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

Evaluation of Request for Funding: Local Operating Subsidy Program (LOSP) Contract

> *Prepared By:* Mike McLoone *Loan Committee Date:* May 4, 2018

| Sponsor Name: | Bernal Heights Neighborhood Center |
|------------------------------------|--|
| Project Name: | Monterey Boulevard Apartments |
| Project Address (w. cross street): | 403 Monterey Boulevard (at Detroit Street) |
| | San Francisco, CA |
| Number of Units/Beds (specify): | 4 Units. |

Up to \$36,213 for a 6-month Year 1 budget

Up to \$1,662,342 through 15 years, 6 months

1. SUMMARY AND BACKGROUND

Monterey Boulevard Apartments is a 4-unit, permanent, family supportive housing development in the Sunnyside neighborhood of San Francisco, Supervisorial District 7.

The project was acquired and renovated in 1996, with the support of a \$293,093 in HOME loan from MOH at 0% interest rate, and forgivable in 2074. MOH supported additional rehab work commencing in 2005 with an additional \$168,186 CDBG loan at 3% interest rate repayable out of residual receipts, the remainder due at maturity in 2060. A cumulative total of \$568,186 in City principal funding remains outstanding. The project did not receive loans or grants from any other funders.

The 3-story wood-frame building was constructed in 1950 and consists of 3,280 square feet on a 2,500 square foot parcel.

This funding proposal has been crafted as a mitigating strategy following the unexpected loss of Shelter Plus Care (S+C) operating subsidy that supported the project's four units. The S+C funding renewal decision was made in December 2016. The City has since recognized that projects with less than 10 units funded with S+C face vulnerability to non-

renewal based on the current S+C renewal scoring, and will be working to develop contingency plans and other strategies to manage and minimize the impact of this vulnerability.

As a solution for Monterey Boulevard Apartments, MOHCD initially pursued plans to replace the lost S+C funding with Project-Based Voucher (PBV) Section 8 under a new RFP to have been issued by the San Francisco Housing Authority (SFHA). However, SFHA was not able to obtain the necessary HUD approvals needed by April 2018 to make additional PBVs available via RFP. In order to avoid the risk of the project running short on operating funding during 2018, MOHCD offered to recommend Local Operating Subsidy Program funds to fill the operating budget gap caused by the loss of S+C subsidy. This evaluation was created as the required step for the City to formally commit LOSP funding to the project. If approved, a LOSP contract will be created and sent to the Board of Supervisors for approval.

2. PROJECT OPERATIONS

2.1 Unit Mix

There are a total of 4 units in the building:

| TOTAL | 4 | 4 | 3,275 |
|-----------|---|----------|------------------|
| 2BR | 3 | 3 | 785 |
| 1BR | 1 | 1 | 920 |
| Unit Size | # | Proposed | Footage Per Unit |
| | | | Avg Square |

Staffing.

Bernal Heights Neighborhood Center has a longstanding contract with Caritas Property Management to manage the property. The staffing is as follows:

| Salaries/Benefits: Office Salaries | Num Hours (per week/month/year) | FTE |
|--|------------------------------------|------|
| Property Manager | 1.0 hrs per week | 0.03 |
| Property Supervisor | .5 hrs per week | 0.01 |
| Sub-total | | 0.04 |
| Administration: Bookkeeping/Acct. Services | | |
| Accountant | 5 hours a month | 0.03 |
| Sub-total | | 0.03 |
| Maintenance & Repairs | | |
| Maintenance Payroll | 3 hrs a month | 0.02 |
| Repairs & Maintenance Contract | 12 to 24 hours a year | 0.01 |
| Sub-total | | 0.03 |
| Total FTEs and Expenses | | 0.09 |

2.2 Target Population and Referrals

MOHCD capital funding restricts occupancy to 60% unadjusted AMI. As of 12/31/17, all four units were occupied, with a total of 10 occupants residing at the project, 6 of whom were under 18; the average AMI was 10%; one household reported zero income, while the AMI of the other households ranged from 4.5% to 19.6%. The tenancies were initiated in 2002, 2007, 2013 and 2014 and were referred via the S+C referral system coordinated by San Francisco's Human Services Agency (HSA). Each of the four families who currently reside in the units are families who met the HUD definition of experiencing chronic homelessness prior to being housed.

Coordinated Entry

HSH plans to expand Coordinated Entry to become the single access and assessment process for access to all transitional and permanent supportive housing in San Francisco. A key requirement of Coordinated Entry is prioritization and a move away from "first come first served" methods for managing access to shelter and housing. Once Coordinated Entry is fully implemented, access to all interventions in the homeless crisis response system will be managed using a standard assessment and a prioritization system.

Coordinated Entry is currently active for individual adult placements into Shelter Plus Care, other federally funded supportive housing and housing designated for veterans. Coordinated Entry procedures are or will be developed and implemented for homeless families, transitional age youth and all other adult populations. Once the City and County of San Francisco's Coordinated Entry and placement system (aka the ONE System) is operational, referrals will be made through this centralized system and not via individual agencies. Future vacancies at the project will be filled by referrals processed by the City and County of San Francisco and presented to the property manager.

2.3 Annual Operating Budget

Please see the attached annualized budget for the initial year of 2018 which shows total operating expenses of \$76,126 or \$19,032 Per Unit Per Annum (PUPA), and a LOSP Subsidy amount of \$72,425, which is \$18,106 PUPA.

2018 Budget vs Historical Trends:

The 2018 budget was created by the asset management staff of the Bernal Heights Neighborhood Center, who consulted with staff from Caritas Property Management. The 2018 budget compares to prior reported project budgets as follows:

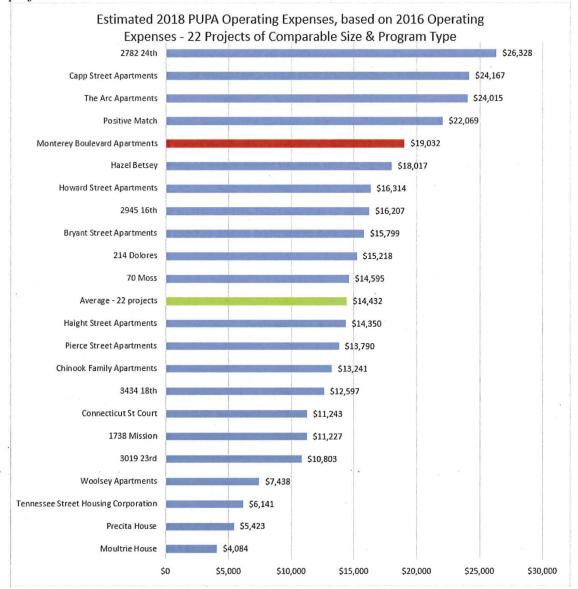
| 2018 Effective Gross Income | 5-year average, EGI | %age Difference |
|-----------------------------|---------------------|-----------------|
| \$82,181 | \$65,811 | 25% increase |

| 2018 Total Operating Expenses | 5-year average, Total Expenses | %age Difference |
|-------------------------------|--------------------------------|-----------------|
| \$76,126 | \$71,716 | 6% increase |

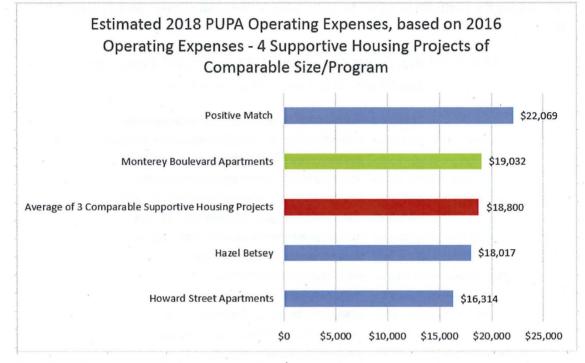
Based on the above historical trend analysis, along with a recognition that the LOSP subsidy will be the primary source of the increased revenue, the overall budget proposed for the project for 2018 appears to be reasonable. Please see below for a more fine-grained analysis of the budget.

2018 Operating Expenses vs Projects of MOHCD Portfolio of Comparable Size/Program:

The small size of the project and budget is `unusual within the MOHCD portfolio. A query of projects of comparable size (3 to 12 units) and housing program (not transitional, not recently acquired under the Small Sites loan program) revealed 21 other projects that were used for comparisons; see below for the 2018 Operating Expense data for this group of 22 projects:



Within this subgroup of 21 projects of comparable program and size, three other projects are also characterized as providing Supportive Housing; see below for the 2018 Operating Expense data for this group of 4 projects:



Based on the above analysis of projects of comparable size and housing program, the proposed total operating expenses for 2018 is also comparable.

2018 Operating Expenses vs LOSP Portfolio:

When compared to the LOSP portfolio on a per unit basis, the project appears among the most expensive. However, given the impact of the very small size of the project on the PUPA calculations, this is not surprising. There are only 2 other projects with 30 units or fewer among the portfolio of LOSP projects, which shows an average project size of 95 units.



2018 LOSP Subsidy PUPA vs LOSP Portfolio:

Given the small size of the project, it is difficult to find comparable LOSP projects. Six other projects were chosen to use for comparison, either because of the small overall project size, or the small number of LOSP units.

| | LOSP PUPA - | | | |
|--------------------------------------|-------------|-------------|------------|-------------------|
| Project Name | 2018 | Total Units | LOSP Units | Target Population |
| Edward II | \$21,302 | 25 | 24 | TAY |
| | | | | Families, Seniors |
| 1100 Ocean | \$19,921 | 71 | 19 | and TAY |
| Zygmunt Arendt House | \$19,131 | 47 | 30 | Seniors |
| Monterey Boulevard Apartments | \$18,106 | 4 | 4 | Families |
| Average for LOSP Subsidy PUPA - | | | | |
| 7 LOSP projects | \$14,900 | | | |
| Casa Quezada | \$11,785 | 52 | 52 | Families |
| Vera Haile Senior Housing | \$8,219 | 90 | 3 | Seniors |
| Mosaica Senior Apartments | \$5,837 | 24 | 11 | Seniors |

While the range of LOSP Subsidy PUPA varies significantly, the Project is not among the highest, and only slightly above the average.

2018 Operating Budget – Detailed Analysis

2.3.1 Income

<u>Tenant Rents:</u> in 2016, monthly tenant rent contributions averaged \$135, ranging from \$23 to \$370. The 2018 budget projects a total of \$9,744 in annual rent, which is the equivalent of just over \$200 per household per month.

Income – Other: Laundry and vending is projected to generate an additional \$500.

<u>Income – Local Operating Subsidy</u>: Given the low income of the households, the LOSP subsidy will serve as the project's main source of income, starting at roughly \$72,500 per year. S+C subsidy funding for 2017 was reported to be \$64,000, so the 2018 LOSP subsidy amount represents an increase in revenue subsidy of 13%; the increase is primarily a reflection of the need to make operating reserve deposits, see below. The LOSP subsidy per unit per month in year 1 averages \$1,509; when added to tenant rent, the income per unit is the equivalent of a max rent at 60% unadjusted AMI.

<u>Vacancy</u>: Assuming 5% vacancy results in just under \$500 per year, which is slightly conservative compared to recent trends at the project: the 5-year average for vacancy was 2%, with 0% reported for the past 3 years.

2.3.2 Operating Expenses:

The budget proposes a total of \$76,126 in 2018 operating expenses. Total operating expenses for 2016 was \$67,119; the draft 2017 AMR reports operating expenses of \$74,138. Until 2016, the average annual increase in operating expenses was 5.6%, with year-to-year variation ranging widely from -22% to +60%. The large differences in percentage is not surprising given the small size of the project and budget.

Management Fees. Proposed at \$5,100, the same amount as in 2016 and 2017.

Asset Management Fee. Proposed at \$5,202, a 4% increase from 2017.

<u>Salaries and Benefits</u>. Proposed at \$4,212. Only \$2,200 was reported in the 2017 draft report, and the 5-year average is \$2,946. The amount proposed for 2018 is a 43% increase, but is fairly small in amount, and only \$300 more than the highest amount reported in 2014.

<u>Administration</u>. Proposed at \$15,126, less than the \$17,360 in the draft 2017 AMR, but substantially more than the 5-year average through 2017 of \$9,792. Legal expenses increased significantly to \$12,554 in 2017, and in 2018 are budgeted at 10,000, well over the 5-year average of \$3,083, but only 15% more than the previously-reported max of \$8,474.

<u>Utilities</u>: Proposed at \$16,635, 18% more than the amount reported in the draft 2017 AMR, and an 8% increase compared to the 5yr average of \$15,348. Utility expenses appear to be trending upward across the portfolio in the past 3 years so this increase seems appropriate.

<u>Taxes:</u> Taxes were proposed at \$328, increased per MOHCD's suggestion to use the 5year average of \$641.

<u>Insurance:</u> Proposed at \$2,138, a 1% increase from the draft 2017 amount, and 5% less than the 5-year average.

<u>Maintenance and Repair</u>: Proposed at \$27,072, which represents a 9% reduction from the 2017 draft amount, and a 13% reduction from the 5-year average. The underlying line item for which the largest reduction is projected is Contracts: \$11,605 is 33% less than the amount in the 2017 draft, and just less than half of the 5-year average of \$22,530, but still larger than the low of \$8,906 reported in 2015.

<u>Replacement Reserve Deposits</u>: Proposed to continue depositing \$3,600, as required by MOHCD.

<u>Operating Reserve Deposits</u>: The Operating Reserve balance is quite low, with less than 3% of prior year expenses including debt service and required reserve deposits; to gradually replenish the OR, the project proposes to deposit \$2,455 annually for most of the next 20 years.

Debt Service. The project has no hard debt.

<u>Partnership Management and Investor Services Fees:</u> There is no LIHTC investor, and there are no proposed fees other than the above the line Mgt & AM Fees described above.

2.4 <u>20-Year Cash Flow</u>.

The attached 20 Year Cash Flow Projection assumes standard escalation of 1% for tenant rents, 2.5% for other income, and 3.5% for expense items except Insurance, which is escalated at 5%, consistent with the 5-year historical trend, and Contracts, which escalates at 10%, which is acceptable in light of the low amount used for the 2018 projection (see above).

<u>3</u> SUPPORT SERVICES EVALUTION

3.1 Services Narrative

Overview:

The supportive service provider most recently under contract for this project with HSH was HealthRight360. HR360 employs Care Coordinators with backgrounds in clinical therapy to provide the services for the project's families. During FY 16-17, the assigned HealthRight360 social worker transitioned out of the role. This transition afforded HSH an opportunity to re-evaluate the services for this project. Because prior HR360 staff had limited supportive housing experience, it was determined that HR360's staffing model was not a good fit for this project. The project also has a small budget, which poses a challenge in identifying other viable third party contractors. As a result, HSH concluded that it would be most efficient to use internal resources and was able to allocate its own Shelter Plus Care Social Workers to meet the supportive service needs of the families.

The project currently has two Shelter Plus Care workers working with the families residing at the project who provide assistance, not limited to, the following: benefits advocacy and assistance, referrals to resources in the community, and conflict resolution. The support provided by this team has been beneficial to working towards stability with the residents, and they will be an integral part of the transition to the Local Operating Subsidy Program.

Due to this, HSH will not need a project-specific Services budget for this project during FY 18-19. If HSH later determines that it is better to use a third-party service provider, HSH will allocate service \$ in the budget and use the standard approach required for third-party contracting.

At any time a family vacates their unit, a new family will be placed through the Coordinated Entry Process, which identifies high needs families for permanent supportive housing, so continued services for this project will be necessary.

3.2 Services Budget – N/A, Supportive Services Staffing provided directly by HSH staff, see explanation above.

CONCLUSION

Staff recommends approval of the LOSP operating subsidy funding request.

RECOMMENDED CONDITIONS CONCLUSION None

LOAN COMMITTEE MODIFICATIONS

Loan Committee Date: May 4, 2018 Page 10 of 15

Loan Committee Date: May 4, 2018 Page 11 of 15

LOAN COMMITTEE RECOMMENDATION

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

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APPROVE. [] DISAPPROVE. 14

Date:

5-4-15

Kate Hartley, Director Mayor's Office of Housing and Community Development

APPROVE.

[] DISAPPROVE.

TAKE NO ACTION.

Date:

TAKE NO ACTION.

Kerry Abbott, Deputy Director for Programs Department of Homelessness and Supportive Housing

[4 APPROVE.

[] DISAPPROVE.

TAKE NO ACTION.

Nadia Sesay, Director

Office of Community Investment and Infrastructure

Attachments:

A. LOSP Program Description
B. 1st Year Operating Budget
C. 20-year Operating Pro Forma
D. LOSP Funding Schedule A

-4-18 Date:

Attachment A: LOSP Program Description

As part of the City and County of San Francisco's effort to address the needs of the growing homeless population, the City has prioritized the development of non-profit owned and operated permanent supportive housing for formerly homeless individuals and families. While capital financing can be leveraged for this population, stakeholders realized these units cannot be feasibly operated at the scale needed if they rely solely on scarce federal or state operating subsidies.

In June 2004, the City launched its *Ten Year Plan to Abolish Chronic Homelessness* (the 2004 10-Year Plan), a multifaceted approach that included a locally funded operating subsidy as a key element and established the Local Operating Subsidy Program (LOSP) in 2006 to support the creation of permanent supportive housing at a large scale. The operating subsidy leverages capital financing by integrating homeless units into Low Income Housing Tax Credit projects without burdening them with operating deficits. LOSP was created by the Mayor's Office of Housing and Community Development (MOHCD) in partnership with the Department of Public Health (DPH) and the Human Services Agency (HSA).

On July 1, 2016, the City's diverse programs addressing homelessness were brought under the new Department of Homelessness and Supportive Housing (HSH), which combines key homeless-serving programs and contracts previously located across several City departments. The new department consolidates the functions of DPH Direct Access to Housing (DAH) and HSA Housing & Homeless programs. San Francisco is developing a Coordinated Entry System (CES) for all homeless populations to best match households to the appropriate intervention and ensure those with the highest needs are prioritized.

Through 15-year grant agreements with MOHCD, which are subject to annual appropriations by the Board of Supervisors, LOSP pays the difference between the cost of operating housing for homeless persons and all other sources of operating revenue for a given project, such as tenant rental payments, commercial space lease payments, or other operating subsidies. HSH refers homeless applicants to the housing units as well as provides services funding to the projects under a separate contract.

Attachment B: 1st Year Operating Budget

- Year 1 Operating Budge

| Project Name: | Monterey Boulevard Apartments |
|------------------|-------------------------------|
| Project Address: | 403 Monterey Blvd |

| Application Date: | LOSP Units | Non-LOSP Units | | Project Name: | Monterey Boulevard Apartments | | |
|--|--|--|--------|--|-------------------------------|--|--|
| Total # Units: 4 | 4 | 0 | | Project Address: | 403 Monterey Blvd | | |
| First Year of Operations (provide data assuming that | | | | | , | | |
| Year 1 is a full year, i.e. 12 months of operations): 2018 | LOSP/non-LO | SP Allocation | | Project Sponsor: | | | |
| | 100% | 0% | | | | | |
| INCOME | LOSP | non-LOSP | Total | | Comments | | |
| Residential - Tenant Rents | 9,744 | 0 | | Links from Existing Proj | | | |
| Residential - Tenant Assistance Payments (Non-LOSP) | 0 | 0 | | Links from Existing Proj | - Rent Info' Worksheet | | |
| Residential - LOSP Tenant Assistance Payments | 72.425 | 1 | 72.425 | | | | |
| Commercial Space | And the second s | Contraction of the local division of the | 0 | Links from 'Commercial | Op Budget Worksheet | | |
| Residential Parking | 0 | 0 | 0 | Links from Utilities & Ot | er Income' Worksheet | | |
| Miscellaneous Rent Income | 0 | 0 | 0 | 0 Links from Utilities & Other Income' Worksheet | | | |
| Supportive Services Income | 0 | 0 | 0 | | | | |
| Interest Income - Project Operations | 0 | 0 | 0 | Links from Utilities & Oti | er Income' Worksheet | | |
| Laundry and Vending | 499 | 0 | 499 | Links from Utities & Ot | er Income' Worksheet | | |
| Tenant Charges | 0 | 0 | 0 | Links from Utilities & Off | er Income' Worksheet | | |
| Miscelaneous Residential Income | . 0 | 0 | 0 | Links from Utilities & Oth | er Income' Worksheet | | |
| Other Commercial Income | the second is a | and the second s | 0 | Links from Commercial | Op Budget Worksheet | | |
| Withdrawal from Capitalized Reserve (deposit to operating account) | 0 | 0 | | | | | |
| Gross Potential Income | \$2,668 | 0 | 82,668 | | | | |
| Vacancy Loss - Residential - Tenant Rents | (437) | 0 | | Vacancy loss is 5% of Ti | inant Rents | | |
| Vacancy Loss - Residential - Tenant Assistance Payments | 0 | 0 | | #D/V/01 | | | |
| Vacancy Loss - Commercial | | | | Links from Commercial | | | |
| EFFECTIVE GROSS INCOME | \$2,181 | 0 | 82,181 | P | UPA: 20,545 | | |

| OPERATING EXPENSES Management | | | | |
|---|--------|---|--------|--|
| Management Fee | 5,100 | 0 | 5 100 | 1st Year to be set according to HUD schedule |
| Asset Management Fee | 5 202 | | 5 202 | |
| Sub-total Management Expenses | 10,302 | 0 | 10,302 | |
| Salaries/Benefits | 10,001 | | 10,002 | 1017. 1,510 |
| Office Salares | 4 212 | 0 | 4.313 | Increased from 2,184 after City alerted BHINC that this was less than 5-yr avg |
| Manager's Salary | 4212 | | 9,212 | increased from 2, te4 aner City wened britis was less than b-yr avg |
| Managers Salary Health Insurance and Other Benefits | 0 | | | |
| Other Salaries/Benefits | 0 | | | |
| | 0 | | | |
| Administrative Rent-Free Unit | 4,212 | | 4,212 | PUPA: 1,053 |
| Sub-total Salaries/Benefits | 4,212 | | 4,212 | PUPA: 1,053 |
| Administration | | - | | |
| Advertsing and Marketing | 0 | | | |
| Office Expenses | 120 | 0 | 120 | |
| Office Rent | 0 | 0 | | |
| Legal Expense - Property | 10,000 | 0 | 10.000 | |
| Audt Expense | 1,299 | 0 | 1,299 | |
| Bookkeeping/Accounting Services | 1,680 | 0 | 1,680 | |
| Bad Debts | 1,377 | 0 | 1,377 | |
| Miscelaneous | 650 | 0 | 650 | |
| Sub-total Administration Expenses | 15,126 | 0 | 15,126 | PUPA: 3,782 |
| Utilities | | | | |
| Electricity | 5.636 | 0 | 5.636 | |
| Water | 5 503 | 0 | 5 503 | |
| Gas | 5.496 | 0 | 5.496 | |
| | | | | |
| Sever | 0 | 0 | | |
| Sub-total Utilities | 16,635 | 0 | 16,635 | PUPA: 4,159 |
| Tates and Entrises | | r | | |
| Real Estate Taxas | 641 | 0 | 641 | MCHCD increased from 328 to 5-vr average of 641 |
| Payrol Taxes | 0 | 0 | | |
| Miscelaneous Taxes, Licenses and Permits | 0 | 0 | | |
| Sub-total Taxes and Licenses | 641 | 0 | 641 | PUPA: 160 |
| Insurance | | | | |
| Property and Liability Insurance | 1.802 | 0 | 1.802 | |
| Fidelity Bond Insurance | 0 | 0 | 1.002 | |
| Worker's Compensation | 0 | | | |
| Director's & Officers' Liability Insurance | 336 | 0 | 336 | |
| Sub-total Insurance | 2,138 | | 2,138 | PUPA: 535 |
| Maintenance & Repair | 2,134 | • | 2,134 | FOR SSS |
| Payroll | 3 943 | 0 | 3.948 | |
| Supplies | 2.819 | 0 | 2.819 | |
| Contracts | 11.605 | 0 | 11,605 | |
| Garbage and Trash Removal | 3.500 | 0 | 3.500 | |
| Security Payrol/Contract | 250 | 0 | 250 | |
| HVAC Repairs and Maintenance | 0 | 0 | 250 | |
| Vehicle and Maintenance Equipment Operation and Repairs | 0 | | | |
| Miscellaneous Operating and Maintenance Expenses | 4 950 | 0 | 4,950 | |
| Sub-total Maintenance & Repair Expenses | 27,072 | | 27,072 | PUPA: 6,768 |
| Sub-total Maintenance & Repair Espenses | 21,012 | • | 21,012 | FUTA: 0,100 |
| Supportive Services | 0 | 0 | | |
| Commercial Expenses | | | 0 | Links from Commercial Op. Budget Worksheet |

TOTAL OPERATING EXPENSES 76,126 0 76,126 PUPA: 19,032

| Reserves/Ground Lease Base Rent/Bond Fees | | | | | | |
|---|--|-------------------------|---------------|--------------------------------|--|----------------|
| Ground Lease Base Rent | 0 | 0 | 0 | | Provide additional comments here, if needed | |
| Band Manitaring Fee | 0 | 0 | | | | |
| Replacement Reserve Deposit | 3.600 | 0 | 3 600 | | | |
| Operating Reserve Deposit | 2.455 | 0 | 2 455 | 3% of prior year's operating e | IDE0545 | |
| Other Regured Reserve 1 Deposit | 0 | 0 | | | | |
| Other Required Reserve 2 Deposit | 0 | 0 | | | | |
| Required Reserve Deposit's Commercial | | - | 0 | Links from Commercial Op E | Rudget Worksheet | |
| Sub-total Reserves/Ground Lease Base Rent/Bond Fees | 6.055 | 0 | 6.055 | PUPA: 1.514 | Min DSCR. | 10 |
| | | - | | | Mortgage Rate | 5.00 |
| TOTAL OPERATING EXPENSES (W Reserves/GL Base Ren// Bond | | | | | and gage reas. | 0.00 |
| Fees) | 82,181 | | 82 181 | PUPA: 20,545 | Term (Years) | |
| (ecs) | | • | ** | 10172 10,010 | Supportable 1st Mortgage Pint | |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | PUPA: | Supportable 1st Mortgage Amt | 5 |
| REI OPERATING INCOME (INCOME INFUS OF EXPENSES) | | • | | FUFA. | Proposed 1st Mongage Amt | \$293.09 |
| DEBT SERVICE/MUST PAY PAYMENTS ('hard debt'/amortzed loans) | | | | | Proposed ischoligage Artic | \$233,03 |
| Hard Debt - First Lender | 01 | 0 | 0 | | Provide additional comments here if needed | |
| | 0 | 0 | 0 | | Provide additional comments here if needed | |
| Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Len | 0 | 0 | 0 | | Provide additional comments here if needed | |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | | | | | | |
| Hard Debt - Fourth Lender | 0 | 0 | 0 | | Provide additional comments here, if needed | |
| Commercial Hard Debt Service | and the second s | | 0 | Links from Commercial Op. B | Judget Worksheet | |
| TOTAL HARD DEBT SERVICE | 0 | 0 | 0 | PUPA | . 0 | |
| CASH FLOW (NOI minus DEBT SERVICE) | 0 | 0 | 0 | | | |
| | | - | | | | |
| Allocation of Commercial Surplus to LOPS/non-LOSP (residual income) | 0 | 0 | | | | |
| AVAILABLE CASH FLOW | • | • | | | | |
| USES OF CASH FLOW BELOW (This row also shows DSCR.) | | | | | | |
| USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL | | | | | | |
| "Below-the-line" Asset Mgt fee (uncommon in new projects, see policy) | 0 | 0 | | | | |
| Partnership Management Fee (see policy for limits) | 0 | 0 | | | | |
| nvestor Service Fee (aka "LP Asset Mot Fee") (see policy for limits) | 0 | 0 | | | the second s | |
| Other Payments | 0 | 0 | | | | |
| Non-amortizing Loan Print - Lender 1 (select lender in comments field) | 0 | 0 | | | Provide additional comments here if needed | |
| Non-amortizing Loan Print - Lender 2 (select lender in comments field) | 0 | 0 | | | Provide additional comments here, if needed | |
| Deferred Developer Fee (Enter ant <= Max Fee from cell 1130) | 0 | 0 | | #D(V/01 | Provide additional comments here, if needed | |
| | | | | | | |
| TOTAL PAYMENTS PRECEDING MOHCD | 0 | 0 | 0 | PUPA | | |
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS | | | | | | |
| PRECEDING MOHCD) | | | | | | |
| | • | | | | | |
| 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% | | | |
| is or residual receipts available to distribution to sold debt renders in | | | 0774 | | | |
| | | | | | | Distrib, of So |
| | | | | | | |
| Soft Debt Lenders with Residual Receipts Obligations | | 6 | Held Budge Ad | the program from drop down) | Total Principal Amt | DebtLoan |
| MOHCD/OCII - Soft Debt Loans | | | | Loans payable from res rects | \$163.970 | 100.00 |
| MOHCD/OCII - Ground Lease Value | | G | round Lease | | | 0.00 |
| HCD (soft debt loan) - Lender 3 | | A DESCRIPTION OF | | | | 0.00 |
| Other Soft Debt Lender - Lender 4 | | | | | | 0.00 |
| Other Soft Debt Lender - Lender 5 | | and the second distance | | | | 0.00 |
| | | | | | | |
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | | | | |
| MOHCD Residual Receipts Amount Due | Statement of the local division of the local | 0 | 0 | 57% of residual receipts mult | tplied by 100% - MOHCD's pro rata share of a | I soft debt |
| Proposed MOHCD Residual Recepts Amount to Loan Repayment | Contraction of the local division of the loc | 0 | 0 | Enterlovemde amount of result | dual receipts proposed for loan repayment | |
| Proposed MOHCD Residual Receipts Amount to Residual Ground Lease | And in case of the local division of the loc | 0 | | | al receipts ant due LESS ant proposed for loan | tacumt |
| | | | | in appreading, morned reader | are cepta are due be do are proposed for than | Trapping . |
| REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS | | | | | | |
| DEBT SERVICE | | | | | | |
| | | | | | | |
| NON-MOHED RESIDUAL RECEIPTS DEBT SERVICE | | | | | | |
| HCD Residual Receipts Amount Due | and the second | And in case of | 0 | | | |
| Lender 4 Residual Receipts Due | | | 0 | | | |
| Lender 5 Residual Receipts Due | | and statements | 0 | | | |
| | | | | | | |

Lender 5 Residual Receipts Due Total Non-MOHCD Residual Receipts Debt Servic

REMANDER (Should be zero unless there are distributions below) Owner Distributions/Uses Other Distributions/Uses Final Balance (should be zero)

1 of 1

į.

Attachment C: 20-year Operating Proforma

MOHCD Profer

Monterey Boulevard Apartment

e 2 Deposi e 2 Withdra

st Other Required Reserve 2 Running Balance

01

| Monterey Boulevard Apartments | LOSP | Non-LOS | 2 | | | | | | | | | |
|--|-----------------------------|-------------------|--|-------------------------------------|------------|---------------------|-----------------|--------------|---------------------|------------------------|-----------------------|---------------------|
| Total # Units: 4 | 4 | Units 0 | | | Year 1 | | | Year 2 | | | Year 3 | |
| | 100.001 % annu: | al % annu | Comments | | 2018 | | | 2019 non- | | | 2020 non- | |
| INCOME Residential - Tenant Rents | inc LOS 10% | 2.5% | (related to annual inc assumptions) | LOSP 9.744 | non-LOSP | Total 9.744 | LOSP 9 841 | LOSP . | Total 9.841 | LOSP 9.940 | LOSP | Total 9.940 |
| Residential - Tenant Rents Residential - Tenant Assistance Payments (Non-LOSP) Residential - LOSP Tenant Assistance Payments | · n/a n/a | n/a n/a | | 72.425 | | 72.425 | 75 771 | | 75,771 | 79.313 | | 79 313 |
| Commercial Space Residential Parking Miscelaneous Rent Income | n/a 2.5% 2.5% 2.5% | 25% 25% 25% | | | | | | | | • | | |
| Supportive Services Income Interest Income - Project Operations | 25% | 25% | | | | | | | | | | |
| Laundy and Vendig Tenant Charges | 2.5% 2.5% 2.5% | 2.5% | | 499 | | 499 | 512 | | 512 | 524 | | 524 |
| Miscelaneous Residential Income Other Commercial Income | 2.5% r/a | 2.5% | | | | | | | | - | | |
| Withdrawal from Capitalized Reserve (deposit to operating account) | n/a | r/a | Link from Reserve Section befow, as applicable | | | | | | | | | |
| Gross Potential Income Vacancy Loss - Residential - Tenant Rents | n/a | r/a | Enter formulas manually per relevant MOH | \$2,663 (487) | | 82,668 (437) | 85,124 (492) | | 86,124 (492) | 89,777 (497) | | 89,777 (497) |
| Vacancy Loss - Residential - Tenant Assistance Payments Vacancy Loss - Commercial EFFECTIVE GROSS INCOME | n/a n/a | r/a r/a | policy, annual incrementing usually not appropriate | 82,181 | | 82,181 | 85,632 | | 85,632 | 89,250 | | |
| OPERATING EXPENSES | | | | 01,107 | | 01,101 | 00,001 | | | 00,100 | | 0,, |
| Management Fee | 3.5% | 35% | 1st Year to be set according to HUD schedule | 5 100 | | 5,100 | 5 279 | | 5 279 | 5.463 | | 5.463 5.573 |
| Asset Management Fee Sub-total Management Expenses | 3.5% | 3.5% | per MOHCD policy | 5 202 10,302 | ; | 5 202 10,302 | 5 364 | : | 5.384 | 5 573 | : | 5 573 11,036 |
| Salariar/Deposite ' | 35% | 3.5% | | 4212 | | 4,212 | 4.359 | | 4,359 | 4 512 | | 4,512 |
| dalamesderrens Manager's Salary Heath insurance and Other Benefits Other Salares Benefits | 35% | 35% | | - | • | | | • • | | | | |
| | 35% | 35% | | | | | : | | | | | |
| Sub-total Salaries/Benefits Administration | | | | 4,212 | | 4,212 | 4,359 | • | 4,359 | 4,512 | • | 4,512 |
| Admittag and Admittag and Office Express Office Rent Legal Express BootkeeprojAccouring Services BootkeeprojAccouring Services | 35% | 35% | | 120 | | 120 | 124 | : | 124 | 129 | : | 129 |
| Legal Expense - Property | 35% 35% 35% | 35% 35% 35% | | 10.000 | | 10.000 | 10 350 | | 10.350 | 10.712 | | 10.712 |
| Bookkeeping/Accounting Services | 35% | 35% | | 1.680 | | 1,680 | 1.739 | | 1,739 | 1.800 | | 1,800 |
| Miscellaneous Sub-total Administration Expenses | 35% | 3.5% | | 650 | | 650 15,126 | 673 | | 673 | 695 | | 698 |
| Utilities | 35% | 3.5% | | 5 636 | | 5,636 | 5.833 | | 5 833 | 6.037 | | 6.037 |
| Electricity Water Gas Sever | 35% | 35% | | 5 503 | | 5,503 | 5.696 | | 5.698 | 5 895 | | 5.895 |
| Sub-total Utilities | 35% | 35% | | 16,635 | • | 16,635 | 17,217 | | 17,217 | 17,820 | : | 17,820 |
| Taxes and Licenses | 35% | 3.5% | | 641 | · · | 641 | 653 | | 663 | 657 | I | 687 |
| Real Estate Taxes Payrol Taxes Miscelaneous Taxes, Licenses and Permits | 35% | 35% | | : | | | | : | | : | : | • |
| Sub-total Taxes and Licenses | | | | 641 | • | 641 | 663 | • | 663 | 637 | • | 687 |
| Insurance Property and Liabity Insurance Fidelity Bond Insurance Worker's Compensation Director's & Officers' Liabity Insurance | 50% 35% 35% | 50% 35% 35% | | 1 802 | | 1,802 | 1,892 | • | 1.692 | 1,987 | : | 1,987 |
| Worker's Compensation Director's & Officers' Liability Insurance | 35% | 3.5% | | 335 | • | 336 | - 353 | | 353 | 370 | | 370 |
| Sub-total Insurance | | | | 2,138 | • | 2,138 | 2,245 | | 2.245 | 2,357 | | 2,357 |
| Maintenance & Kepair Payrol Supples Contracts Garbage and Trash Removal | 35% 35% 100% | 35% | | 3943 2819 | | 3,948 2,819 | 4.086 | : | 4,088 | 4.229 | : | 4.229 |
| Garbage and Trash Removal | 35% | 10 0% 3 5% | | 11.605 | | 11,605 | 12 766 | | 12.768 | 14 042 | | 14.042 |
| Dataget and Tradition Security Payrolic Centract HVAC Repars and Mantenance Vehicle and Mantenance Equipment Operation and Repars Uscellaneous Operating and Mantenance Expenses Sub-total Maintenance & Repark Expenses | 35% | 35% | | 250 | | - 250 | 259 | | 259 | 263 | | 263 |
| Miscellaneous Operating and Mantenance Expenses Sub-total Maintenance & Repair Expenses | 35% | 35% | | 4 950 27,072 | | 4.950 27,072 | 5.123 28,774 | | 5.123 28,774 | 5 303 30,611 | | 5.303 30,611 |
| Supportive Services Commercial Expenses | 3 5% | 3.5% | | | | - | - 1 | | | | | |
| Commercial Expenses TOTAL OPERATING EXPENSES | | 1 | | 76,126 | | 76.126 | 79,577 | | . 79.577 | 83,225 | | . 83.225 |
| PUPA (w/o Reserves/GL Base Rent/Bond Fees) | | | | 76,126 | | 19,032 | 19,511 | | Note Hidden o | | • Inveen total col | |
| Reserved Source Law a set encodemarkers Growd Laws & Bark Frint Bond Monorang Fae Regularment Reserve Dapast Chararang Reserve Dapast Chararang Reserve Dapast Chararang Reserve Dapast Chararang Reserve Dapast Chararang Reserved Reserved Regulard Reserved Reserved Reserved Reserved Laws Reserved Reserved | | | | • | | • | • | • | Note Hidden o | - | - | umna To updal |
| Replacement Reserve Depost | | | | 3 600 2 455 | | 3,600 2,455 | 3 600 | | 3.600 | 3.600 | | 3,600 2,455 |
| Other Required Reserve 1 Depost | | | | 2435 | | 2,455 | - | : | 2400 | | | |
| Required Reserve Deposit/s, Commercial Sub-total Reserves/Ground Lease Base Rent/Bond Fees | | | | 6,055 | | 6.055 | 6.055 | | 6.055 | 6.055 | | 6,055 |
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bon | d Fees) | | | 82,181 | | 82,181 | \$5,632 | | 85,632 | 89,280 | | 89,280 |
| PUPA (w/Reserves/GL Base Rent/Bond Fees) NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | | | 20,545 | | | | | | |
| DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized lo: Hard Debt - First Lender | ans) | | Enter comments re: annual increase, etc. | | | | | | Note Hidden o | olumna are in b | niveen total col | umns To updat |
| Hard Dett - Frat Lender Hard Dett - Seord Lender (HCD Program 0.42% pynt, or other 2nd L Hard Dett - Thind Lender (Ohne HCD Program, or other 3nd Lender) Hard Dett - Fourti Lender Commercial Hard Dett Service | ender) | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | | | | : | | | | : | |
| Hard Debt - Fourth Lender Commercial Hard Debt Service | | | Enter comments re: annual increase, etc. | | | : | | • | | • | | |
| TOTAL HARD DEBT SERVICE CASH FLOW (NOI minus DEBT SERVICE) | | | - | • | | • | | • | | | | |
| Alocation of Commercial Surplus to LOPS/hon-LOSP (residual inco | me) | | | | | . [| • | | · · · | | | |
| AVAILABLE CASH FLOW USES OF CASH FLOW BELOW (This row also shows DSCR.) | | | DSCR: | • | | | | | • | • | | |
| USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL Below-the-Ine [®] Asset MgI fee (uncommon in new projects, see policy) Dedeseting Unexemption of the policy in the policy of the second | 35% | 35% | per MOHCD policy | | | | • | | Note Hidden o | sumna are in b | niveen total col | mina To updat |
| Partnership Management Fee (see policy for limits) Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) Other Payments | 3 5% | 3.5% | per MOHCD policy per MOHCD policy no annual increase | | - : | : | - : | : | | : | : | |
| Non-amortizing Loan Print - Lender 1 | | | Enter comments re annual increase etc. | : | | | : | | | | : | |
| Non-amortizing Loan Print - Lender 2 Deferred Developer Fee (Enter and <= Max Fee from row 131) | | | Enter comments re: annual increase, etc. | : | : | | | : | | | | |
| TOTAL PAYMENTS PRECEDING MOHCD RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDIN | IG MOHO | (D) | | <u> </u> | <u> </u> | <u></u> | <u> </u> | <u> </u> | <u> </u> | | <u> </u> | <u> </u> |
| Does Project have a MOHCD Residual Receipt Obligation? Wil Project Defer Developer Fee? | | Yes | | 1 | | | | | | | | |
| Will Project Defer Developer Fee? Residual Receipts split for all years Lender/Owner | | 67% / 335 | 5 | 1 | | | | | | | | |
| | | Dist Sof | · | Max Deferred Dev Cum Deferred De | | | | | | | | |
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | Debt Loar | S | Com Deferred De | recper ree | | | , | | | , | |
| MOHCD Residual Receipts Amount Due Proposed MOHCD Residual Receipts Amount to Loan Repayment Proposed MOHCD Residual Recepts Amount to Residual Ground | | 100 003 | icens, and MOHCD residual recepts policy | | | <u> </u> | | | | | | |
| Proposed MOHCD Residual Receipts Amount to Residual Ground Lease | | | Proposed Total MOHCD Amt Due less Loan Repayment |] | 1 | | | | | | | |
| NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE HCD Residual Receipts Amount Due | | 0.000 | No HCD Financing | 1 | | | | | | | | |
| Lender 4 Residual Receipts Due Lender 5 Residual Receipts Due | | 0 001 | 5 | | | | | | | | | |
| Total Non-MOHCD Residual Receipts Debt Service | | | 9 | 1 | , | | | | | | | |
| REMAINDER (Should be zero unless there are distributions below) | | | | | | | | | | | | |
| Owner Distributions/Incentive Management Fee Other Distributions/Uses | | | | } | | : | | | | | ł | |
| Final Balance (should be zero) REPLACEMENT RESERVE - RUNNING BALANCE | | | | | | • | | | | | | • |
| REPLACEMENT RESERVE - RUNNING BALANCE Replacement Reserve Starting Balance Replacement Reserve Deposits | | | | | 1 | 116,282 | | [| 119,892 3,600 | | F | 123,482 3,600 |
| Replacement Reserve Withdrawals (deally tied to CNA) Replacement Reserve Interest | | | | | | 3,600 | | | | | | • |
| RR Running Balance | | | RR Balance/Unit | • | | 119,882 \$29,971 | | , | 123,492 \$30,871 | | L | 127,082 \$31,771 |
| OPERATING RESERVE - RUNNING BALANCE Operating Reserve Starting Balance | | | 101.000-000/1 | 1 | r | | | ſ | 2,455 | | r | 4,910 |
| Operating Reserve Deposits Operating Reserve Withdrawals | | | | | | 2,455 | | | 2,455 | | | 2,455 |
| Operating Reserve Interest OR Running Balance | | | | | ł | 2,455 | | ł | 4,910 | | t | 7,365 |
| OTHER REQUIRED RESERVE 1 - RUNNING BALANCE | | OR Balance | as a % of Prior Yr Op Exps + Debt Service | | | | | | 6.0% | | | 8.6% |
| Other Reserve 1 Starting Balance Other Reserve 1 Deposits | | | | | | | | { | : | | E | : |
| Other Reserve 1 Withdrawals Other Reserve 1 Interest | | | | | | | | | | | 6 | _ |
| Other Required Reserve 1 Running Balance OTHER RESERVE 2 - RUNNING BALANCE | | | | | | | | | | | | |

ma - 20 Year Cash Flo

| lonterey | Boulevard | Apartments | |
|----------|-----------|------------|--|

| Monterey Boulevard Apartments | LOSP | Non-LOSP | | | | | | | | | | |
|--|---------------------------------|--------------------------|--|-------------------------|--------------------|-------------------------|-------------------------|------------------|-------------------------|-------------------------|--------------------|-------------------------|
| Total # Units: 4 | Units 4 | Units | | | Year 4 | | | Year 5 | | | Year 6 | |
| NCOME | 100.00% % annual inc LOSP | | Comments (related to annual inc assumptions) | LOSP | 2021 | Total | LOSP | 2022 non-LOSP | Total | LOSP | 2023 non-LOSP | Total |
| Residential - Tenant Rents Residential - Tenant Assistance Payments (Non-LOSP) | 1.0% n/a | 2.5% n/a | (reated to annual me assumptions) | 10.039 | | 10,039 | 10,140 | | 10,140 | 10 241 | | 10.241 |
| Residental - LOSP Tenant Assistance Payments Commercial Space | n/a n/a | n/a 2.5% 2.5% | | 83.067 | SALL PART | 83.087 | 87.047 | 10 - TY | 87.047 | 91.271 | | 91.271 |
| Residental Parking Miscelaneous Rent Income Supportive Services Income | 25% 25% 25% | 2.5% | | - | | | | - | | | | |
| Interest Income - Project Operations Laundry and Vending Tenant Charges | 25% | 25% 25% | | 538 | | 533 | 551 | | 561 | 565 | | 565 |
| Miscellaneous Residential Income Other Commercial Income | 2.5% 2.5% r/a | 25% 25% 25% | | L. C. Status | | | Constanting | all and a second | | - | - | |
| Wthdrawal from Capitalized Reserve (deposit to operating account) Gross Potential Income | n/a | r/a | unk from Reserve Section below, as applicable | 93,643 | | 93,643 | 97,738 | : | 97,739 | 102,077 | : | 102,077 |
| Vacancy Loss - Residential - Tenant Rents Vacancy Loss - Residential - Tenant Assistance Payments Vacancy Loss - Commercial | r/a r/a r/a | n/a n/a n/a | Enter formulas manually per relevant MOH policy, annual incrementing usually not appropriate | (502) | • | (502) | (507) | • | (507) | (512) | | (512) |
| EFFECTIVE GROSS INCOME OPERATING EXPENSES | | | | 93,141 | | 93,141 | 97,231 | | 97,231 | 101,565 | | 101,565 |
| Management Management Fee | 3 5% | 3.5% | 1st Year to be set according to HUD schedule. | 5.654 | | 5,654 | 5 652 | | 5.852 | 6.057 | | 6.057 |
| Asset Management Fee Sub-total Management Expenses Salaries/Benefits | 3.5% | 3.5% | per MOHCD policy | 5,768 | | 5,763 11,422 | 5.969 11,822 | | 5.969 | 6.178 | | 6,178 |
| Office Salares Manager's Salary | 35% | 35% | | 4,670 | | 4,670 | 4,833 | | 4,833 | 5.003 | • | 5,003 |
| Heath Insurance and Other Benefits Other Salares/Benefits Administrative Rent-Free Unit | 35% 35% 35% | 3.5% 3.5% 3.5% | | : | | | | | | | | |
| Sub-total Salaries/Benefits Administration | | | | 4,670 | •. | 4,670 | 4,833 | • | 4,833 | 5,003 | • | 5,003 |
| Advertising and Marketing Office Expenses Office Rent | 35% 35% 35% | 35% 35% 35% | | 133 | : | 133 | 138 | : | 138 | 143 | | 143 |
| Legal Expense - Property Audt Expense | 35% | 35% | | 11,087 | | 11.037 1,440 | 11,475 1,491 | | 11,475 1,491 | 11.877 | • | 11,877 1,543 |
| Bookkeeping/Accounting Services Bad Debts Miscellaneous | 35% 35% 35% | 35% 35% 35% | | 1,863 1,527 721 | | 1,663 1,527 721 | 1,928 1,580 745 | | 1,928 1,580 748 | 1,995 1,635 772 | | 1,995 1,635 772 |
| Sub-total Administration Expenses Utilities | | _ | | 16,770 | | 16,770 | 17,357 | | 17,357 | 17,965 | | 17,965 |
| Electricity Water Gas | 35% 35% 35% | 35% 35% 35% | | 6 249 6 101 6 094 | | 6.249 6,101 6,094 | 6.467 6.315 6.307 | | 6.467 6.315 6.307 | 6,694 6,536 6,528 | | 6,694 6,538 6,528 |
| Sever Sub-total Utilities | 3.5% | 35% | | 18,444 | : | 18,444 | 19,039 | | 19,089 | 19,757 | : | 19,757 |
| Taxes and Licenses Real Estate Taxes Payrol Taxes | 3.5% | 35% | | 711 | : | 711 | 736 | | 736 | 761 | | 761 |
| Miscellaneous Taxes, Licenses and Permts Sub-total Taxes and Licenses | 3.5% | 3.5% | | 111 | : | 711 | 736 | : | 736 | 761 | : | |
| Insurance Property and Liability Insurance Fidelity Bond Insurance | 5.0% | 5.0% 3.5% | | 2.086 | : | 2,088 | 2.190 | | 2,190 | 2.300 | · · | 2,300 |
| Worker's Compensation Director's & Officers' Liability Insurance | 35% | 35% | | 389 | | 389 | 403 | | 408 | 429 | | 429 |
| Sub-total Insurance Maintenance & Repair Payrol | 3.5% | 3.5% | | 2,475 | | 2,475 | 2,599 | • | 2,599 | 2,729 | • | 2,723 |
| Supples Contracts | 3.5% | 3.5% 10.0% | | 3.125 | | 3,125 | 3.235 | • | 3.235 | 3 343 | | 3.348 |
| Garbage and Trash Removal Security Payroli/Contract HVAC Repairs and Maintenance | 35% 35% 35% | 3.5% 3.5% 3.5% | | 3.881 | : | 3,681 | 4016 | | 4,016 287 | 4,157 297 | | 4,157 |
| Vehicle and Maintenance Equipment Operation and Repairs Miscellaneous Operating and Maintenance Expenses Sub-total Maintenance & Repair Expenses | 35% | 35% | | 5,488 | | 5.488 | 5 680 | | 5,680 | 5.879 | | 5.879 |
| Supportive Services | 3 5% | 3.5% | | 32,595 | | 32,595 | 34,740 | • | 34,740 | 37,050 | • | 37,060 |
| Commercial Expenses TOTAL OPERATING EXPENSES | | | | 87,085 | Second second | 87.056 | 91,176 | - | 91,176 | 95,510 | Contraction of the | - 95.510 |
| PUPA (w/o Reserves/GL Base Rent/Bond Fees) Reserves/Ground Lease Base Rent/Bond Fees | | | | te delete values | in yellow cells. m | anipulate each c | | m scools prippe | utiple cells. | | | |
| Ground Lease Base Rent Bond Montoring Fee Replacement Reserve Depost | | | | 3,600 | · · | 3,600 | 3,600 | · · | 3,600 | 3,600 | | 3,600 |
| Operating Reserve Deposit Other Required Reserve 1 Deposit | 1 | | | 2.455 | : | 2.455 | 2.455 | : | 2.455 | 2.455 | | 2.455 |
| Other Required Reserve 2 Deposit Required Reserve Deposit/s, Commercial Sub-total Reserves/Ground Lease Base Rent/Bond Fees | | | | 6,055 | | 6,055 | 6,055 | : | 6,055 | 6,055 | | 6,055 |
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bon PUPA (w/ Reserves/GL Base Rent/Bond Fees) | d Fees) | | | 93,141 | | 93,141 | 97,231 | | 97,231 | 101,565 | • | 101,565 |
| NET OPERATING INCOME (INCOME minus OP EXPENSES) DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized lo | | | | | in yelow cels. m | • | el rather than de | | utple cels | | • | • |
| Hard Debt - First Lender Hard Debt - Second Lender (HCD Program 0 42% pymt, or other 2nd I | | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | - | - | - | - | - | | | | |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) Hard Debt - Fourth Lender Commercial Hard Debt Service | | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | : | | | | | | | | |
| Commercial Hard Debt Service TOTAL HARD DEBT SERVICE CASH FLOW (NOI minus DEBT SERVICE) | | | | | • | | | | | • | : | |
| Allocation of Commercial Surplus to LOPS/hon-LOSP (residual noc AVAILABLE CASH FLOW | me) | | | <u> </u> | <u> </u> | 1 | ÷ | | | | | |
| USES OF CASH FLOW BELOW (This row also shows DSCR.) USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL | | | DSCR: | te delete values | in yellow cells, m | anipulate each c | ell rather than d | agging across m | ultiple cells | | | |
| "Below-the-line" Asset Mgt fee (uncommon in new projects, see policy) Partnership Management Fee (see policy for limts) Investor Service Fee (a/a "LP Asset Mgt Fee") (see policy for limts) | 3.5% | 35% | per MOHCO policy per MOHCO policy per MOHCO policy no annual increase | | | | | | _ | | | |
| Other Payments Non-amortizing Loan Print - Lender 1 | | | Enter comments re: annual increase, etc. | | · · | | | | | : | | |
| Non-amortizing Loan Print - Lender 2 Deferred Developer Fee (Enter ant <= Max Fee from row 131) | | | Enter comments re: annual increase, etc. | : | : | | : | | | | | |
| TOTAL PAYMENTS PRECEDING MOHCD RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDI | NG MOHC | | | | <u> </u> | <u> </u> | <u> </u> | | | <u> </u> | | |
| Does Project have a MOHCD Residual Receipt Obligation? Will Project Defer Developer Fee? Residual Receipts split for all years Lender/Owner | | Yes No 67%/33% | | | | | | | | | | |
| incontrative provide any sets - Lender/JWDer | | | | J | | | | | | | | |
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | 1 | Dist. Soft Debt Loans | | | | · . | | 1 | | | | |
| MOHCD Residual Receipts Amount Due Proposed MOHCD Residual Receipts Amount to Loan Repayment Proposed MOHCD Residual Receipts Amount to Residual Ground | 1 | 100 00% | Alocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy | | | | | | | | | |
| Lease | I | | Proposed Total MOHCD Amt Due less Loan Repayment |] | | | J | | · | | | |
| NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE HCD Residual Recepts Amount Due Lender 4 Residual Receipts Due | 1 | 0.00% | No HCD Financing | 7 | | | 1 | | | | 1.0 | |
| Lender 5 Residual Receipts Due Total Non-MOHCD Residual Receipts Debt Service | 1 | 0.00% | | 1 | | · · | 1 | | • | | | <u> </u> |
| REMAINDER (Should be zero unless there are distributions below) | | | | | | | | | | | | |
| Owner Distributions/Incentive Management Fee Other Distributions/Uses | } | | | } | | • | | | • | | | · |
| Final Balance (should be zero) REPLACEMENT RESERVE - RUNNING BALANCE | | | | | | | | | | | | |
| Replacement Reserve Starting Balance Replacement Reserve Deposits Replacement Reserve Withdrawals (deally ted to CNA) | | | | | | 127,092 | | | 130,692 | | | 134,282 |
| Replacement Reserve Interest RR Running Balance |] | | |] | | 130,692 | 1 | | 134,282 | | | 137,682 |
| OPERATING RESERVE - RUNNING BALANCE Operating Reserve Starting Balance | 1 | | RR Balance/Unit | 1 | | \$32,671 | 1 | | \$33.571 | | | \$34,471 |
| Operating Reserve Deposits Operating Reserve Withdrawa's | | | | | | 2,455 | | | 2,455 | | | 2,455 |
| Operating Reserve Interest OR Running Balance | 1 | OR Balance a | s a % of Prixr Yr Op Exps + Debt Service | | | 9,820 11.0% | 1 | | 12,275 | | | 14,730 15.1% |
| OTHER REQUIRED RESERVE 1 - RUNNING BALANCE Other Reserve 1 Starting Balance | 1 | | | 1 | | | 1 | | · · | | | <u> </u> |
| 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 | | | 8 | | | • | | | • | | | |
| Other Reserve 2 Starting Balance Other Reserve 2 Deposits | | | | | | : | | | : | | | |
| Other Reserve 2 Withdrawals Other Reserve 2 Interest Other Required Reserve 2 Running Balance | j | | | 1 | | <u> </u> | i i | | | | | <u> </u> |
| | | | | | | | | | | | | |

2d7

CD Proforma - 20 Year Cash Flow

| oulevard | Apartments | |
|----------|------------|--|
|----------|------------|--|

| Monterey Boulevard Apartments | LOSP | Non-LOSP | | | | | | | | | | |
|--|--------------------------|------------------------------------|--|-------------------------|----------------|-------------------------|-------------------------|----------------|-------------------------|--------------------------|---------------------------------------|-------------------------|
| Total # Units. 4 | | Units 0 0.00% | | | Year 7 2024 | | | Year 8 2025 | | | Year 9 2026 | |
| NCOME Residential - Tenant Rents | % annual inc LOSP | % annual increase | Comments (related to annual inc assumptions) | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total 10.447 | LOSP 10 551 | non-LOSP | Total 10.551 |
| Residential - Tenant Assistance Payments (Non-LOSP) Residential - LOSP Tenant Assistance Paymenta | 1.0% r/a r/a | 2.5% n/a n/a | | 10.343 95.759 | | 10.343 95,759 | 10.447 | | 10.447 | 105.605 | | 10.551 |
| Commercial Space Residential Parking Miscellaneous Rent Income | n/a 25% 25% 25% | 2.5% 2.5% 2.5% 2.5% | | : | | | | - : | | : | | |
| Supportive Services Income Interest Income - Project Operations Laundry and Vending | 2.5% | 2.5% 2.5% 2.5% | | 579 | | 579 | | | | | | 603 |
| Tenant Charges Miscellaneous Residential Income Other Commercial Income | 2.5% 2.5% n/a | 2.5% 2.5% 2.5% | | | | • | • | | | | • | |
| Withdrawal from Capitalized Reserve (deposit to operating account) Gross Potential Income | n/a | n/a | Unk from Reserve Section below, as applicable | 105,631 | | 105,691 | 111,569 | | 111,569 | 118,764 | : | 116,764 |
| Vacancy Loss - Residential - Tenant Rents Vacancy Loss - Residential - Tenant Assistance Payments Vacancy Loss - Commercial | r/a r/a r/a | n/a n/a n/a | Enter formulas manually per relevant MOH policy, annual incrementing usually not appropriate | (517) | | (517) | (522) | • | (522) | (528) | | (528) |
| EFFECTIVE GROSS INCOME OPERATING EXPENSES | | | | 106,164 | | 106,164 | 111,047 | | 111,047 | 116,237 | | 116,237 |
| Management Vanagement Fee | 35% | 3.5% | 1st Year to be set according to HUD schedule. Aur WOHCD policy | 6 269 | | 6 269 | 6.459 | | 6.489 | 6 716 | | 6.716 |
| Asset Management Fee Sub-lotal Management Expenses Salaries/Benefits | | | per workcu palcy | 12,654 | . : | 12,664 | 13,107 | : | 13,107 | 13,556 | : | 13,566 |
| Office Salanes Manager's Salary Heath Insurance and Other Benefits | 35% 35% 35% | 3.5% 3.5% 3.5% | | 5,178 | : | 5,178 | 5 359 | · · | 5.359 | 5 546 | | 5,546 |
| Other Salaries/Benefits Administrative Rent-Free Unit Sub-total Salaries/Benefits | 35% | 3.5% 3.5% | | 5,178 | | 5,178 | 6,359 | | 5,359 | 5,545 | | 5,546 |
| Administration Advertising and Marketing Office Expenses | 35% | 35% | | - 143 | : | - 143 | - 153 | | 153 | 158 | | 158 |
| Office Rent Legal Expense - Property | 3.5% | 3.5% | | 12.293 | | . 12.293 | 12.723 | | 12,723 | 13.163 | | 13,163 |
| Audt Expense Bootkeeping/Accounting Services Bad Debts | 35% 35% 35% | 35% 35% 35% | | 1.597 2.065 1.693 | : | 1,597 2,065 1,693 | 1.653 2.137 1.752 | · · | 1,653 2,137 1,752 | 1.711 2.212 1.813 | | 1,711 2,212 1,813 |
| Miscellaneous Sub-total Administration Expenses Utilities | 3.5% | 3.5% | | 799 18,594 | : | 799 18,534 | 627 19,244 | : | 827 19,244 | 856 19,918 | : | 656 19,918 |
| Electricity Water Gas | 35% 35% | 3.5% 3.5% 3.5% | | 6 923 6 765 6 756 | | 6.928 6.765 6.756 | 7,171 7,001 6,992 | • | 7,171 7,001 6,992 | 7.422 7.245 7.237 | : | 7.422 7.245 7.237 |
| Sever Sub-total Utilities | 35% | 3.5% | | 20,449 | | 20,449 | 21,164 | | 21,164 | 21,905 | | 21,905 |
| Taxes and Licenses Real Estate Taxes Payroll Taxes | 35% | 3.5% | | 788 | | 788 | 816 | | 816 | 844 | | 844 |
| Miscelaneous Taxes. Licenses and Permts Sub-lotal Taxes and Licenses Insurance | 3.5% | 3.5% | | 783 | : | 789 | 816 | | 816 | 844 | : | 844 |
| Property and Liability Insurance Fidelity Bond Insurance Worker's Compensation | 50% 35% | 5.0% 3.5% | | 2415 | | 2,415 | 2.535 | | 2.538 | 2.662 | | 2,662 |
| Drector's & Officers' Liability Insurance Sub-total Insurance Maintenance & Repair | 50% | 5.0% | | 450 2,865 | ; | 450 2,865 | 473 3,008 | • | 473 3,008 | 496 3,159 | : | 498 3,159 |
| Payrol Supples | 35% | 35% | | 4.853 | : | 4.853 | 5 023 3 587 | · · | 5.023 3.587 | 5,199 | | 5,199 |
| Contracts Garbage and Trash Removal Security Payrol/Contract | 100% 35% 35% | 10.0% 3.5% 3.5% | | 20 559 4 302 307 | | 20.559 4.302 307 | 22.615 4.453 318 | | 22.615 4.453 318 | 24 876 4 609 - 329 | | 24.876 4.609 329 |
| HVAC Repairs and Maintenance Vehicle and Maintenance Equipment Operation and Repairs Miscellaneous Operating and Maintenance Expenses | 35% 35% 35% | 35% 35% 35% | | 6.065 | | 6.085 | 6 298 | | 6.298 | 6.518 | | 6.518 |
| Miscelaneous Operating and Maintenance Expenses Sub-total Maintenance & Repair Expenses Supportive Services | 35% | 3.5% | | 39,572 | | 39,572 | 42,293 | • | 42,293 | 45,243 | • | 45,243 |
| Commercial Expenses TOTAL OPERATING EXPENSES PUPA (w/o Reserves/GL Base Rent/Bond Fees) | 1 . | | | 100,109 | | 100,109 | 104,992 | | 104,992 | 110,182 | | 110,182 |
| Reserves/Ground Lease Base Rent/Bond Fees |] | | | | | | | | • | | | |
| Bond Montoring Fee Replacement Reserve Deposit Operating Reserve Deposit | | * | | 3.600 2.455 | · · | 3,600 2,455 | 3 600 2 455 | · · | 3,600 2,455 | 3.600 | · · | 3.600 |
| Other Required Reserve 1 Deposit Other Required Reserve 2 Deposit Required Reserve Deposit/s, Commercial | | | | | | | • | • | | | · · · · · · · · · · · · · · · · · · · | |
| Sub-total Reserves/Ground Lease Base Rent/Bond Fees TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bor | d Fees) | | | 6,055 106,164 | : | 6,055 106,164 | 6,055 | | 6,055 | 6,055 | | 6,055 116,237 |
| PUPA (w/ Reserves/GL Base Rent/Bond Fees) NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | | | | | | | | | • |
| DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized lo Hard Debt - First Lender Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd | | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | • | • | | : | • | • | • | | |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) Hard Debt - Fourth Lender Commercial Hard Debt Service | | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | | : | | <u>.</u> | | | - | : : | |
| TOTAL HARD DEBT SERVICE CASH FLOW (NOI minus DEBT SERVICE) | | | | : | : | : | : | : | : | : | : | |
| Allocation of Commercial Surplus to LOPS/non-LOSP (residual not AVAILABLE CASH FLOW USES OF CASH FLOW BELOW (This row also shows DSCR.) | ome) | | DSCR: | ÷ | : | | : | : | | : | : | |
| USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL Below-the-Ine" Asset Mgt fee (uncommon in new projects, see policy) Partnership Management Fee (see policy for limits) | 35% | 35% | per MOHCD policy per MOHCD policy | | | | : | : | | : | : | |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) Other Payments Non-amortizing Loan Print - Lender 1 | | | per MOHCD policy no annual increase Enter comments re annual increase etc. | • | | | | • | | | | |
| Non-amortizing Loan Pmnt - Lender 2 Deferred Developer Fee (Enter amt <= Max Fee from row 131) | | | Enter comments re annual increase, etc. | | | | | | | | | |
| TOTAL PAYMENTS PRECEDING MOHOD RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECED | | | | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u>.</u> | <u> </u> | | <u>·</u> |
| Does Project have a MOHCD Residual Receipt Oblgation? Will Project Defer Developer Fee? Residual Receipts split for all years - Lender/Owner | | Yes No 67%/33% | | | | | | | | | | |
| | | | | | | | | | | | | |
| MOHCO RESIDUAL RECEIPTS DEBT SERVICE MOHCD Residual Receipts Amount Dua | 1 | Dist Soft Debt Loans 100 00% | Allocation per pro rata share of all soft debt loans, and MOHCD residual recepts policy | 1 | 1 | · . | | ľ | · · | | ſ | · |
| Proposed MOHCD Residual Receipts Amount to Loan Repayment Proposed MOHCD Residual Receipts Amount to Residual Ground | | 1000014 | Proposed Total MOHCD Amt Due less Loan | | - | | | | | | | |
| Lease NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE (HCD Residual Receipts Amount Due | | 0.00% | Repayment No HCD Financing | 1 | | | | | | | ı r | · · |
| Lender 4 Residual Recepts Due Lender 5 Residual Recepts Due Total Non-MOHCD Residual Receipts Debt Service |] | 0.00% | | | | · · | | 1 | : | | ł | • • |
| REMAINDER (Should be zero unless there are distributions below) | | | | | | | | | | | | |
| Owner Distributions/Incentive Management Fee Other Distributions/Uses | } | | | | | | | 1 | | | F | |
| Final Balance (should be zero) REPLACEMENT RESERVE - RUNNING BALANCE Replacement Reserve Starting Balance | 1 | | | | | 137,692 | | | 141,492 | | r | 145,092 |
| Replacement Reserve Deposits Replacement Reserve Withdrawals (ideally ted to CNA) | | | | | | 3,600 | | | 3,600 | | | 3,600 |
| Replacement Reserve Interest RR Running Balance | , | | RR Balance Unit | | | 141,482 \$35,371 | | , | 145,082 \$36,271 | | ı | 148,682 \$37,171 |
| OPERATING RESERVE - RUNNING BALANCE Operating Reserve Starting Balance Operating Reserve Deposits |] | | | | I | 14,730 2,455 | | 1 | 17,185 2,455 | | [| 19,640 2,455 |
| Operating Reserve Withdrawals Operating Reserve Interest OR Running Balance | } | | | | | 17,185 | | | 19,640 | | { | 22,095 |
| OTHER REQUIRED RESERVE 1 - RUNNING BALANCE | 1 | OR Balance a | s a % of Prixr Yr Op Exps + Debt Service | i | i | 16.9% | | | 18.5% | | r | 19.9% |
| Other Reserve 1 Deposits Other Reserve 1 Withdrawals Other Reserve 1 Interest | 1 | | | | | • | | | • | | | |
| Other Required Reserve 1 Running Balance OTHER RESERVE 2 - RUNNING BALANCE | | | | | | | | | • | | ı | |
| Other Reserve 2 Starting Balance Other Reserve 2 Deposits Other Reserve 2 Withdrawals | | | | | | · · | | | : | | | |
| Other Reserve 2 Interest Other Reserve 2 Interest Other Required Reserve 2 Running Balance | 1 | | | | 1 | | | l | | | ł | |
| | | | | | | | | | | | | |

Monterey Boulevard Apartments

MOHCD Proforma - 20 Year Cash Flow

| Total # Unit | LOSP s: Units 4 4 100.001 | Non-LOSP Units 0 6 0.001 | | | Year 10 2027 | | | Year 11 2028 | | | Year 12 2029 | |
|--|------------------------------------|-----------------------------------|--|--------------------------|--------------|--------------------------|--------------------------|-----------------|--------------------------|--------------------------|--------------|--------------------------|
| NCOME | | % annual | | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total |
| esidental - Tenant Rents esidental - Tenant Assistance Payments (Non-LOSP) | 1.0% | 2.5% r/a | | 10.657 | • | 10,657 | 10.763 | | 10,763 | 10.871 | : | 10.871 |
| esdential - LOSP Tenant Assistance Payments ommercial Space | n/a n/a | r/a 2.5% | | 111,010 | | 111.010 | 116.771 | 101000 | 116,771 | 122.917 | | 122.917 |
| lesidential Parking liscelaneous Rent Income upportive Services Income | n/a 2.5% 2.5% 2.5% | 2.5% 2.5% 2.5% | | | | <u>·</u> | : | - | : | | | |
| terest Income - Project Operations aundry and Vending | 25% | 2.5% | | 623 | | 623 | 639 | | 639 | 655 | | 655 |
| enant Charges Inscelaneous Residential Income | 25% | 2.5% | | | | | | | | | | |
| Other Commercial Income | n/a n/a | 2.5% | Link from Reserve Section below, as applicable | State of the second | | | Concernant and | | | | | |
| Vithdrawal from Capitalized Reserve (deposit to operating account) Gross Potential Incor facancy Loss - Residential - Tenant Rents | ne n/a | n/a | Enter formulas manually per relevant MOH | 122,290 | | 122,290 (533) | 128,174 | | 128,174 (538) | 134,443 | | 134,443 (544) |
| /acancy Loss - Residential - Tenant Assistance Payments /acancy Loss - Commercial EFFECTIVE GROSS INCO! | n/a | r/a r/a | policy; annual incrementing usually not appropriate | - | | 121.757 | - | | 127.635 | · | | 133,899 |
| PERATING EXPENSES | AE | | | 121,757 | | 121,757 | 127,635 | | 127,635 | 133,899 | | 133,899 |
| lanagement lanagement Fee | 3.5% | 35% | 1st Year to be set according to HUD schedule. | 6.951 | | 6,951 | 7,194 | | 7,194 | 7,445 | | 7,446 |
| sset Management Fee Sub-total Management Expens | 3.5% es | 3.5% | per MOHCO policy | 7.090 | • | 7,090 | 7,338 14,532 | : | 7,338 14,532 | 7,595 | • | 7,595 |
| alaries/Benefits Afroe Salaries | 35% | 3.5% | | 5.741 | | 5,741 | 5.941 | | 5,941 | 6,149 | | 6,149 |
| tanager's Salary leath insurance and Other Benefits Wher Salaries/Benefits | 35% | 35% 35% 35% | | : | | | | | | | | |
| dministrative Rent-Free Unit Sub-total Salaries/Benef | 35% | 3.5% | | 5,741 | : | 5,741 | 5,941 | ; | 5,941 | 6,149 | : | 6,149 |
| dministration dvertising and Marketing | 35% | 3.5% | | | | | | • | | • | • | |
| Office Expenses | 3.5% | 3.5% | | 164 | • | 164 | 169 | | 169 | 175 | : | 175 |
| egal Expense - Property udt Expense ookkeeping/Accounting Services | 35% | 35% 35% 35% | | 13.629 1.770 2.290 | | 13,629 1,770 2,290 | 14,105 1,832 2,370 | | 14,106 1,832 2,370 | 14,600 1,897 2,453 | - : | 14.600 1.897 2.453 |
| ad Debts | 35% | 3.5% | | 1,877 | | 1,877 | 1.942 | | 1,942 | 2010 | | 2,455 |
| Sub-total Administration Expens | es | 001 | | 20,615 | | 20,615 | 21,337 | | 21,337 | 22,084 | • | 22,084 |
| lectricity /ater | 35% | 3.5% | | 7.681 | • | 7,681 | 7,950 | • | 7,950 7,763 | 8,228 8,034 | | 8.228 8.034 |
| 35 fw8f | 35% | 35% | | 7,490 | | 7,490 | 7,753 | | 7,753 | 8.024 | | 8.024 |
| Sub-total Utiliti axes and Licenses asl Estata Taxas | 3.64 | 3.54 | | 22,672 | • | 22,672 | 23,465 | | 23,465 | 24,287 | | 24,287 |
| teal Estate Taxes layrol Taxes //scelaneous Taxes, Licenses and Permits | 35% | 35% 35% 35% | | 874 | | 874 | 904 | | 904 | 936 | | 936 |
| Iscelaneous Taxes, Licenses and Permits Sub-total Taxes and Licens Insurance | es | | | 874 | | 874 | 904 | | 904 | 935 | | 936 |
| Property and Liability Insurance | 5.0% | 5.0% 3.5% | | 2.795 | | 2,795 | 2.935 | | 2,935 | 3,082 | | 3,032 |
| Vorker's Compensation | 35% | 35% | | 521 | | 521 | 547 | | 547 | 575 | | 575 |
| Sub-total Insuran Sub-total Insuran | | 1 3 64 | | 3,317 | | 3,317 | 3,483 | • | 3,483 | 3,657 | • | 3,657 |
| layroll Jupples Iontracts | 3.5% 3.5% 10.0% | 3.5% 3.5% 10.0% | | 5.351 3.842 27,364 | : | 5.381 3,842 27,364 | 5 569 3 976 30 100 | | 5,569 3,978 30,100 | 5.764 4.116 33.110 | : | 5.764 4.116 33.110 |
| arbage and Trash Removal | 3.5% | 3.5% 3.5% 3.5% | | 4,770 | | 4,770 | 4 937 | | 4,937 | 5,110 | | 5,110 |
| ecurity Payroli/Contract IVAC Repairs and Maintenance ehicle and Maintenance Equipment Operation and Repairs | 35% | 35% | | | | | | | | | | |
| Iscelaneous Operating and Maintenance Expenses Sub-total Maintenance & Repair Expens | 3.5% es | 3.5% | | 6,745 | : | 6,745 48,444 | 6.982 51,918 | | 6.982 51,918 | 7,227 55,692 | : | 7.227 55,692 |
| upportive Services commercial Expenses | 3.5% | 3.5% | | | | - | | | | • | • | • |
| OTAL OPERATING EXPENSES | _ | | | 115,702 | | 115,702 | 121,580 | | 121,580 | 127,844 | | 127,844 |
| PUPA (w/o Reserves/GL Base Rent/Bond Fer Reserves/Ground Lease Base Rent/Bond Fees | 15) | | | | | | | | | | | |
| Sround Lease Base Rent Sond Montoring Fee | - | | | 1600 | | 3.600 | 3 600 | | | 3.600 | | 3.600 |
| eplacement Reserve Deposit iperating Reserve Deposit ther Required Reserve 1 Deposit | | | | 2.455 | | 3,600 | 2.455 | | 3,600 | 2.455 | | 2,455 |
| Other Required Reserve 2 Depost Required Reserve Deposit/s, Commercial | | | | : | | | | | | | | |
| Sub-total Reserves/Ground Lease Base Rent/Bond Fe OTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ B | | | | 6,055 | | 6,055 | 6,055 | • | 6,055 | 6,055 | | 6,055 |
| PUPA (w/Reserves/GL Base Ren/Bond Fe/ IET OPERATING INCOME (INCOME minus OP EXPENSES) | is) | | | 121,757 | | 121,757 | 127,635 | | 127,635 | 133,899 | | 133,833 |
| DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized | loans) | | | | | | | | | | | |
| fard Debt - First Lender fard Debt - Second Lender (HCD Program 0.42% pymt, or other 2n | d Lender) | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | : | | | | | • | • | | • |
| fard Debt - Third Lender (Other HCD Program, or other 3rd Lender) fard Debt - Fourth Lender Commercial Hard Debt Service | | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | | | | | | | | | |
| TOTAL HARD DEBT SERVICE) | E | | 11.00 | • | • | | | | | • | | |
| Allocation of Commercial Surplus to LOPS hon-LOSP (residual in | come) | | | | | ı i | • | • | . (| | | 101 |
| AVAILABLE CASH FLOW ISES OF CASH FLOW BELOW (This row also shows DSCR.) | | | DSCR: | | | • | | | • | | • | |
| ISES THAT PRECEDE MOHCO DEBT SERVICE IN WATERFAL Below-the-line" Asset Mgt fee (uncommon in new projects, see polo fartnership Management Fee (see polocy for imits) | 35% | 35% | per MOHCD palicy per MOHCD palicy | | • | | • | • | | • | | |
| westor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | 3.5% | 3.5% | per MOHCO policy no annual increase | | | | | | | | | - |
| Ion-amortzing Loan Pmnt - Lender 1 Ion-amortzing Loan Pmnt - Lender 2 | | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | : | | | | | | | - | - |
| leferred Developer Fee (Enter ant <= Max Fee from row 131) TOTAL PAYMENTS PRECEDING MOHO | 20 | | and the second s | | • | | | • | | | • | |
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECE | | | | | | | | | | | | |
| Does Project have a MOHCD Residual Receipt Obligation? Vill Project Defer Developer Fee? | | Yes No | | | | | | | | | | |
| tesidual Receipts splt for all years Lender/Owner | | 67%/33% | 6 | | | | | | | | | |
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | Dist. Soft Debt Loan | 1 | | | •. | | | - | | | |
| | | 100.00% | Allocation per pro rata share of all soft debt | 1 | | | | 1 | | | 1 | |
| IOHCD Residual Receipts Amount Due Proposed MOHCD Residual Receipts Amount to Loan Repaymen Proposed MOHCD Residual Receipts Amount to Residual Ground | it | | Proposed Total MOHCD Ant Due less Loan | 1 | | • | | | | | | • |
| Lease NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | | Repayment | 1 | | | | l | • | | l | |
| CD Residual Receipts Amount Due ender 4 Residual Receipts Due | - | 0.003 | | 1 | | : | | . | | | F | |
| ender 5 Residual Receipts Due Total Non-MOHCD Residual Receipts Debt Servi | ce | 0.003 | |] | | | | 1 | • | | t | • |
| EMAINDER (Should be zero unless there are distributions elow) | | | | | | | | | | | | |
| erow) wher Distributions/Incentive Management Fee ther Datributions/Uses | F | | | 1 | | | | | | | ſ | |
| inal Balance (should be zero) | _ | | - | | | | | | | | L | |
| EPLACEMENT RESERVE - RUNNING BALANCE episcement Reserve Starting Balance | 7 | | | | | 148,682 | | 1 | 152,282 | | Į | 155,692 |
| teplacement Reserve Deposits Replacement Reserve Withdrawals (ideally ted to CNA) Replacement Reserve Interest | = | | | | | 3,600 | | | 3,600 | | | 3,600 |
| RR Running Balan | ce | | RR BalanceUnit | | | 152,292 \$38,071 | | | 155,882 \$38,971 | | 1 | 159,492 \$39,871 |
| PERATING RESERVE - RUNNING BALANCE Operating Reserve Starting Balance | | | |] | | 22,095 | 1 | | 24,550 | | ſ | 27,005 |
| Operating Reserve Deposits Operating Reserve Withdrawals | | | | } | | 2,455 | | | 2,455 | | | 2,455 |
| Operating Reserve Interest OR Running Balan | ce | | | 1 | | 24,550 | | 1 | 27,005 | | t | 29,450 |
| OTHER REQUIRED RESERVE 1 - RUNNING BALANCE | - | OR Balance | as a % of Prior Yr Op Exps + Debt Service | | | 21.1% | | | 22.2% | | | 23.1% |
| Other Reserve 1 Starting Balance Other Reserve 1 Deposits | - | | | | | | | | : | | | |
| Wher Reserve 1 Withdrawals Wher Reserve 1 Interest Other Required Reserve 1 Running Balan | | | | 1 | | - | | | | | ł | - |
| THER RESERVE 2 - RUNNING BALANCE | _ | | | | | | | - C. | | | | |
| Other Reserve 2 Starting Balance Other Reserve 2 Deposits | 1 | ÷ | | | | : | | | | | | |
| ther Reserve 2 Withdrawals ther Reserve 2 Interest Other Reserve 3 Running Balan | | | | · · | | | | | | | | |
| Other Required Reserve 2 Running Balan | | | | | | | | | | | | |
| | | | | | | | | | | | | |

MOHCD Proforma - 20 Year Cash Flow

| M | on | ter | зy | Βοι | leva | rd / | Apar | tmen | IS |
|---|----|-----|----|-----|------|------|------|------|----|
| | | | | | | | | | |

| Monterey Boulevard Apartments | LOSP | Non-LOSE | | | | | | | | | | |
|--|---------------------------------|----------------------|--|--------------------------|-----------------|--------------------------|--------------------------|-----------------|--------------------------|-------------------------|-----------------|--------------------------|
| Total # Units: 4 | Units 4 | Units 0 | | | Year 13 2030 | 1 | | Year 14 2031 | | | Year 15 2032 | |
| RCOME | 100 00% % annual inc LOSP | | Comments | LOSP | 2030 | Total | LOSP | 2031 | Total | LOSP | non-LOSP | Total |
| Residental - Tenant Rents Residental - Tenant Assistance Payments (Non-LOSP) | 1.0% r/a | 2.5% | | 10.930 | | 10.980 | 11.090 | | 11.090 | 11.200 | | 11,200 |
| Residential - LOSP Tenant Assistance Payments Commercial Space | r/a r/a | r/a 2.5% | | 129 479 | | 129,479 | 135.491 | | 138.491 | 141.536 | | 141.536 |
| Residential Parking Miscelaneous Rent Income Supportive Services Income | 25% 25% 25% | 25% 25% 25% | | | | | | | | | | |
| Interest Income - Project Operations Laundry and Vending | 25% | 25% 25% | | 671 | : | 671 | 688 | : | 653 | 705 | : | 705 |
| Tenant Charges Miscellaneous Residential Income Other Commercial Income | 2.5% 2.5% n/a | 25% 25% 25% | | | | | | : | | | : | |
| Windrawal from Capitalized Reserve (deposit to operating account) Gross Potential Income | n/a | n/a | Link from Rasarve Section below, as applicable | 141,130 | | 141,130 | 148,269 | | 148,269 | 153,442 | | . 153,442 |
| Vacancy Loss - Residential - Tenant Rents | n/a n/a | n/a | Enter formulas manually per relevant MOH policy, annual incrementing usually not | (549) | | (549) | (554) | | (554) | (500) | | (500) |
| Vacancy Loss - Residential - Tenant Assistance Payments Vacancy Loss - Commercial EFFECTIVE GROSS INCOME OPERATING EXPENSES | n/a n/a | n/a | sppropriate | 140,581 | | 140,581 | 147,714 | | 147,714 | 152,882 | | 152,892 |
| Management | | 1 | Tst Year to be set according to HUD | | | | | | | | | |
| Management Fee Asset Wanagement Fee Sub-total Management Expenses | 35% | 35% | schedule per MOHCD policy | 7,706 7,851 15,557 | : | 7,708 7,861 15,567 | 7.976 8.136 16,112 | | 7.976 8.136 16,112 | 8 255 8 420 | : | 8 255 8.420 16.676 |
| Salaries/Benefits Office Salaries | 35% | 3.5% | | 6 365 | | 6.365 | 6.587 | | 6,537 | 6.815 | | 6,618 |
| Manager's Salary Heath Insurance and Other Benefits | 35% 35% 35% | 35% 35% 35% | | | : | | | | | : | | · · · |
| Other Salares/Benefits Administrative Rent-Free Unit Sub-total Salaries/Benefits | 35% | 3.5% | | 6,365 | | 6,365 | 6,587 | | 6,587 | 6,818 | : | 6,818 |
| Administration Advertising and Marketing | 35% | 35% | | | | | | | - 183 | 194 | | |
| Office Expenses Office Rent Legal Expense - Property | 35% | 35% | | 181 | | 181 | 188 | · · | 15.640 | 16 157 | | 194 - 16 187 |
| Audt Expense Bookkeeping/Accounting Services | 35% 35% 35% | 3.5% | | 1.963 | | 1,963 2,539 | 2.032 | • | 2.032 2.627 2.154 | 2 103 2 719 2 229 | | 2.103 2.719 2.229 |
| Bad Debts Miscellaneous Sub-total Administration Expenses | 35% | 35% | | 2.081 982 22,856 | | 2.081 982 22.856 | 2 154 1.017 23,656 | | 2.154 1.017 23,656 | 2 229 | | 2.229 1.052 24,484 |
| Utilities Electricity | 35% | 3.5% | | 8.516 | | 8.516 | 8.814 | | 8.814 | 9 123 | | 9,123 |
| Water Gas | 35% 35% 35% | 35% | | 8 315 8 305 | : | 8.315 | 8 606 | | 8.603 | 8.908 8.698 | | 8.903 8.898 |
| Sever Sub-total Utilities Taxes and Licenses | | 3.5% | | 25,137 | : | 25,137 | 26,016 | ÷ | 26,016 | 26,927 | : | 26,927 |
| Real Estate Taxes Payrol Taxes | 35% 35% | 35% 35% | | 969 - | : | 969 | 1.002 | • | 1.002 | 1,038 | | 1,038 |
| Miscellaneous Taxes, Licenses and Permits Sub-total Taxes and Licenses Insurance | 3.5% | 3.5% | | 969 | ; | 569 | 1,002 | ; | 1,002 | 1,038 | : | 1,038 |
| Property and Liability Insurance Fidelity Bond Insurance | 50% 35% 35% | 50% 35% | | 3 236 | | 3.238 | 3 398 | | 3,398 | 3 568 | | 3.568 |
| Worker's Compensation Director's & Officers' Liability Insurance | 35% 50% | 35% | | 603 3.840 | : | 603 | 634 4.032 | | 634 4.032 | 665 4,233 | : | 605 4 233 |
| Maintenance & Repair Payrol | 3.5% | 3.5% | | 3,840 | | 3,840 | 6,174 | • | 4,032 6.174 | 6,391 | • | 6,391 |
| Supples Contracts | 3 5% | 3.5% | | 4 260 36 421 | | 4,260 36,421 | 4.409 40.054 | • | 4.409 40.064 | 4 563 44 070 | | 4.563 44.070 |
| Garbage and Trash Removal Security Payrol/Contract HVAC Repairs and Maintenance | 35% 35% 35% | 35% | | 5 289 | : | 5.289 | 5.474 | | 5.474 | 5 665 | | 5.665 |
| Vehicle and Maintenance Equipment Operation and Repairs Miscelaneous Operating and Maintenance Expenses | 35% | 35% | | 7,430 | - | 7,480 | 7.742 | : | 7,742 | 8 013 | : | 8,013 |
| Sub-total Maintenance & Repair Expenses Supportive Services | 3.5% | 3.5% | | 59,793 | • | 59,793 | 64,253 | • | 64,253 | 69,106 | • | 69,106 |
| Commercial Expenses TOTAL OPERATING EXPENSES | l l | | | 134,525 | | 134,526 | 141,659 | | - | 149,282 | | . 149,282 |
| PUPA (w/o Reserves/GL Base Rent/Bond Fees) Reserves/Ground Lease Base Rent/Bond Fees | | | | 134,515 | | 104,020 | 141,022 | | 141,035 | 140,101 | | 149,411 |
| Ground Lease Base Rent Bond Montoring Fee Replacement Reserve Depost | | | | | | 3,600 | 3 600 | | 3,600 | | • | 3,600 |
| Operating Reserve Deposit Other Required Reserve 1 Deposit | | | | 2.455 | | 2,455 | 2.455 | | 2.455 | | | |
| Other Required Reserve 2 Deposit Required Reserve Deposit/s, Commercial | | | | 6.055 | : | • | • | | . 6.055 | | | 3.600 |
| Sub-lotal Reserves/Ground Lease Base Rent/Bond Fees TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bon | d Fees) | | | 6,055 | : | 6,055 140,581 | 6,055 147,714 | : | 6,055 147,714 | 3,600 | | 3,600 |
| PUPA (w/Reserves/GL Base Rent/Bond Fees) NET OPERATING INCOME (INCOME minus OP EXPENSES) | | | | | | | | | | | | |
| DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized lo Hard Debt - First Lender Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd l | | | Enter comments re annual increase, etc. | | | | | • | | | | • |
| Hard Debt - Third Lender (Criter HCD Program, or other 3rd Lender) Hard Debt - Third Lender (Criter HCD Program, or other 3rd Lender) Hard Debt - Fourth Lender | ender) | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | | | | | | | | | |
| Commercial Hard Debt Service TOTAL HARD DEBT SERVICE | (| | | | | : | | | : | | | : |
| CASH FLOW (NOI minus DEBT SERVICE) Allocation of Commercial Surplus to LOPS inon-LOSP (residual inco | me) | | | | | | | • | | | • | |
| AVAILABLE CASH FLOW USES OF CASH FLOW BELOW (This row also shows DSCR.) | | | DSCR | • | | | • | | • | • | • | |
| USES THAT PRECEDE MOHCO DEBT SERVICE IN WATERFALL Below-the-Ine" Asset Mgt fee (uncommon in new projects, see polcy) Partnership Management Fee (see polcy for limits) | 35% | 3.5% | per MOHCD policy per MOHCD policy | : | | | : | | | : | : | |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) Other Payments | | 200 | per MOHCD policy no annual increase | • | | | • | | | | • | |
| Non-amortizing Loan Pimit - Lender 1 Non-amortizing Loan Pimit - Lender 2 Deferred Developer Fee (Enter ant, <= Max Fee from row 131) | | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | : | : | | : | | | : | | |
| TOTAL PAYMENTS PRECEDING MOHCD | | | | | | | | | <u> </u> | | | |
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECED) Does Project have a MOHCD Residual Receipt Obligation? | IG MOHC | Yes | | ı . | | • | | | • | , | | • |
| Will Project Defer Developer Fee? Residual Receipts split for all years - Lender/Owner | | No 67%/339 | | | | | | | | | | |
| | | Dist Sof | י <u>ר</u> | 1 | | | | | | | | |
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | Debt Loan 100 005 | Allocation per pro rata share of all soft debt | 1 | | | | - 1 | | | | |
| Proposed MOHCD Residual Receipts Amount to Loan Repayment Proposed MOHCD Residual Receipts Amount to Residual Ground | | | Proposed Total MOHCD Amt Due less Loan | | | - | | | | | | • |
| Lease NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE | i | | Repayment | J | | | | | | | | |
| HCD Residual Receipts Amount Due Lender 4 Residual Receipts Due | 1 | 0 001 | | 1 | | • | | V | : | | | : |
| Lender 5 Residual Receipts Due Total Non-MOHCD Residual Receipts Debt Service | ć i | 0 001 | 5 | J | | | | | : | | | : |
| REMAINDER (Should be zero unless there are distributions below) | | | | | | <u> </u> | | | | | | |
| Owner Distributions/Incentive Management Fee Other Distributions/Uses Final Balance (should be zero) | | | | | | | | 1 | | | | <u> </u> |
| REPLACEMENT RESERVE - RUNNING BALANCE Replacement Reserve Starting Balance | í. | | | 1 | | 159,492 | | | 163,082 | | | 166,692 |
| Replacement Reserve Deposits Replacement Reserve Withdrawals (deally tied to CNA) | | | | | | 3,600 | | 3 | 3,600 | | | 3,600 |
| Replacement Reserve Interest RR Running Balance | | | RR Balance Unit | 1 | | 163,082 \$40,771 | | | 166,682 | | | 170,282 \$42,571 |
| OPERATING RESERVE - RUNNING BALANCE Operating Reserve Starting Balance | í. | | CO DISCOVAL | 1 | | 29,460 | | i i | 31,915 | | | 34,370 |
| Operating Reserve Deposits Operating Reserve Withdrawals | | | | | | 2,455 | | 0 | 2,455 | | | • |
| Operating Reserve Interest OR Running Balance | E. | OR Balance | as a % of Prior Yr Op Exps + Debt Service | | | 31,915 23 8% | | 9 | 34,370 24.4% | | | 34,370 23.3% |
| OTHER REQUIRED RESERVE 1 - RUNNING BALANCE | í í | | | 1 | | · · | | | | | | |
| Other Reserve 1 Deposits Other Reserve 1 Withdrawals Other Reserve 1 Interest | | | | | | · · | | | | | | |
| Other Required Reserve 1 Running Balance | È. | | | , | | | | | | | | |
| OTHER RESERVE 2 - RUNNING BALANCE Other Reserve 2 Starting Balance Other Reserve 2 Deposits | ĺ | | | } | | : | | | : | | | : |
| Other Reserve 2 Withdrawals Other Reserve 2 Interest | | | | 1 | | | | | | | | |
| Other Required Reserve 2 Running Balance | | | | | | • | | | | | | |
| | | | | | | | | | | | | |

5 d 1

| | | | MOHCD Proforma - | 20 Year Cash F | low | | | | | | | |
|---|----------------------|--------------------|--|-----------------------|---|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------|-----|
| Monterey Boulevard Apartments Total # Units | LOSP I: Units | Non-LOSP Units | | | | | | | | | | |
| | 100 00% | 0 0 00% | | | Year 16 2033 | | | Year 17 2034 | | | Year 18 2035 | |
| BICOME | % annual inc LOSP | Increase | Comments (related to annual inc assumptions) | LOSP | non-LOSP | Total | LOSP | non-LOSP | Total | LOSP | non-LOSP | To |
| Residental - Tenant Rents Residental - Tenant Assistance Payments (Non-LOSP) Residental - LOSP Tenant Assistance Payments | 1.0% n/a n/a | 2.5% n/a n/a | | 11,312 | : | 11,312 | 11.426 | : | 11,426 | 11.540 | | 1 |
| Commercial Space Residental Parking | r/a | 2.5% | | 147.565 | 12 2 2 | 145,000 | 100 025 | and stated as | - | 102.047 | | |
| Miscellaneous Rent Income Supportive Services Income | 2.5% 2.5% 2.5% | 25% 25% 25% | | | - : | | | | | | | _ |
| Interest Income - Project Operations Laundry and Vending | 25% 25% 25% | 2.5% | | - 723 | : | 723 | 741 | : | - 741 | - 760 | | _ |
| Tenant Charges. Miscelaneous Residental Income | 2.5% | 2.5% 2.5% | | | | - : | : | | | | | |
| Other Commercial Income Withdrawal from Capitalized Reserve (deposit to operating account) | r/a r/a | 2.5% | Unk from Reserve Section below, as spplicable | the second | | | | - Carton | | and the second | | |
| Gross Potential Incom Vacancy Loss - Residential - Tenant Rents | | n/a | Enter formulas manusity per relevant MOH | 161,601 | | 161,601 | 172,789 | | 172,789 | 182,147 | | |
| Vacancy Loss - Residential - Tenant Assistance Payments Vacancy Loss - Commercial | r/a | n/a | policy, annual incrementing usually not appropriate | | | | | | | | - | |
| EFFECTIVE GROSS INCOM OPERATING EXPENSES | E | | | 161,035 | | 161,035 | 172,218 | • | 172,218 | 181,570 | • | 1 |
| Management Management Fee | 3 5% | 254 | 1st Year to be set according to HUD | 8.544 | | 8,544 | 8.843 | | 8.843 | 9,153 | | |
| Asset Management Fee Sub-total Management Expense | 3.5% | 3.5% | schedule. per MOHCO policy | 8,715 | | 8,715 | 9.020 | | 9.020 | 9.336 | | |
| Salaries/Benefits Office Salares | 35% | 3.5% | | 7,057 | | 7,057 | 7.304 | | 7,304 | 7.559 | | _ |
| Manager's Salary Health Insurance and Other Benefits | 3.5% | 3.5% | | - | : | | | • | | | | - |
| Other Salaries/Benefits Administrative Rent-Free Unit | 35% | 35% | | | | | | | | • | | _ |
| Administration Sub-total Salaries/Benefi | s | | | 7,057 | • | 7,057 | 7,304 | • | 7,304 | 7,659 | • | |
| Advertising and Marketing Office Expenses | 35% | 35% | | - 201 | | 201 | - 203 | : | - 208 | - 215 | : | _ |
| Office Rent Legal Expense - Property | 35% | 35% | | 16.753 | | 18,753 | 17,340 | | 17,340 | 17,947 | | _ |
| Audt Expense Bookkeeping/Accounting Services | 35% | 35% | | 2.176 | | 2,176 | 2 252 | | 2.252 2.913 | 2.331 3.015 | | |
| Bad Debts VisceTaneous | 35% | 3.5% | | 2.307 | | 2,307 | 2.388 | - | 2,388 | 2.471 | | _ |
| Sub-total Administration Expense | 5 | | | 25,341 | | 25,341 | 26,228 | • | 26,228 | 27,145 | · · | |
| Electricity Nater | 35% | 3.5% | | 9,442 | : | 9,442 9,219 | 9.773 9.542 | : | 9,773 9,542 | 10,115 | • | |
| Sas Sever | 35% | 3.5% | | 9.203 | : | 9.203 | 9,530 | : | 9,530 | 9.864 | • | _ |
| Sub-total Utilitie | s | | | 27,859 | • | 27,869 | 23,845 | • | 28,845 | 29,854 | | |
| Real Estate Taxes Payroli Taxes | 35% | 3.5% | | 1.074 | 1 | 1,074 | 1,111 | : | 1,111 | 1,150 | | _ |
| Ascellaneous Taxes, Licenses and Permits Sub-total Taxes and License | 3.5% | 3.5% | | 1,074 | : | 1,074 | 1,111 | | 1,111 | 1,150 | | _ |
| nsurance Property and Liability insurance | 5.0% | 50% | | 3.745 | | 3.745 | 3 934 | | 3.934 | 4,130 | | |
| Edelty Bond Insurance Norker's Compensation | 3.5% | 35% | | | • | | | | | | | _ |
| Drector's & Officers' Liability Insurance Sub-total Insurance | 5.0% | 5.0% | | 699 | | 699 4,445 | 733 | : | 733 | 770 | | |
| Alintenance & Repair Partoli | 3.5% | 3.5% | | 6,614 | | 6,614 | 6.845 | | 6,845 | 7.085 | | - |
| Supplies Contracts | 35% | 35% | | 4,723 | | 4,723 | 4.888 | | 4,888 | 5.059 | | |
| Sarbage and Trash Removal Security Payroli/Contract | 3.5% | 3.5% | | 5,864 | | 5,864 | 6.069 | | 6.069 | 6.281 | - | _ |
| IVAC Repairs and Maintenance | 35% | 35% | | - | - : | 419 | | | - | - | | _ |
| Ascellaneous Operating and Maintenance Expenses Sub-total Maintenance & Repair Expense | 3.5% | 3.5% | | 8.293 74,390 | | 8 293 74,390 | 8,583 80,144 | | 8,583 | 8.884 | | |
| Supportive Services | 3.5% | 3.5% | | | | - | - | | - | | | _ |
| Sround Lease Base Rent Solo Monitory Fee Replacement Reares Deposit Operating Reserve Deposit Oner Required Reserve 1 Deposit Oner Required Reserve 2 Deposit Required Reserve Deposits, Commercial | | | | 3.600 | ••••••••••••••••••••••••••••••••••••••• | 3,600 | 3.600 2.455 - | | 3,600 | 3.600 | | |
| Sub-lotal Reserves/Ground Lease Base Ren/Bond Fee TOTAL OPERATING EXPENSES (wf Reserves/GL Base Ren/Bo PUPA (wf Reserves/GL Base Ren/Bond Fee NET OPERATING INCOME (INCOME minus OP EXPENSES) DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized | ond Fees) s) | | | 3,600 161,035 : | | 3,600 161,035 - | 6,055 172,218 | : | 6,055 172,218 - | 6,055 181,570 - | | |
| Hard Debt - First Lender Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd | Lender) | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | | : | | • | : | | • | | |
| Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) Hard Debt - Fourth Lender | | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | | | | | : | | | | |
| Commercial Hard Debt Service TOTAL HARD DEBT SERVIC | E | | | | | | | and the second second | : | | - | _ |
| CASH FLOW (NOI minus DEBT SERVICE) | | | | | | | • | | · · . | | | |
| Allocation of Commercial Surplus to LOPS Inon-LOSP (residual in AVAILABLE CASH FLOW | (orne) | | | - : | : | · · | | | · . · | : | | |
| USES OF CASH FLOW BELOW (This row also shows DSCR.) USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL Below-the-line" Asset Mgt fee (uncommon in new projects, see polic) | 3.5% | 3.5% | per MOHICD policy | | | | | | | | | |
| Beow-the-iner Asset Mgt ree (uncommon in new projects, see polic) Partnership Management Fee (see policy for limits) Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) | 3.5% | 35% | per MOHCD policy | | | | : | | | | : | |
| Investor Service Fee (ava "D" Asset Mgt Fee) (see policy for imits) Dher Payments Jon-amortizing Loan Pmnt - Lender 1 | | - | per MOHCD policy no annual increase Enter comments re: annual increase, etc. | | | | | | _ | | | |
| von-amorizing Loan Pmnt - Lender 1 Non-amorizing Loan Pmnt - Lender 2 Deferred Developer Fee (Enter amt <= Max Fee from row 131) | 1 | | Enter comments re: annual increase, etc. Enter comments re: annual increase, etc. | | | | | | | | | |
| TOTAL PAYMENTS PRECEDING MOHO | | | | <u> </u> | | | | | | | | _ |
| RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEI | ING MOHC | D) Yes | | | | | | | | | | |
| Does Project have a MOHCD Residual Receipt Obligation? Will Project Defer Developer Fee? | | No | | 1 | | | | | | | | |
| Residual Receipts split for all years - Lender/Owner | | 67%/33% | | l | | | | | | | | |
| and a second | | Dist. Soft | 1 | | | | | | 0 ¹¹ 182 | | | |
| MOHCO RESIDUAL RECEIPTS DEBT SERVICE | | Debt Loans | Allocation per pro rata share of all soft dect loans and MOHCD residual receipts policy | 1 | | | | | | | 1 | |
| MOHCD Residual Receipts Amount Dua Proposed MOHCD Residual Receipts Amount to Loan Repayment Proposed MOHCD Residual Receipts Amount to Residual Ground | | 100.00% | loans, and MOHCD residual receipts policy | 1 | | | | | | | | 100 |
| Lease | | | Proposed Total MOHCD Amt Due less Loan Repayment |] | | | | | | | | |
| NON-MOHED RESIDUAL RECEIPTS DEBT SERVICE CD Residual Recepts Amount Due | - · · | 0.00% | Na HCD Financing | 1 | | | | | | 12.12 | | _ |
| ender 4 Residual Receipts Due ender 5 Residual Receipts Due | 1 | 0.00% | | 1 | | | | | | | | - |
| Total Non-MOHCD Residual Receipts Debt Servic | • | | | • | | • | | | | | | |
| REMAINDER (Should be zero unless there are distributions pelow) Omer Distrbutions/incentive Management Fee Oper Distrbutions/Uses Final Balance (should be zero) | 3 | | • |] | | • | | | : | | | |
| REPLACEMENT RESERVE - RUNNING BALANCE Replacement Reserve Starting Balance Replacement Reserve Withdrawa's Replacement Reserve Withdrawa's (dealy ted to CNA) Replacement Reserve Interest | | | | | | 170,282 3,600 | | | 173,882 | | | |
| RR Running Balance | e | | RR BalanceUnt | | | 173,882 \$43,471 | | | 177,482 \$44,371 | | | |
| OPERATING RESERVE - RUNNING BALANCE Operating Reserve Starting Balance | - | | KK BaanceUnt | 1 | | | | | \$44,371 | | | , |
| Operating Reserve Deposits | 1 | | | | | 34,370 | | | 34,370 2,455 | | | |
| Operating Reserve Withdrawals Operating Reserve Interest OR Rupping Relator | Ļ | | | 1 | | 34,370 | | | 36,825 | | | |
| OR Running Balanc | | OR Balance a | a % of Prior Yr Op Exps + Debt Service | | | 34,370 22.5% | | | 36,825 | | | |
| Other Reserve 1 Starting Balance | F | | | 1 | | · · | | | | | | - |
| Other Reserve 1 Deposits Other Reserve 1 Withdrawals Other Reserve 1 Interest | 1 | | | | | - | | | - | | | |
| Other Reserve 1 Interest Other Required Reserve 1 Running Balance | • | | | | | · · | | | • | | | - |
| OTHER RESERVE 2 - RUNNING BALANCE Other Reserve 2 Starting Balance | - | | | 1 | | <u> </u> | | | | | | _ |

er Required Reserve 2 Running Balanc

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HCD Proforma - 20 Year Cash Flo

| | | |
|------|------|--|

| Monterey Boulevard Apartments | LOSP | Non-LOSP | | | | | | | |
|---|-----------------------|-----------------------|---|--------------------------|-----------------|--------------------------|---------------------------|--------------|---------------------------|
| Total # Units: 4 | Units 4 100.00% | Units 0 0.00% | | | Year 19 2036 | | 9 | Year 20 2037 | |
| NCOME | % annual inc LOSP | % annual increase | Comments (related to annual inc assumptions) | LOSP | non- LOSP | Total | LOSP | non- LOSP | Total |
| Residential - Tenant Rents Residential - Tenant Assistance Payments (Non-LOSP) | 1.0% n/a | 2.5% n/a | | 11,655 | : | 11.655 | 11,772 | | 11,772 |
| Residential - LOSP Tenant Assistance Payments Commercial Space Residential Parking | n/a n/a 2.5% | n/a 2.5% 2.5% | | 179.748 | | 179.748 | 190.383 | | 190.383 |
| Miscelaneous Rent Income Supportive Services Income | 2.5% 2.5% 2.5% | 25% 25% 25% | | | | | | | |
| Interest Income - Project Operations Laundry and Vending Tenant Charges | 25% 25% 25% | 25% 25% 25% | | 779 | : | 779 | 798 | - : | 798 |
| Miscellaneous Residential Income Other Commercial Income | 2.5% r/a | 25% | | | | | | | |
| Withdrawal from Capitalized Reserve (deposit to operating account) Gross Potential Income | n/a | r/a | Unix from Reserve Section below, as applicable | - 192,182 | ; | 192,182 | 202,953 | : | 202,953 |
| Vacancy Loss - Residential - Tenant Rents Vacancy Loss - Residential - Tenant Assistance Payments Vacancy Loss - Commercial | n/a n/a | r/a r/a | Enter formulas manusity per relevant MOH policy, annual incrementing usually not | (583) | | (583) | (549) | | (589) |
| Vacancy Loss - Commercial EFFECTIVE GROSS INCOME OPERATING EXPENSES | n/a | n/a | sppropriate | 191,599 | | 191,599 | 202,364 | | 202,364 |
| Management | | | 1st Year to be set according to HUD | | | | | | |
| Management Fee Asset Management Fee Sub-lotal Management Expenses | 35% | 35% | schedule per MOHCD policy | 9.473 9.663 19,136 | | 9.473 9.663 | 9.805 10.001 19,805 | | 9.605 10,001 19,806 |
| Sub-lotal Management Expenses Salaries/Benefits Office Salaries | 3 5% | 3.5% | | 7,824 | | 7,824 | 8.098 | | 8,098 |
| Manager's Salary Heath Insurance and Other Benefits | 35% | 3.5% 3.5% 3.5% | | • | | • | | • | : |
| Other Salanes-Benefits Administrative Rent-Free Unit Sub-total Salarles/Benefits | 35% | 35% | | 7,824 | | 7,824 | - 8,098 | | |
| A desta ta baterita a | 35% | 3.5% | | 1,014 | | 1,024 | a,035 - | | |
| Advertising and Marketing Office Expenses Office Rent | 35% | 35% 35% | | 223 | | 223 | 231 | | 231 |
| Legal Expense - Property Audit Expense | 35% 35% 35% | 35% 35% 35% | | 18.575 2.413 3.121 | • | 18.575 2.413 | 19.225 | | 19 225 2,497 |
| Bookkeeping/Accounting Services Bad Debts Miscelaneous | 35% | 3.5% | | 2,558 | <u>.</u> | 3.121 2.558 1.207 | 3.230 2.647 1.250 | | 3 230 2.647 1.250 |
| Sub-total Administration Expenses | | | | 23,096 | | 28,095 | 29,080 | | 29,080 |
| Electricity Water | 35% | 35% | | 10,469 | : | 10,489 | 10.835 | : | 10.835 |
| Gas Sewer Sub-total Utilities | 35% | 3.5% | | 10 209 | : | 10.209 | 10.566 | | 10.566 |
| Sub-total Utilities Taxes and Licenses Real Estate Taxes | 35% | 3.5% | | 30,899 | • | 30,699 | 31,981 | | 31,981 |
| Payrol Taxes Miscelaneous Taxes, Licenses and Permits | 35% | 35% | | : | | | • | | ÷ . |
| Sub-total Taxes and Licenses | 5.011 | 6.014 | | 1,191 | • | 1,191 | 1,232 | • | 1,232 |
| Property and Liability Insurance Fidelity Bond Insurance Worker's Compensation | 50% 35% 35% | 5.0% 3.5% 3.5% | | 4.337 | : | 4.337 | 4.554 | : | 4.554 |
| Director's & Officers' Liability Insurance Sub-total Insurance | 50% | 50% | | 809 5,145 | | 809 5,145 | 849 5,403 | | 849 5,403 |
| Maintenance & Repair Payrol | 3.5% | 35% | | 7.333 | | 7.333 | 7,590 | | 7.590 |
| Supples Contracts Garbage and Trash Removal | 35% 100% 35% | 3.5% 10.0% 3.5% | | 5 236 64 523 6 501 | : | 5.236 64.523 6.501 | 5.420 70.975 6.729 | | 5.420 70.975 6.729 |
| Security Payroli/Contract HVAC Repairs and Maintenance | 35% | 35% | | 464 | | 464 | 451 | | 431 |
| Vehicle and Maintenance Equipment Operation and Repairs Miscellaneous Operating and Maintenance Expenses Sub-total Maintenance & Repair Expenses | 35% | 35% | | 9,195 | | 9,195 | 9.516 | | 9.516 100,710 |
| Sub-total Maintenance & Repair Expenses Supportive Services | 3 5% | 3.5% | | 93,253 | • | 93,253 | 100,710 | • | 100,710 |
| Commercial Expenses TOTAL OPERATING EXPENSES | 1 | | | 185,544 | | 185,544 | 195,309 | | . 196,309 |
| PUPA (w/o Reserves/GL Base Rent/Bond Fees) Reserves/Ground Lease Base Rent/Bond Fees | | | | 185,544 | | 163,344 | 199,309 | | 196,309 |
| Ground Lease Base Rent Bond Montoring Fee | 1 | | | : | : | | : | : | : |
| Replacement Reserve Deposit Operating Reserve Deposit Other Required Reserve 1 Deposit | | | | 3.600 | • | 3,600 2,455 | 3 600 2 455 | | 3.600 2.455 |
| Other Required Reserve 1 Depost Other Required Reserve 2 Depost Required Reserve Depost/s, Commercial | | | | | | | | | • |
| Sub-total Reserves/Ground Lease Base Rent/Bond Fees | | | | 6,055 | : | 6,055 | 6,055 | | 6,055 |
| TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bon PUPA (w/ Reserves/GL Base Rent/Bond Fees) NET OPERATING INCOME (INCOME minus OP EXPENSES) | d Fees) | | | 191,599 | | 191,599 | 202,364 | | 202,364 |
| DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized lo | ans) | | | | | | | | |
| Hard Debt - First Lender Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd L Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender) | ender) | | Enter comments re annual increase, etc. Enter comments re annual increase, etc. Enter comments re annual increase, etc. | | | | | | |
| Hard Debt - Fourth Lender Commercial Hard Debt Service | | | Enter comments re: annual increase, etc. | | | | | | |
| TOTAL HARD DEBT SERVICE CASH FLOW (NOI minus DEBT SERVICE) | | | | : | : | | : | : | |
| Alecation of Commercial Surplus to LOPS/non-LOSP (residual inco AVAILABLE CASH FLOW | me) | | (| <u>:</u> | • | . 1 | : | <u>·</u> | |
| USES OF CASH FLOW BELOW (This row also shows DSCR.) USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL | | | DSCR: | | | | | | |
| Below-the-line" Asset Mgt fee (uncommon in new projects, see policy) Partnership Management Fee (see policy for limits) In active Senior Ear (Join 19, August Mich Fein) for endow for limits | 35% | 35% 35% | per MOHCD policy per MOHCD policy | - : | : | | : | : | |
| Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits) Other Payments Non-amortizing Loan Print - Lender 1 | × | | per MOHCO policy no annual increase Enter comments re annual increase, etc. | | | | | | |
| Non-amortizing Loan Print - Lender 2 Deferred Developer Fee (Enter arrt <= Max Fee from row 131) | | | Enter comments re: annual increase, etc. | • | • | | : | • | |
| TOTAL PAYMENTS PRECEDING MOHCO RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING | | Di | | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Does Project have a MOHCD Residual Receipt Obligation? Will Project Dere Developer Fee? | | Yes No | | | | | | | |
| Will Project Deter Developer Fee? Residual Receipts split for all years - Lender/Owner | | No 67%/33% | | | | | | | |
| | | Dist Soft | 1 | | | | | | |
| MOHCD RESIDUAL RECEIPTS DEBT SERVICE | | Debt Loans 100 00% | Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy | | 1 | | | 1 | |
| MOHCD Residual Receipts Amount Due Proposed MOHCD Residual Receipts Amount to Loan Repayment Proposed MOHCD Residual Receipts Amount to Residual Ground | | | Proposed Total MOHCD Amt Due less Loan | | | | | | |
| Lease NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE | I. | | Repayment | | , | | | | |
| HCD Residual Recepts Amount Due Lender 4 Residual Receipts Due | | 0 00% | No HCD Financing | | | • | | 1 | |
| Lender 5 Residual Receipts Due Total Non-MOHCD Residual Receipts Debt Service | 1 | 0.00% | | | | · · | | (| |
| REMAINDER (Should be zero unless there are distributions below) | | | | | | | | | |
| Owner Distributions/Incentive Management Fee Other Distributions/Uses | | | | | | | | | |
| Final Balance (should be zero) REPLACEMENT RESERVE - RUNNING BALANCE | | | | | | | | | • |
| Replacement Reserve Starting Balance Replacement Reserve Deposits Replacement Reserve Withdrawals (dealty tied to CNA) | | | | | | 181,082 3,600 | | | 184,682 3,600 |
| Replacement Reserve Withdrawals (dealty ted to CNA) Replacement Reserve Interest RR Running Balance | 1 | | | | 1 | 184 692 | | 1 | 188 282 |
| OPERATING RESERVE - RUNNING BALANCE | | | RR Balance Unit | | | \$46.171 | | | \$47,071 |
| Operating Reserve Starting Balance Operating Reserve Deposits | | | | | | 39,280 2,455 | | | 41,735 2,455 |
| Operating Reserve Withdrawals Operating Reserve Interest OR Running Balance | | | | | | 41,735 | | | 44.150 |
| OTHER REQUIRED RESERVE 1 - RUNNING BALANCE | 1 | OR Balance a | s a % of Prior Yr Op Exps + Debt Service | | | 41,735 | | | 44,190 23 1% |
| Other Reserve 1 Starting Balance Other Reserve 1 Deposits | | | | | | : | | 1 | |
| 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 Vintoriawas Other Reserve 2 Interest Other Required Reserve 2 Running Balance | 1 | | | | 1 | | | 1 | |
| | | | | | | | | | |

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Attachment D: LOSP Funding Schedule A

LOSP FUNDING SCHEDULE

Project Address: Monterey Boulevard Apartments Project Start Date: 7/1/2018

Exhibit A

| | | | | Total | |
|---------|---------|----------------|-----------|---------------|--------------|
| | | | | Disbursement | Estimated |
| | | Full Year | # Months | for | Disbursement |
| Calenda | ar Year | Funding Amount | to Fund | Calendar Year | Date |
| CY-1 | 2018 | \$72,425 | 6 | \$36,213 | 6/1/2018 |
| | | | | | |
| CY-2 | 2019 | \$75,771 | 12 | \$75,771 | 1/1/2019 |
| CY-3 | 2020 | \$79,313 | 12 | \$79,313 | 1/1/2020 |
| CY-4 | 2021 | \$83,067 | 12 | \$83,067 | 1/1/2021 |
| CY-5 | 2022 | \$87,047 | 12 | \$87,047 | 1/1/2022 |
| CY-6 | 2023 | \$91,271 | 12 | \$91,271 | 1/1/2023 |
| CY-7 | 2024 | \$95,759 | 12 | \$95,759 | 1/1/2024 |
| CY-8 | 2025 | \$100,529 | 12 | \$100,529 | 1/1/2025 |
| CY-9 | 2026 | \$105,605 | 12 | \$105,605 | 1/1/2026 |
| CY-10 | 2027 | \$111,010 | 12 | \$111,010 | 1/1/2027 |
| CY-11 | 2028 | \$116,771 | 12 | \$116,771 | 1/1/2028 |
| CY-12 | 2029 | \$122,917 | 12 | \$122,917 | 1/1/2029 |
| CY-13 | 2030 | \$129,479 | 12 | \$129,479 | 1/1/2030 |
| CY-14 | 2031 | \$136,491 | 12 | \$136,491 | 1/1/2031 |
| CY-15 | 2032 | \$141,536 | 12 | \$141,536 | 1/1/2032 |
| CY-16 | 2033 | \$149,565 | 12 | \$149,565 | 1/1/2033 |
| | | Total Contract | t Amount: | \$1,662,342 | |