10/1/2046	-	-	-	-	-	-
296	11/1/2046	-	-	-	-	-	-
297	12/1/2046	-	-	-	-	-	-
298	1/1/2047	-	-	-	-	-	-
299	2/1/2047	-	-	-	-	-	-
300	3/1/2047	-	-	-	-	-	-
301	4/1/2047	-	-	-	-	-	-
302	5/1/2047	-	-	-	-	-	-
303	6/1/2047	-	-	-	-	-	-
304	7/1/2047	-	-	-	-	-	-
305	8/1/2047	-	-	-	-	-	-
306	9/1/2047	-	-	-	-	-	-
307	10/1/2047	-	-	-	-	-	-
308	11/1/2047	-	-	-	-	-	-
309	12/1/2047	-	-	-	-	-	-
310	1/1/2048	-	-	-	-	-	-
311	2/1/2048	-	-	-	-	-	-
312	3/1/2048	-	-	-	-	-	-
313	4/1/2048	-	-	-	-	-	-
314	5/1/2048	-	-	-	-	-	-
315	6/1/2048	-	-	-	-	-	-
316	7/1/2048	-	-	-	-	-	-
317	8/1/2048	-	-	-	-	-	-
318	9/1/2048	-	-	-	-	-	-
319	10/1/2048	-	-	-	-	-	-
320	11/1/2048	-	-	-	-	-	-
321	12/1/2048	-	-	-	-	-	-
322	1/1/2049	-	-	-	-	-	-
323	2/1/2049	-	-	-	-	-	-
324	3/1/2049	-	-	-	-	-	-
325	4/1/2049	-	-	-	-	-	-
326	5/1/2049	-	-	-	-	-	-

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
327	6/1/2049	-	-	-	-	-	-
328	7/1/2049	-	-	-	-	-	-
329	8/1/2049	-	-	-	-	-	-
330	9/1/2049	-	-	-	-	-	-
331	10/1/2049	-	-	-	-	-	-
332	11/1/2049	-	-	-	-	-	-
333	12/1/2049	-	-	-	-	-	-
334	1/1/2050	-	-	-	-	-	-
335	2/1/2050	-	-	-	-	-	-
336	3/1/2050	-	-	-	-	-	-
337	4/1/2050	-	-	-	-	-	-
338	5/1/2050	-	-	-	-	-	-
339	6/1/2050	-	-	-	-	-	-
340	7/1/2050	-	-	-	-	-	-
341	8/1/2050	-	-	-	-	-	-
342	9/1/2050	-	-	-	-	-	-
343	10/1/2050	-	-	-	-	-	-
344	11/1/2050	-	-	-	-	-	-
345	12/1/2050	-	-	-	-	-	-
346	1/1/2051	-	-	-	-	-	-
347	2/1/2051	-	-	-	-	-	-
348	3/1/2051	-	-	-	-	-	-
349	4/1/2051	-	-	-	-	-	-
350	5/1/2051	-	-	-	-	-	-
351	6/1/2051	-	-	-	-	-	-
352	7/1/2051	-	-	-	-	-	-
353	8/1/2051	-	-	-	-	-	-
354	9/1/2051	-	-	-	-	-	-
355	10/1/2051	-	-	-	-	-	-
356	11/1/2051	-	-	-	-	-	-
357	12/1/2051	-	-	-	-	-	-
358	1/1/2052	-	-	-	-	-	-
359	2/1/2052	-	-	-	-	-	-
360	3/1/2052	-	-	-	-	-	-
361	4/1/2052	-	-	-	-	-	-
362	5/1/2052	-	-	-	-	-	-
363	6/1/2052	-	-	-	-	-	-
364	7/1/2052	-	-	-	-	-	-
365	8/1/2052	-	-	-	-	-	-
366	9/1/2052	-	-	-	-	-	-
367	10/1/2052	-	-	-	-	-	-
368	11/1/2052	-	-	-	-	-	-
369	12/1/2052	-	-	-	-	-	-
370	1/1/2053	-	-	-	-	-	-
371	2/1/2053	-	-	-	-	-	-
372	3/1/2053	-	-	-	-	-	-
373	4/1/2053	-	-	-	-	-	-
374	5/1/2053	-	-	-	-	-	-
375	6/1/2053	-	-	-	-	-	-
376	7/1/2053	-	-	-	-	-	-
377	8/1/2053	-	-	-	-	-	-
378	9/1/2053	-	-	-	-	-	-
379	10/1/2053	-	-	-	-	-	-
380	11/1/2053	-	-	-	-	-	-
381	12/1/2053	-	-	-	-	-	-
382	1/1/2054	-	-	-	-	-	-
383	2/1/2054	-	-	-	-	-	-
384	3/1/2054	-	-	-	-	-	-
385	4/1/2054	-	-	-	-	-	-
386	5/1/2054	-	-	-	-	-	-
387	6/1/2054	-	-	-	-	-	-
388	7/1/2054	-	-	-	-	-	-
389	8/1/2054	-	-	-	-	-	-
390	9/1/2054	-	-	-	-	-	-
391	10/1/2054	-	-	-	-	-	-
392	11/1/2054	-	-	-	-	-	-
393	12/1/2054	-	-	-	-	-	-

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
394	1/1/2055	-	-	-	-	-	-
395	2/1/2055	-	-	-	-	-	-
396	3/1/2055	-	-	-	-	-	-
397	4/1/2055	-	-	-	-	-	-
398	5/1/2055	-	-	-	-	-	-
399	6/1/2055	-	-	-	-	-	-
400	7/1/2055	-	-	-	-	-	-
401	8/1/2055	-	-	-	-	-	-
402	9/1/2055	-	-	-	-	-	-
403	10/1/2055	-	-	-	-	-	-
404	11/1/2055	-	-	-	-	-	-
405	12/1/2055	-	-	-	-	-	-
406	1/1/2056	-	-	-	-	-	-
407	2/1/2056	-	-	-	-	-	-
408	3/1/2056	-	-	-	-	-	-
409	4/1/2056	-	-	-	-	-	-
410	5/1/2056	-	-	-	-	-	-
411	6/1/2056	-	-	-	-	-	-
412	7/1/2056	-	-	-	-	-	-
413	8/1/2056	-	-	-	-	-	-
414	9/1/2056	-	-	-	-	-	-
415	10/1/2056	-	-	-	-	-	-
416	11/1/2056	-	-	-	-	-	-
417	12/1/2056	-	-	-	-	-	-
418	1/1/2057	-	-	-	-	-	-
419	2/1/2057	-	-	-	-	-	-
420	3/1/2057	-	-	-	-	-	-
421	4/1/2057	-	-	-	-	-	-
422	5/1/2057	-	-	-	-	-	-
423	6/1/2057	-	-	-	-	-	-
424	7/1/2057	-	-	-	-	-	-
425	8/1/2057	-	-	-	-	-	-
426	9/1/2057	-	-	-	-	-	-
427	10/1/2057	-	-	-	-	-	-
428	11/1/2057	-	-	-	-	-	-
429	12/1/2057	-	-	-	-	-	-
430	1/1/2058	-	-	-	-	-	-
431	2/1/2058	-	-	-	-	-	-
432	3/1/2058	-	-	-	-	-	-
433	4/1/2058	-	-	-	-	-	-
434	5/1/2058	-	-	-	-	-	-
435	6/1/2058	-	-	-	-	-	-
436	7/1/2058	-	-	-	-	-	-
437	8/1/2058	-	-	-	-	-	-
438	9/1/2058	-	-	-	-	-	-
439	10/1/2058	-	-	-	-	-	-
440	11/1/2058	-	-	-	-	-	-
441	12/1/2058	-	-	-	-	-	-
442	1/1/2059	-	-	-	-	-	-
443	2/1/2059	-	-	-	-	-	-
444	3/1/2059	-	-	-	-	-	-
445	4/1/2059	-	-	-	-	-	-
446	5/1/2059	-	-	-	-	-	-
447	6/1/2059	-	-	-	-	-	-
448	7/1/2059	-	-	-	-	-	-
449	8/1/2059	-	-	-	-	-	-
450	9/1/2059	-	-	-	-	-	-
451	10/1/2059	-	-	-	-	-	-
452	11/1/2059	-	-	-	-	-	-
453	12/1/2059	-	-	-	-	-	-
454	1/1/2060	-	-	-	-	-	-
455	2/1/2060	-	-	-	-	-	-
456	3/1/2060	-	-	-	-	-	-
457	4/1/2060	-	-	-	-	-	-
458	5/1/2060	-	-	-	-	-	-
459	6/1/2060	-	-	-	-	-	-
460	7/1/2060	-	-	-	-	-	-

EXHIBIT A

MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest (Cost of Funds)	Interest (Admin Fees)	Principal	Ending Balance
461	8/1/2060	-	-	-	-	-	-
462	9/1/2060	-	-	-	-	-	-
463	10/1/2060	-	-	-	-	-	-
464	11/1/2060	-	-	-	-	-	-
465	12/1/2060	-	-	-	-	-	-
466	1/1/2061	-	-	-	-	-	-
467	2/1/2061	-	-	-	-	-	-
468	3/1/2061	-	-	-	-	-	-
469	4/1/2061	-	-	-	-	-	-
470	5/1/2061	-	-	-	-	-	-
471	6/1/2061	-	-	-	-	-	-
472	7/1/2061	-	-	-	-	-	-
473	8/1/2061	-	-	-	-	-	-
474	9/1/2061	-	-	-	-	-	-
475	10/1/2061	-	-	-	-	-	-
476	11/1/2061	-	-	-	-	-	-
477	12/1/2061	-	-	-	-	-	-
478	1/1/2062	-	-	-	-	-	-
479	2/1/2062	-	-	-	-	-	-
480	3/1/2062	-	-	-	-	-	-

Project Name: Throughline Apartments
Sponsor: Chinatown Community Development Center

Loan Amount	-
Rate	0.95763%
Term	40
Amortization	40
Monthly Payment	-

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
1	4/1/2022	-	-	-	-	-
2	5/1/2022	-	-	-	-	-
3	6/1/2022	-	-	-	-	-
4	7/1/2022	-	-	-	-	-
5	8/1/2022	-	-	-	-	-
6	9/1/2022	-	-	-	-	-
7	10/1/2022	-	-	-	-	-
8	11/1/2022	-	-	-	-	-
9	12/1/2022	-	-	-	-	-
10	1/1/2023	-	-	-	-	-
11	2/1/2023	-	-	-	-	-
12	3/1/2023	-	-	-	-	-
13	4/1/2023	-	-	-	-	-
14	5/1/2023	-	-	-	-	-
15	6/1/2023	-	-	-	-	-
16	7/1/2023	-	-	-	-	-
17	8/1/2023	-	-	-	-	-
18	9/1/2023	-	-	-	-	-
19	10/1/2023	-	-	-	-	-
20	11/1/2023	-	-	-	-	-
21	12/1/2023	-	-	-	-	-
22	1/1/2024	-	-	-	-	-
23	2/1/2024	-	-	-	-	-
24	3/1/2024	-	-	-	-	-
25	4/1/2024	-	-	-	-	-
26	5/1/2024	-	-	-	-	-
27	6/1/2024	-	-	-	-	-
28	7/1/2024	-	-	-	-	-
29	8/1/2024	-	-	-	-	-
30	9/1/2024	-	-	-	-	-
31	10/1/2024	-	-	-	-	-
32	11/1/2024	-	-	-	-	-
33	12/1/2024	-	-	-	-	-
34	1/1/2025	-	-	-	-	-
35	2/1/2025	-	-	-	-	-
36	3/1/2025	-	-	-	-	-
37	4/1/2025	-	-	-	-	-
38	5/1/2025	-	-	-	-	-
39	6/1/2025	-	-	-	-	-
40	7/1/2025	-	-	-	-	-
41	8/1/2025	-	-	-	-	-
42	9/1/2025	-	-	-	-	-
43	10/1/2025	-	-	-	-	-
44	11/1/2025	-	-	-	-	-
45	12/1/2025	-	-	-	-	-
46	1/1/2026	-	-	-	-	-
47	2/1/2026	-	-	-	-	-
48	3/1/2026	-	-	-	-	-
49	4/1/2026	-	-	-	-	-
50	5/1/2026	-	-	-	-	-
51	6/1/2026	-	-	-	-	-
52	7/1/2026	-	-	-	-	-
53	8/1/2026	-	-	-	-	-
54	9/1/2026	-	-	-	-	-
55	10/1/2026	-	-	-	-	-
56	11/1/2026	-	-	-	-	-

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
57	12/1/2026	-	-	-	-	-
58	1/1/2027	-	-	-	-	-
59	2/1/2027	-	-	-	-	-
60	3/1/2027	-	-	-	-	-
61	4/1/2027	-	-	-	-	-
62	5/1/2027	-	-	-	-	-
63	6/1/2027	-	-	-	-	-
64	7/1/2027	-	-	-	-	-
65	8/1/2027	-	-	-	-	-
66	9/1/2027	-	-	-	-	-
67	10/1/2027	-	-	-	-	-
68	11/1/2027	-	-	-	-	-
69	12/1/2027	-	-	-	-	-
70	1/1/2028	-	-	-	-	-
71	2/1/2028	-	-	-	-	-
72	3/1/2028	-	-	-	-	-
73	4/1/2028	-	-	-	-	-
74	5/1/2028	-	-	-	-	-
75	6/1/2028	-	-	-	-	-
76	7/1/2028	-	-	-	-	-
77	8/1/2028	-	-	-	-	-
78	9/1/2028	-	-	-	-	-
79	10/1/2028	-	-	-	-	-
80	11/1/2028	-	-	-	-	-
81	12/1/2028	-	-	-	-	-
82	1/1/2029	-	-	-	-	-
83	2/1/2029	-	-	-	-	-
84	3/1/2029	-	-	-	-	-
85	4/1/2029	-	-	-	-	-
86	5/1/2029	-	-	-	-	-
87	6/1/2029	-	-	-	-	-
88	7/1/2029	-	-	-	-	-
89	8/1/2029	-	-	-	-	-
90	9/1/2029	-	-	-	-	-
91	10/1/2029	-	-	-	-	-
92	11/1/2029	-	-	-	-	-
93	12/1/2029	-	-	-	-	-
94	1/1/2030	-	-	-	-	-
95	2/1/2030	-	-	-	-	-
96	3/1/2030	-	-	-	-	-
97	4/1/2030	-	-	-	-	-
98	5/1/2030	-	-	-	-	-
99	6/1/2030	-	-	-	-	-
100	7/1/2030	-	-	-	-	-
101	8/1/2030	-	-	-	-	-
102	9/1/2030	-	-	-	-	-
103	10/1/2030	-	-	-	-	-
104	11/1/2030	-	-	-	-	-
105	12/1/2030	-	-	-	-	-
106	1/1/2031	-	-	-	-	-
107	2/1/2031	-	-	-	-	-
108	3/1/2031	-	-	-	-	-
109	4/1/2031	-	-	-	-	-
110	5/1/2031	-	-	-	-	-
111	6/1/2031	-	-	-	-	-
112	7/1/2031	-	-	-	-	-
113	8/1/2031	-	-	-	-	-
114	9/1/2031	-	-	-	-	-
115	10/1/2031	-	-	-	-	-
116	11/1/2031	-	-	-	-	-
117	12/1/2031	-	-	-	-	-
118	1/1/2032	-	-	-	-	-
119	2/1/2032	-	-	-	-	-
120	3/1/2032	-	-	-	-	-
121	4/1/2032	-	-	-	-	-

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
122	5/1/2032	-	-	-	-	-
123	6/1/2032	-	-	-	-	-
124	7/1/2032	-	-	-	-	-
125	8/1/2032	-	-	-	-	-
126	9/1/2032	-	-	-	-	-
127	10/1/2032	-	-	-	-	-
128	11/1/2032	-	-	-	-	-
129	12/1/2032	-	-	-	-	-
130	1/1/2033	-	-	-	-	-
131	2/1/2033	-	-	-	-	-
132	3/1/2033	-	-	-	-	-
133	4/1/2033	-	-	-	-	-
134	5/1/2033	-	-	-	-	-
135	6/1/2033	-	-	-	-	-
136	7/1/2033	-	-	-	-	-
137	8/1/2033	-	-	-	-	-
138	9/1/2033	-	-	-	-	-
139	10/1/2033	-	-	-	-	-
140	11/1/2033	-	-	-	-	-
141	12/1/2033	-	-	-	-	-
142	1/1/2034	-	-	-	-	-
143	2/1/2034	-	-	-	-	-
144	3/1/2034	-	-	-	-	-
145	4/1/2034	-	-	-	-	-
146	5/1/2034	-	-	-	-	-
147	6/1/2034	-	-	-	-	-
148	7/1/2034	-	-	-	-	-
149	8/1/2034	-	-	-	-	-
150	9/1/2034	-	-	-	-	-
151	10/1/2034	-	-	-	-	-
152	11/1/2034	-	-	-	-	-
153	12/1/2034	-	-	-	-	-
154	1/1/2035	-	-	-	-	-
155	2/1/2035	-	-	-	-	-
156	3/1/2035	-	-	-	-	-
157	4/1/2035	-	-	-	-	-
158	5/1/2035	-	-	-	-	-
159	6/1/2035	-	-	-	-	-
160	7/1/2035	-	-	-	-	-
161	8/1/2035	-	-	-	-	-
162	9/1/2035	-	-	-	-	-
163	10/1/2035	-	-	-	-	-
164	11/1/2035	-	-	-	-	-
165	12/1/2035	-	-	-	-	-
166	1/1/2036	-	-	-	-	-
167	2/1/2036	-	-	-	-	-
168	3/1/2036	-	-	-	-	-
169	4/1/2036	-	-	-	-	-
170	5/1/2036	-	-	-	-	-
171	6/1/2036	-	-	-	-	-
172	7/1/2036	-	-	-	-	-
173	8/1/2036	-	-	-	-	-
174	9/1/2036	-	-	-	-	-
175	10/1/2036	-	-	-	-	-
176	11/1/2036	-	-	-	-	-
177	12/1/2036	-	-	-	-	-
178	1/1/2037	-	-	-	-	-
179	2/1/2037	-	-	-	-	-
180	3/1/2037	-	-	-	-	-
181	4/1/2037	-	-	-	-	-
182	5/1/2037	-	-	-	-	-
183	6/1/2037	-	-	-	-	-
184	7/1/2037	-	-	-	-	-
185	8/1/2037	-	-	-	-	-
186	9/1/2037	-	-	-	-	-

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
187	10/1/2037	-	-	-	-	-
188	11/1/2037	-	-	-	-	-
189	12/1/2037	-	-	-	-	-
190	1/1/2038	-	-	-	-	-
191	2/1/2038	-	-	-	-	-
192	3/1/2038	-	-	-	-	-
193	4/1/2038	-	-	-	-	-
194	5/1/2038	-	-	-	-	-
195	6/1/2038	-	-	-	-	-
196	7/1/2038	-	-	-	-	-
197	8/1/2038	-	-	-	-	-
198	9/1/2038	-	-	-	-	-
199	10/1/2038	-	-	-	-	-
200	11/1/2038	-	-	-	-	-
201	12/1/2038	-	-	-	-	-
202	1/1/2039	-	-	-	-	-
203	2/1/2039	-	-	-	-	-
204	3/1/2039	-	-	-	-	-
205	4/1/2039	-	-	-	-	-
206	5/1/2039	-	-	-	-	-
207	6/1/2039	-	-	-	-	-
208	7/1/2039	-	-	-	-	-
209	8/1/2039	-	-	-	-	-
210	9/1/2039	-	-	-	-	-
211	10/1/2039	-	-	-	-	-
212	11/1/2039	-	-	-	-	-
213	12/1/2039	-	-	-	-	-
214	1/1/2040	-	-	-	-	-
215	2/1/2040	-	-	-	-	-
216	3/1/2040	-	-	-	-	-
217	4/1/2040	-	-	-	-	-
218	5/1/2040	-	-	-	-	-
219	6/1/2040	-	-	-	-	-
220	7/1/2040	-	-	-	-	-
221	8/1/2040	-	-	-	-	-
222	9/1/2040	-	-	-	-	-
223	10/1/2040	-	-	-	-	-
224	11/1/2040	-	-	-	-	-
225	12/1/2040	-	-	-	-	-
226	1/1/2041	-	-	-	-	-
227	2/1/2041	-	-	-	-	-
228	3/1/2041	-	-	-	-	-
229	4/1/2041	-	-	-	-	-
230	5/1/2041	-	-	-	-	-
231	6/1/2041	-	-	-	-	-
232	7/1/2041	-	-	-	-	-
233	8/1/2041	-	-	-	-	-
234	9/1/2041	-	-	-	-	-
235	10/1/2041	-	-	-	-	-
236	11/1/2041	-	-	-	-	-
237	12/1/2041	-	-	-	-	-
238	1/1/2042	-	-	-	-	-
239	2/1/2042	-	-	-	-	-
240	3/1/2042	-	-	-	-	-
241	4/1/2042	-	-	-	-	-
242	5/1/2042	-	-	-	-	-
243	6/1/2042	-	-	-	-	-
244	7/1/2042	-	-	-	-	-
245	8/1/2042	-	-	-	-	-
246	9/1/2042	-	-	-	-	-
247	10/1/2042	-	-	-	-	-
248	11/1/2042	-	-	-	-	-
249	12/1/2042	-	-	-	-	-
250	1/1/2043	-	-	-	-	-
251	2/1/2043	-	-	-	-	-

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
252	3/1/2043	-	-	-	-	-
253	4/1/2043	-	-	-	-	-
254	5/1/2043	-	-	-	-	-
255	6/1/2043	-	-	-	-	-
256	7/1/2043	-	-	-	-	-
257	8/1/2043	-	-	-	-	-
258	9/1/2043	-	-	-	-	-
259	10/1/2043	-	-	-	-	-
260	11/1/2043	-	-	-	-	-
261	12/1/2043	-	-	-	-	-
262	1/1/2044	-	-	-	-	-
263	2/1/2044	-	-	-	-	-
264	3/1/2044	-	-	-	-	-
265	4/1/2044	-	-	-	-	-
266	5/1/2044	-	-	-	-	-
267	6/1/2044	-	-	-	-	-
268	7/1/2044	-	-	-	-	-
269	8/1/2044	-	-	-	-	-
270	9/1/2044	-	-	-	-	-
271	10/1/2044	-	-	-	-	-
272	11/1/2044	-	-	-	-	-
273	12/1/2044	-	-	-	-	-
274	1/1/2045	-	-	-	-	-
275	2/1/2045	-	-	-	-	-
276	3/1/2045	-	-	-	-	-
277	4/1/2045	-	-	-	-	-
278	5/1/2045	-	-	-	-	-
279	6/1/2045	-	-	-	-	-
280	7/1/2045	-	-	-	-	-
281	8/1/2045	-	-	-	-	-
282	9/1/2045	-	-	-	-	-
283	10/1/2045	-	-	-	-	-
284	11/1/2045	-	-	-	-	-
285	12/1/2045	-	-	-	-	-
286	1/1/2046	-	-	-	-	-
287	2/1/2046	-	-	-	-	-
288	3/1/2046	-	-	-	-	-
289	4/1/2046	-	-	-	-	-
290	5/1/2046	-	-	-	-	-
291	6/1/2046	-	-	-	-	-
292	7/1/2046	-	-	-	-	-
293	8/1/2046	-	-	-	-	-
294	9/1/2046	-	-	-	-	-
295	10/1/2046	-	-	-	-	-
296	11/1/2046	-	-	-	-	-
297	12/1/2046	-	-	-	-	-
298	1/1/2047	-	-	-	-	-
299	2/1/2047	-	-	-	-	-
300	3/1/2047	-	-	-	-	-
301	4/1/2047	-	-	-	-	-
302	5/1/2047	-	-	-	-	-
303	6/1/2047	-	-	-	-	-
304	7/1/2047	-	-	-	-	-
305	8/1/2047	-	-	-	-	-
306	9/1/2047	-	-	-	-	-
307	10/1/2047	-	-	-	-	-
308	11/1/2047	-	-	-	-	-
309	12/1/2047	-	-	-	-	-
310	1/1/2048	-	-	-	-	-
311	2/1/2048	-	-	-	-	-
312	3/1/2048	-	-	-	-	-
313	4/1/2048	-	-	-	-	-
314	5/1/2048	-	-	-	-	-
315	6/1/2048	-	-	-	-	-
316	7/1/2048	-	-	-	-	-

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
317	8/1/2048	-	-	-	-	-
318	9/1/2048	-	-	-	-	-
319	10/1/2048	-	-	-	-	-
320	11/1/2048	-	-	-	-	-
321	12/1/2048	-	-	-	-	-
322	1/1/2049	-	-	-	-	-
323	2/1/2049	-	-	-	-	-
324	3/1/2049	-	-	-	-	-
325	4/1/2049	-	-	-	-	-
326	5/1/2049	-	-	-	-	-
327	6/1/2049	-	-	-	-	-
328	7/1/2049	-	-	-	-	-
329	8/1/2049	-	-	-	-	-
330	9/1/2049	-	-	-	-	-
331	10/1/2049	-	-	-	-	-
332	11/1/2049	-	-	-	-	-
333	12/1/2049	-	-	-	-	-
334	1/1/2050	-	-	-	-	-
335	2/1/2050	-	-	-	-	-
336	3/1/2050	-	-	-	-	-
337	4/1/2050	-	-	-	-	-
338	5/1/2050	-	-	-	-	-
339	6/1/2050	-	-	-	-	-
340	7/1/2050	-	-	-	-	-
341	8/1/2050	-	-	-	-	-
342	9/1/2050	-	-	-	-	-
343	10/1/2050	-	-	-	-	-
344	11/1/2050	-	-	-	-	-
345	12/1/2050	-	-	-	-	-
346	1/1/2051	-	-	-	-	-
347	2/1/2051	-	-	-	-	-
348	3/1/2051	-	-	-	-	-
349	4/1/2051	-	-	-	-	-
350	5/1/2051	-	-	-	-	-
351	6/1/2051	-	-	-	-	-
352	7/1/2051	-	-	-	-	-
353	8/1/2051	-	-	-	-	-
354	9/1/2051	-	-	-	-	-
355	10/1/2051	-	-	-	-	-
356	11/1/2051	-	-	-	-	-
357	12/1/2051	-	-	-	-	-
358	1/1/2052	-	-	-	-	-
359	2/1/2052	-	-	-	-	-
360	3/1/2052	-	-	-	-	-
361	4/1/2052	-	-	-	-	-
362	5/1/2052	-	-	-	-	-
363	6/1/2052	-	-	-	-	-
364	7/1/2052	-	-	-	-	-
365	8/1/2052	-	-	-	-	-
366	9/1/2052	-	-	-	-	-
367	10/1/2052	-	-	-	-	-
368	11/1/2052	-	-	-	-	-
369	12/1/2052	-	-	-	-	-
370	1/1/2053	-	-	-	-	-
371	2/1/2053	-	-	-	-	-
372	3/1/2053	-	-	-	-	-
373	4/1/2053	-	-	-	-	-
374	5/1/2053	-	-	-	-	-
375	6/1/2053	-	-	-	-	-
376	7/1/2053	-	-	-	-	-
377	8/1/2053	-	-	-	-	-
378	9/1/2053	-	-	-	-	-
379	10/1/2053	-	-	-	-	-
380	11/1/2053	-	-	-	-	-
381	12/1/2053	-	-	-	-	-

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
382	1/1/2054	-	-	-	-	-
383	2/1/2054	-	-	-	-	-
384	3/1/2054	-	-	-	-	-
385	4/1/2054	-	-	-	-	-
386	5/1/2054	-	-	-	-	-
387	6/1/2054	-	-	-	-	-
388	7/1/2054	-	-	-	-	-
389	8/1/2054	-	-	-	-	-
390	9/1/2054	-	-	-	-	-
391	10/1/2054	-	-	-	-	-
392	11/1/2054	-	-	-	-	-
393	12/1/2054	-	-	-	-	-
394	1/1/2055	-	-	-	-	-
395	2/1/2055	-	-	-	-	-
396	3/1/2055	-	-	-	-	-
397	4/1/2055	-	-	-	-	-
398	5/1/2055	-	-	-	-	-
399	6/1/2055	-	-	-	-	-
400	7/1/2055	-	-	-	-	-
401	8/1/2055	-	-	-	-	-
402	9/1/2055	-	-	-	-	-
403	10/1/2055	-	-	-	-	-
404	11/1/2055	-	-	-	-	-
405	12/1/2055	-	-	-	-	-
406	1/1/2056	-	-	-	-	-
407	2/1/2056	-	-	-	-	-
408	3/1/2056	-	-	-	-	-
409	4/1/2056	-	-	-	-	-
410	5/1/2056	-	-	-	-	-
411	6/1/2056	-	-	-	-	-
412	7/1/2056	-	-	-	-	-
413	8/1/2056	-	-	-	-	-
414	9/1/2056	-	-	-	-	-
415	10/1/2056	-	-	-	-	-
416	11/1/2056	-	-	-	-	-
417	12/1/2056	-	-	-	-	-
418	1/1/2057	-	-	-	-	-
419	2/1/2057	-	-	-	-	-
420	3/1/2057	-	-	-	-	-
421	4/1/2057	-	-	-	-	-
422	5/1/2057	-	-	-	-	-
423	6/1/2057	-	-	-	-	-
424	7/1/2057	-	-	-	-	-
425	8/1/2057	-	-	-	-	-
426	9/1/2057	-	-	-	-	-
427	10/1/2057	-	-	-	-	-
428	11/1/2057	-	-	-	-	-
429	12/1/2057	-	-	-	-	-
430	1/1/2058	-	-	-	-	-
431	2/1/2058	-	-	-	-	-
432	3/1/2058	-	-	-	-	-
433	4/1/2058	-	-	-	-	-
434	5/1/2058	-	-	-	-	-
435	6/1/2058	-	-	-	-	-
436	7/1/2058	-	-	-	-	-
437	8/1/2058	-	-	-	-	-
438	9/1/2058	-	-	-	-	-
439	10/1/2058	-	-	-	-	-
440	11/1/2058	-	-	-	-	-
441	12/1/2058	-	-	-	-	-
442	1/1/2059	-	-	-	-	-
443	2/1/2059	-	-	-	-	-
444	3/1/2059	-	-	-	-	-
445	4/1/2059	-	-	-	-	-
446	5/1/2059	-	-	-	-	-

EXHIBIT A

BELOW MARKET RATE LOAN AMORTIZATION SCHEDULE

Period	Date	Beginning Balance	Monthly Payment	Interest	Principal	Ending Balance
447	6/1/2059	-	-	-	-	-
448	7/1/2059	-	-	-	-	-
449	8/1/2059	-	-	-	-	-
450	9/1/2059	-	-	-	-	-
451	10/1/2059	-	-	-	-	-
452	11/1/2059	-	-	-	-	-
453	12/1/2059	-	-	-	-	-
454	1/1/2060	-	-	-	-	-
455	2/1/2060	-	-	-	-	-
456	3/1/2060	-	-	-	-	-
457	4/1/2060	-	-	-	-	-
458	5/1/2060	-	-	-	-	-
459	6/1/2060	-	-	-	-	-
460	7/1/2060	-	-	-	-	-
461	8/1/2060	-	-	-	-	-
462	9/1/2060	-	-	-	-	-
463	10/1/2060	-	-	-	-	-
464	11/1/2060	-	-	-	-	-
465	12/1/2060	-	-	-	-	-
466	1/1/2061	-	-	-	-	-
467	2/1/2061	-	-	-	-	-
468	3/1/2061	-	-	-	-	-
469	4/1/2061	-	-	-	-	-
470	5/1/2061	-	-	-	-	-
471	6/1/2061	-	-	-	-	-
472	7/1/2061	-	-	-	-	-
473	8/1/2061	-	-	-	-	-
474	9/1/2061	-	-	-	-	-
475	10/1/2061	-	-	-	-	-
476	11/1/2061	-	-	-	-	-
477	12/1/2061	-	-	-	-	-
478	1/1/2062	-	-	-	-	-
479	2/1/2062	-	-	-	-	-
480	3/1/2062	-	-	-	-	-

PASS REFI ANALYSIS

Payments and Equity Balance

PAS

Market Rate Loan

<u>PASS LOAN</u>	
Market Rate Note	-
Below Market Rate Note	-
Deferred Note	-
Total PASS Loan	-
Market Rate Interest Rate	3.87289%
Below Market Rate Interest Rate	0.95763%
Deferred Interest Rate	0.95763%
True Interest Cost	
Market Rate Note Payment	-
Below Market Rate Note Payment	-
Deferred Note Payment	-
Total PASS Annual Payment	-
<u>REFI ASSUMPTIONS</u>	
Refi Year	
Refi Debt Service	-
Refi Proceeds	-
Replacement Reserve Starting Balance	-
10-year inflated CNA total	-
<u>SMALL SITES PROGRAM</u>	
SSP Loan	-
Total Subsidy Loans	-

Yr	Prin Bal	
1	-	-
2	-	-
3	-	-
4	-	-
5	-	-
6	-	-
7	-	-
8	-	-
9	-	-
10	-	-
11	-	-
12	-	-
13	-	-
14	-	-
15	-	-
16	-	-
17	-	-
18	-	-
19	-	-
20	-	-
21	-	-
22	-	-
23	-	-
24	-	-
25	-	-
26	-	-
27	-	-
28	-	-
29	-	-
30	-	-
31	-	-
32	-	-
33	-	-
34	-	-
35	-	-
36	-	-
37	-	-
38	-	-
39	-	-
40	-	-

Refi Prin	Refi Costs	Refi Proceeds	RFR Balance/Unit
5,899,500	88,493	5,811,008	600
5,229,588	78,444	5,151,144	1,200
5,211,995	78,180	5,133,815	1,800
5,212,803	78,192	5,134,611	2,400
5,210,220	78,153	5,132,067	3,000
5,204,076	78,061	5,126,015	3,600
5,200,382	78,006	5,122,376	4,200
5,186,581	77,799	5,108,782	4,800
5,168,669	77,530	5,091,139	5,400
5,146,450	77,197	5,069,253	6,000
5,119,718	76,796	5,042,922	6,600
5,094,634	76,420	5,018,214	7,200
5,058,232	75,873	4,982,359	7,800
5,016,658	75,250	4,941,408	8,400
4,969,673	74,545	4,895,128	9,000
4,917,033	73,755	4,843,277	9,600
4,865,046	72,976	4,792,070	10,200
4,800,321	72,005	4,728,317	10,800
4,729,149	70,937	4,658,212	11,400
4,651,246	69,769	4,581,477	12,000

Sources & Uses Summary

from worksheet 4a
col D
source 2, col E
source 3, col F
source 4, col G
source 4, col H
source 5, col I
col J

Predevelopment Sources	
	MOHCD/OCII
	Predev Exp from RFR up to 12/31/2019
	0
	0
	0
	0
	Total

from worksheet 4b
col D
source 2, col E
source 3, col F
source 4, col G
source 4, col H
source 5, col I
col J

Permanent Sources	
	MOHCD/OCII
	PASS Loan
	CDBG - New MOHCD
	PASS Deferred Loan
	Community Project Fund
	Predev Exp from RFR prior to 12/31/2019
	Total

from worksheet 4b
row 16
row 37
row 105
row 124

Permanent Uses	
	Acquisition
	Hard Costs
	Soft Costs
	Developer Fee
	Total

Square Footage Summary

calculated: Building Total SF minus Commercial SF
from worksheet 1, c19
from worksheet 1, j15

Residential SF:
Commercial SF:
Building Total SF:

Rows 39-45: data entry needed Col C if a Unit Type is shown in Col B

UNIT TYPES
SRO:
Studio:
1BR:
Do all units meet CTCAC minimum SF?

-Answer Yes in C46 if #s in D39-D45 are all >= #s in C39 C45, or answer No and describe waiver requested

ry (page 3 of Eval)

Amount	Terms	Status
\$800,000	XX yrs/mth @ XX% Def	Committed/Not Com
\$125,391	XX yrs/mth @ XX% Def	Committed/Not Com
\$0	XX yrs/mth @ XX% Def	Committed/Not Com
\$0	XX yrs/mth @ XX% Def	Committed/Not Com
\$0	XX yrs/mth @ XX% Def	Committed/Not Com
\$0	XX yrs/mth @ XX% Def	Committed/Not Com
\$925,391		

these are in
this data file
delete any
if more columns
- insert one
- add form
- note: column

Amount	Terms	Status
\$0	XX yrs @ XX% / Res Rec	Committed/Not Com
\$8,031,555	XX yrs @ XX% / Res Rec	Committed/Not Com
\$13,519,791	XX yrs @ XX% / Res Rec	Committed/Not Com
\$467,445	XX yrs @ XX% / Res Rec	Committed/Not Com
\$2,500,000	XX yrs @ XX% / Res Rec	Committed/Not Com
\$125,391	TC Equity: Price per credit	Committed/Not Com
\$31,223,750		

these are in
this data file
For row sheet
delete any
if more columns
- insert one
- add form
- note: column

Amount	Per Unit	Per SF
\$0	\$0	\$0.00
\$22,753,460	\$258,562	\$456.26
\$7,456,949	\$84,738	\$149.53
\$500,000	\$5,682	\$10.03
\$30,710,409	\$348,982	\$615.81

ry (Section 4.2 of Eval)

41,665
8,205
49,870

Avg Unit SF - This Project	CTCAC-Required Minimum SF
	200
	200
	450
Y/N [if N, describe the waiver being requested of CTCAC.]	

CTCAC unit size minimum
<https://www.treasurer.c>

Instructions, do not print or copy

rows from ws4a

rows that do not show a source name and an amount

columns were added to worksheet 4a

one row for each additional column/source

formulas to pull the data from ws4a

columns noted to the left of this chart may become inaccurate if any columns are added to ws4a

Instructions, do not print or copy

rows from ws4b

Calculating TC Equity, Terms should = Price per credit

rows that do not show a source name and an amount

columns were added to worksheet 4b

one row for each additional column/source

formulas to pull the data from ws4b

columns noted to the left of this chart may become inaccurate if any columns are added to ws4b

columns found here:

ca.gov/ctcac/programreg/regulations.asp



GENERAL PLAN REFERRAL

February 10, 2022

Case No.: 2022-001186GPR
Addresses: 777 Broadway, 1525-1529 Grant Avenue & 1204 Mason Street
Block/Lot Nos.: 0160/031-032; 0103/004; 0190/016
Project Sponsor: Mayor's Office of Housing and Community Development (MOHCD)
Applicant: David Le 415-924--162
david.le@sfgov.org
City and County of San Francisco
One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

Staff Contact: Mat Snyder – (628) 652-7460
Mathew.snyder@sfgov.org

Recommended By: 
AnMarie Rogers, Director of Citywide Policy, for Rich Hillis, Director of Planning

Recommendation: Finding the project, on balance, is **in conformity** with the General Plan

Project Description

MOHCD is making a loan amount of up to \$26,286,000 for the acquisition and rehabilitation of three existing affordable multi-family buildings, known as the "Throughline Apartments", with 88 residential and four commercial units, located at 777 Broadway (Bayside), 1204 Mason Street (Consortia) and 1525-1529 Grant Avenue (Tower). The cost rehabilitation project the three project sites is \$31,223,750 or \$354,815 per unit. The proposed \$26,286,000 loan agreement's primary sources of funds are the Community Development Block Grant and Preservation and Seismic Safety Program bond funds.

The Project responds to the San Francisco Consolidated Plan, which furthers the objectives of the Strategies for a Sustainable Chinatown, and achieves MOHCD's racial equity goals by advancing opportunities and improving programmatic outcomes for low-income residents while expanding development opportunity for Black, Brown, Indigenous and other people of color (BIPOC) led community based organizations like Chinatown CDC. Scope of

work includes mandatory seismic retrofits for Consorcia and Tower, exterior repairs, building system improvements to fire and life safety, building code, and energy efficiency upgrades, and overall common area and unit improvements.

Environmental Review

The 777 Broadway project was determined to be categorically exempt under CEQA Guidelines Section 15301 on 10/27/2020 (Planning Case No. 2020-009365PRJ). The rehabilitation of 1204 Mason Street and 1527 Grant Avenue are not considered projects under CEQA Guidelines sections 15378 and 15060(c)(2) and is consistent with San Francisco Planning Department's September 18, 2013 "Not a Project" CEQA memo.

General Plan Compliance and Basis for Recommendation

As described below, the proposed acquisition and rehabilitation of the affordable housing projects at 777 Broadway, 1525-1529 Grant Avenue and 1204 Mason Street for the preservation of affordable housing is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with Objectives and Policies of the General Plan.

2014 Housing Element

POLICY 1.10

Support new housing projects, especially affordable housing, where households can easily rely on public transportation, walking, and bicycling for the majority of daily trips.

The site acquisition and rehabilitation of the three properties will assure the continuity of permanently affordable housing adjacent to Muni routes, a neighborhood commercial corridor, and schools and other community facilities.

OBJECTIVE 3

PROTECT THE AFFORDABILITY OF THE EXISTING HOUSING STOCK, ESPECIALLY RENTAL UNITS

POLICY 3.1

Preserve rental units, especially rent controlled units, to meet the City's affordable housing needs.

POLICY 4.5

Encourage sufficient and suitable rental housing opportunities, emphasizing permanently affordable rental units wherever possible

The project will ensure the affordability of existing housing stock is preserved and available for current and future tenants.

OBJECTIVE 7

SECURE FUNDING AND RESOURCES FOR PERMANENTLY AFFORDABLE HOUSING, INCLUDING INNOVATIVE PROGRAMS THAT ARE NOT SOLELY RELIANT ON TRADITIONAL MECHANISMS OR CAPITAL

POLICY 7.1

Expand the financial resources available for permanently affordable housing, especially permanent sources.

The three affordable buildings provide affordable multi-family housing, and the acquisitions and rehabilitations will bring the buildings up to code and improve the living environment for their inhabitants.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 6

MAINTAIN AND STRENGTHEN VIABLE NEIGHBORHOOD COMMERCIAL AREAS EASILY ACCESSIBLE TO CITY RESIDENTS.

POLICY 6.3

Preserve and promote the mixed commercial-residential character in neighborhood commercial districts. Strike a balance between the preservation of existing affordable housing and needed expansion of commercial activity.

The project will ensure that the existing on-site non-residential spaces are preserved. All four current commercial tenants will be relocated and provided the opportunity to return, thereby assuring mixed commercial-residential character.

Planning Code Section 101 Findings

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

The Throughline Apartments have four commercial spaces, which generate commercial income to the Project. The four commercial tenants will be relocated during the rehab construction period. All four tenants have expressed desire to return to the buildings. Tenant improvement funds will be made available to two of the four commercial tenants, as they are non-profit uses.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

The subject project at the Throughline Apartments will renovate and preserve 88 residential units to be permanent affordability, will provide existing tenants secure housing, and will preserve the cultural and economic diversity of neighborhood and the City.

3. That the City’s supply of affordable housing be preserved and enhanced;

The subject project at the Throughline Apartments will renovate and preserve 88 residential units as

permanently affordability ensuring these units remain affordable to 50% AMI and below residents in perpetuity.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

The acquisition and rehabilitation of the Throughline Apartments will not have an adverse effect on MUNI transit service or overburden the streets or neighborhood. The rehabilitation activity will be relatively minor in scope and will not negatively impact the operation of the City streets.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

The subject project at the Throughline Apartments will include the renovation and preservation of four commercial spaces that include nonprofit and retail service uses, thereby helping to maintain and protect the City’s service and retail sectors.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

The subject project at the Throughline Apartments include bringing two of the three properties up to seismic code thereby helping to protect against injury and loss of life in an earthquake. All construction activity will adhere to the City’s building codes including those addressing seismic safety.

7. That the landmarks and historic buildings be preserved;

One of the three buildings, 1525 Grant Avenue is identified as an Historic Resource (rated “A”) while the other two properties are identified as potential Historic Resources (rated “B”). Any exterior work on properties known to be Historic Resources will be reviewed to assure compliance with the Secretary of Interior’s Standards for Rehabilitation. In all cases, the acquisition and rehabilitation will help assure the buildings’ ongoing physical viability.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

The site acquisition and rehabilitation of the three affordable building will not have a negative impact to sunlight and vistas.

Recommendation: Finding the project, on balance, is in conformity with the General Plan



San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 . Fax: 415.252.3112

ethics.commission@sfgov.org . www.sfethics.org

Received On:

File #: 220094

Bid/RFP #:

Notification of Contract Approval

SFEC Form 126(f)4

(S.F. Campaign and Governmental Conduct Code § 1.126(f)4)

A Public Document

Each City elective officer who approves a contract that has a total anticipated or actual value of \$100,000 or more must file this form with the Ethics Commission within five business days of approval by: (a) the City elective officer, (b) any board on which the City elective officer serves, or (c) the board of any state agency on which an appointee of the City elective officer serves. For more information, see: <https://sfethics.org/compliance/city-officers/contract-approval-city-officers>

1. FILING INFORMATION

TYPE OF FILING	DATE OF ORIGINAL FILING (for amendment only)
Original	
AMENDMENT DESCRIPTION – Explain reason for amendment	

2. CITY ELECTIVE OFFICE OR BOARD

OFFICE OR BOARD	NAME OF CITY ELECTIVE OFFICER
Board of Supervisors	Members

3. FILER'S CONTACT

NAME OF FILER'S CONTACT	TELEPHONE NUMBER
Angela Calvillo	415-554-5184
FULL DEPARTMENT NAME	EMAIL
office of the clerk of the Board	Board.of.Supervisors@sfgov.org

4. CONTRACTING DEPARTMENT CONTACT

NAME OF DEPARTMENTAL CONTACT	DEPARTMENT CONTACT TELEPHONE NUMBER
David Le	415-294-0162
FULL DEPARTMENT NAME	DEPARTMENT CONTACT EMAIL
MOH Mayor's Office Housing and Comm Develop	david.le@sfgov.org

5. CONTRACTOR	
NAME OF CONTRACTOR Chinatown Community Development Center	TELEPHONE NUMBER 415.722.2947
STREET ADDRESS (including City, State and Zip Code) 1515 Vallejo Street, 4th Floor San Francisco, CA 94109	EMAIL

6. CONTRACT		
DATE CONTRACT WAS APPROVED BY THE CITY ELECTIVE OFFICER(S)	ORIGINAL BID/RFP NUMBER	FILE NUMBER (If applicable) 220094
DESCRIPTION OF AMOUNT OF CONTRACT \$26,686,000		
NATURE OF THE CONTRACT (Please describe) Resolution for loan agreement.		

7. COMMENTS

8. CONTRACT APPROVAL	
This contract was approved by:	
<input type="checkbox"/>	THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM
<input checked="" type="checkbox"/>	A BOARD ON WHICH THE CITY ELECTIVE OFFICER(S) SERVES Board of Supervisors
<input type="checkbox"/>	THE BOARD OF A STATE AGENCY ON WHICH AN APPOINTEE OF THE CITY ELECTIVE OFFICER(S) IDENTIFIED ON THIS FORM SITS

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor's board of directors; (B) the contractor's principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
1	Chin	Jane	Board of Directors
2	Zoubi	Fady	Board of Directors
3	Brookter	Dion-Jay	Board of Directors
4	Quock	Lindsey	Board of Directors
5	Nguyen	James	Board of Directors
6	Cheng	Claudine	Board of Directors
7	Cordero	Terence	Board of Directors
8	Craig	Cathy	Board of Directors
9	Fagler	Jim	Board of Directors
10	Hilton	Irene	Board of Directors
11	Yeung	Malcolm	CEO
12	Alvarez	Cynthia	Other Principal Officer
13	Castleberry	Jason	Other Principal Officer
14	Hung	Tammy	Other Principal Officer
15	Jones	Whitney	Other Principal Officer
16	Mormino	Matthias	Other Principal Officer
17	Louie	Cindy	CFO
18			
19			

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
20			
21			
22			
23			
24			
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27			
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31			
32			
33			
34			
35			
36			
37			
38			

9. AFFILIATES AND SUBCONTRACTORS

List the names of (A) members of the contractor’s board of directors; (B) the contractor’s principal officers, including chief executive officer, chief financial officer, chief operating officer, or other persons with similar titles; (C) any individual or entity who has an ownership interest of 10 percent or more in the contractor; and (D) any subcontractor listed in the bid or contract.

#	LAST NAME/ENTITY/SUBCONTRACTOR	FIRST NAME	TYPE
39			
40			
41			
42			
43			
44			
45			
46			
47			
48			
49			
50			

Check this box if you need to include additional names. Please submit a separate form with complete information. Select “Supplemental” for filing type.

10. VERIFICATION

I have used all reasonable diligence in preparing this statement. I have reviewed this statement and to the best of my knowledge the information I have provided here is true and complete.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

<p>SIGNATURE OF CITY ELECTIVE OFFICER OR BOARD SECRETARY OR CLERK</p> <p>BOS Clerk of the Board</p>	<p>DATE SIGNED</p>
---	---------------------------

From: [Conine-Nakano, Susanna \(MYR\)](#)
To: [BOS Legislation, \(BOS\)](#)
Cc: [Paulino, Tom \(MYR\)](#); [Le, David \(MYR\)](#); [Nickolopoulos, Sheila \(MYR\)](#)
Subject: Mayor -- Resolution - -Throughline Apartments
Date: Tuesday, January 25, 2022 4:02:17 PM
Attachments: [Mayor -- Resolution - -Throughline Apartments.zip](#)

Hello Clerks,

Attached for introduction to the Board of Supervisors is a resolution approving and authorizing the execution of a Loan Agreement with CCDC Throughline L.L.C., a California limited liability corporation, in an aggregate total amount not to exceed \$26,286,000 for a minimum term of 55 years for a portion of the loan amount and maximum terms of 40 years for other portions of the loan amount based on the requirements of the funding sources, to finance the acquisition and rehabilitation of three existing 100% affordable multifamily rental housing projects for low income households, known as "Throughline Apartments" consisting of 88 rental units and four commercial spaces in three buildings located at 777 Broadway, 1525 Grant Avenue, and 1207 Mason Street; and adopting findings that the Loan Agreement is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Please let me know if you have any questions.

Sincerely,
Susanna

Susanna Conine-Nakano
Office of Mayor London N. Breed
City & County of San Francisco
1 Dr. Carlton B. Goodlett Place, Room 200
San Francisco, CA 94102
415-554-6147