

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:

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

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:

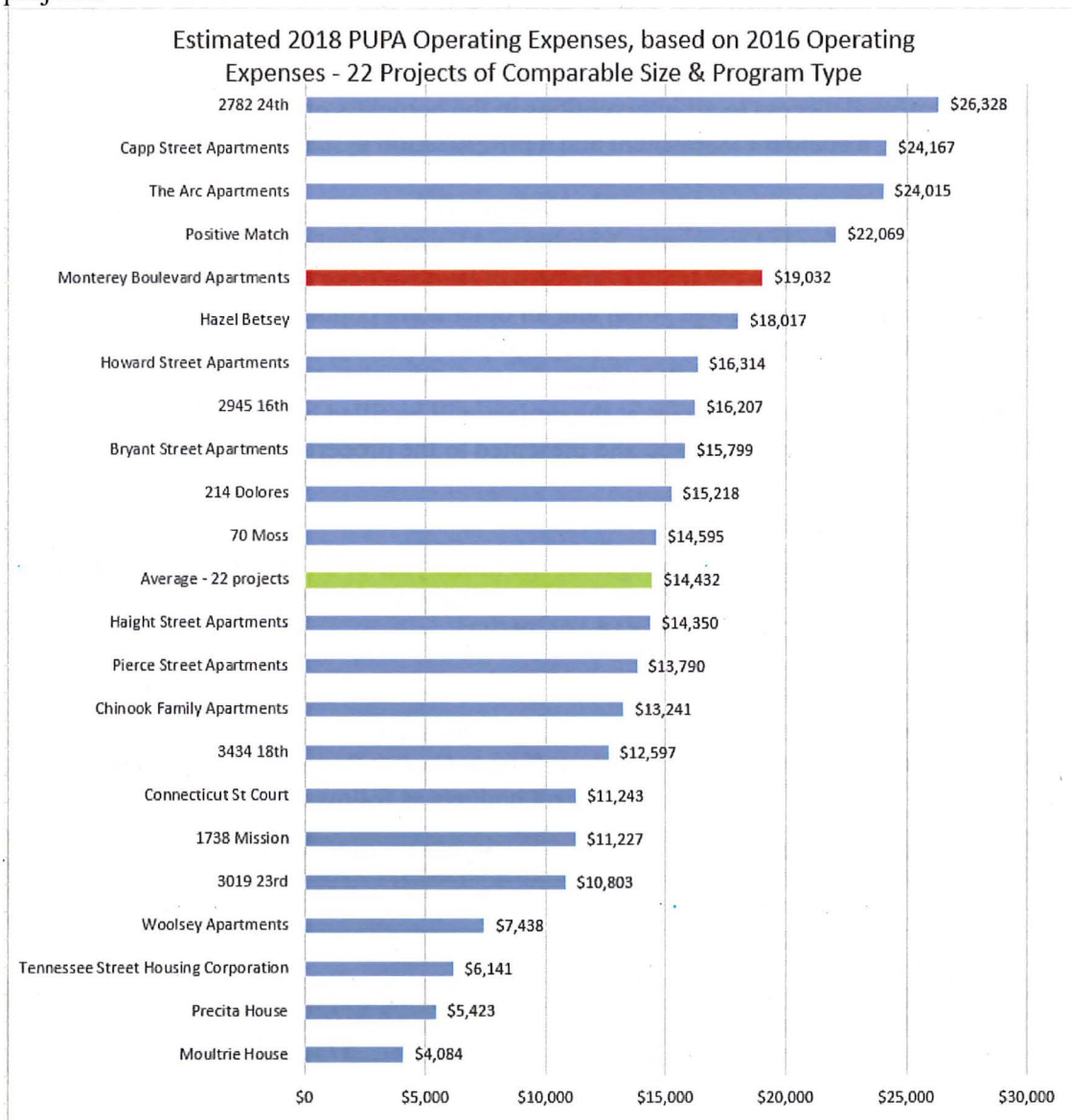
2018 Effective Gross Income	5-year average, EGI	%age Difference
\$82,181	\$65,811	25% increase

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

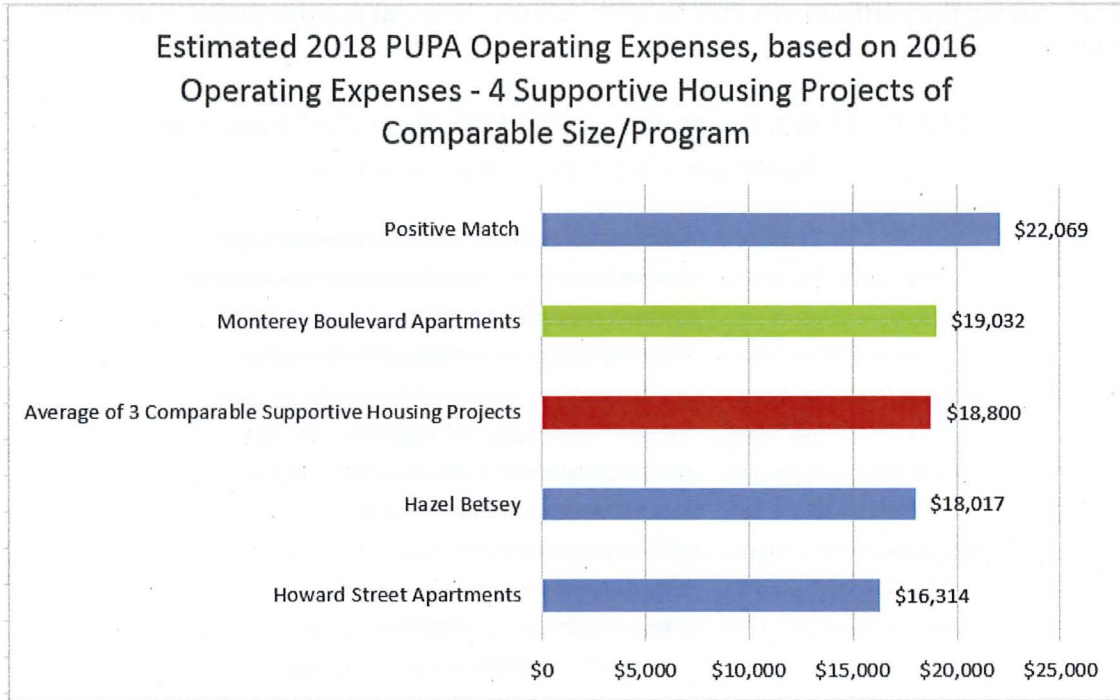
Based on the above historical trend analysis, along with a recognition that the LOSP subsidy will be the primary source of the increased revenue, the overall budget proposed for the project for 2018 appears to be reasonable. Please see below for a more fine-grained analysis of the budget.

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:



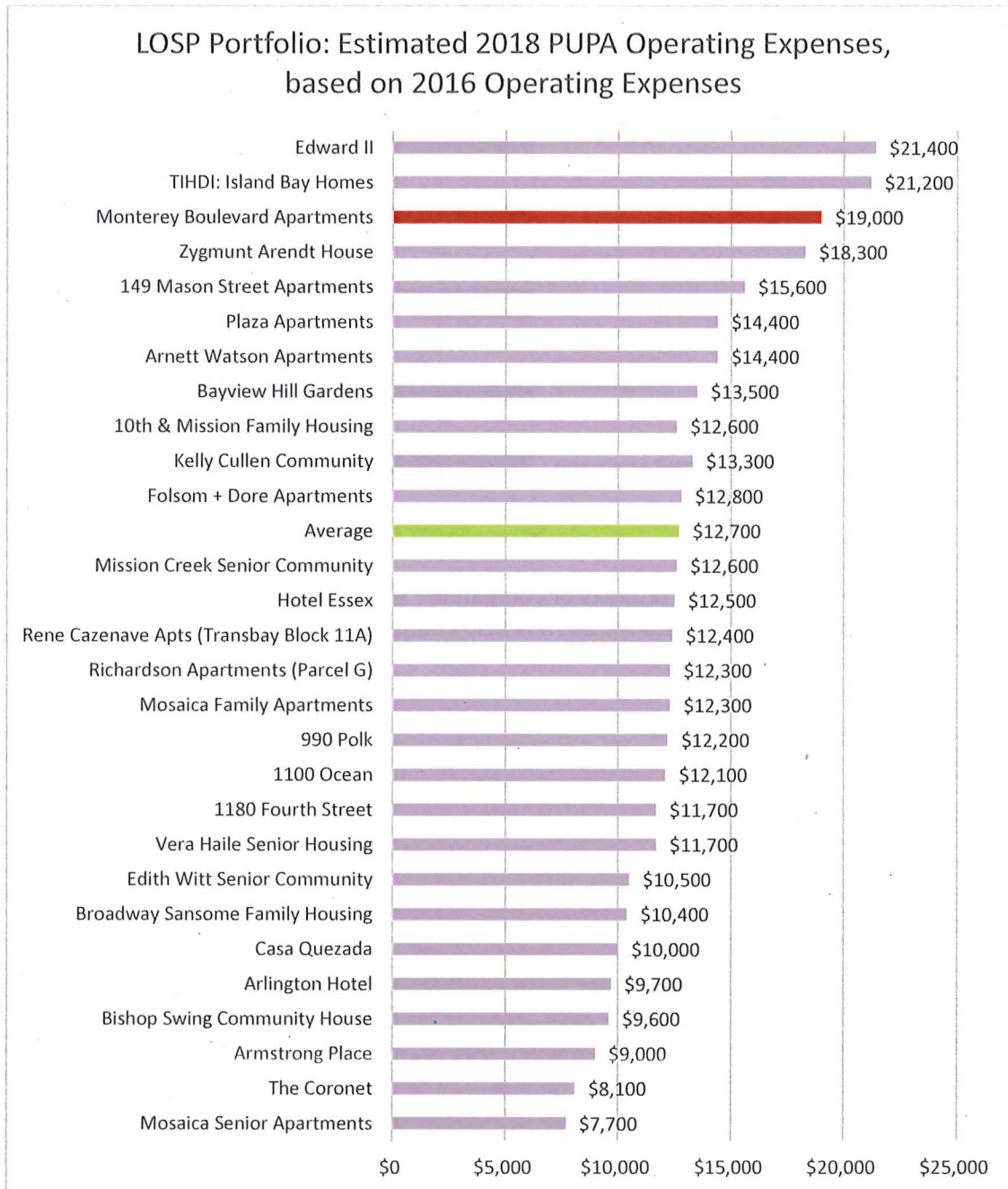
Within this subgroup of 21 projects of comparable program and size, three other projects are also characterized as providing Supportive Housing; see below for the 2018 Operating Expense data for this group of 4 projects:



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.

Project Name	LOSP PUPA - 2018	Total Units	LOSP Units	Target Population
Edward II	\$21,302	25	24	TAY
1100 Ocean	\$19,921	71	19	Families, Seniors and TAY
Zygmunt Arendt House	\$19,131	47	30	Seniors
Monterey Boulevard Apartments	\$18,106	4	4	Families
<i>Average for LOSP Subsidy PUPA - 7 LOSP projects</i>	<i>\$14,900</i>			
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

Tenant Rents: 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.

Income – Local Operating Subsidy: 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.

Vacancy: 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.

Salaries and Benefits. 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.

Administration. 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.

Utilities: 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.

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

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

Maintenance and Repair: 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.

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

Operating Reserve Deposits: 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.

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

2.4 20-Year Cash Flow.

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).

3 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 RECOMMENDATION

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

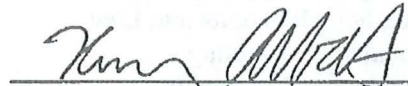
APPROVE. DISAPPROVE. TAKE NO ACTION.



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

Date: 5/4/18

APPROVE. DISAPPROVE. TAKE NO ACTION.



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

Date: 5-4-18

APPROVE. DISAPPROVE. TAKE NO ACTION.



Nadia Sessay, Director
Office of Community Investment and Infrastructure

Date: 5-4-18

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

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

Application Date:		Non-LOSP		Project Name:	Monterey Boulevard Apartments
Total # Units:	4	LOSP Units	Units	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		Project Sponsor:	
		LOSP	Non-LOSP	Total	Comments
INCOME					
Residential - Tenant Rents	9,744	0	9,744		Links from Existing Proj - Rent Info Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0		Links from Existing Proj - Rent Info Worksheet
Residential - LOSP - Tenant Assistance Payments	72,425	0	72,425		
Commercial Space	0	0	0		Links from Commercial Op Budget Worksheet
Residential Parking	0	0	0		Links from Utilities & Other Income Worksheet
Miscellaneous Rent Income	0	0	0		Links from Utilities & Other Income Worksheet
Supplive Services Income	0	0	0		
Interest Income - Project Operations	0	0	0		Links from Utilities & Other Income Worksheet
Landry and Vending	493	0	493		Links from Utilities & Other Income Worksheet
Tenant Charges	0	0	0		Links from Utilities & Other Income Worksheet
Miscellaneous Residential Income	0	0	0		Links from Utilities & Other Income Worksheet
Other Commercial Income	0	0	0		Links from Commercial Op Budget Worksheet
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		
Gross Potential Income	82,668	0	82,668		
Vacancy Loss - Residential - Tenant Rents	(493)	0	(493)		Vacancy loss is 5% of Tenant Rents
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0		BDVDF
Vacancy Loss - Commercial	0	0	0		Links from Commercial Op Budget Worksheet
EFFECTIVE GROSS INCOME	82,111	0	82,111		PUPA: 20,545
OPERATING EXPENSES					
Management					
Management Fee	5,100	0	5,100		1st Year to be set according to HUD schedule
Asset Management Fee	5,203	0	5,203		
Sub-total Management Expenses	10,303	0	10,303		PUPA: 2,514
Salaries/Benefits					
Office Salaries	4,212	0	4,212		Increased from 2,184 after City alerted BntVC that this was less than 5-yr avg
Manager's Salary	0	0	0		
Health Insurance and Other Benefits	0	0	0		
Other Salaries/Benefits	0	0	0		
Administrative Rent-Free Unit	0	0	0		
Sub-total Salaries/Benefits	4,212	0	4,212		PUPA: 1,653
Administration					
Advertising and Marketing	0	0	0		
Office Expenses	120	0	120		
Office Rent	0	0	0		
Legal Expense - Property	10,000	0	10,000		
Audit Expense	1,299	0	1,299		
Bookkeeping/Accounting Services	1,650	0	1,650		
Ball Fees	1,377	0	1,377		
Miscellaneous	650	0	650		
Sub-total Administration Expenses	15,126	0	15,126		PUPA: 3,742
Utilities					
Electricity	5,638	0	5,638		
Water	5,503	0	5,503		
Gas	5,455	0	5,455		
sewer	0	0	0		
Sub-total Utilities	16,635	0	16,635		PUPA: 4,159
Taxes and Licenses					
Real Estate Taxes	641	0	641		MOHCD increased from 328 to 5-yr average of 641
Payroll Taxes	0	0	0		
Miscellaneous Taxes, Licenses and Permits	0	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	0		
Workers Compensation	0	0	0		
Director's & Officer's Liability Insurance	336	0	336		
Sub-total Insurance	2,138	0	2,138		PUPA: 535
Maintenance & Repair					
Payroll	3,948	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 Payroll/Contract	250	0	250		
HVAC Repairs and Maintenance	0	0	0		
Vehicles and Maintenance Equipment Operation and Repairs	0	0	0		
Miscellaneous Operating and Maintenance Expenses	4,950	0	4,950		
Sub-total Maintenance & Repair Expenses	27,072	0	27,072		PUPA: 6,748
Supportive Services					
Commercial Expenses	0	0	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
Bond/Mortgage Fee	0	0	0		
Replacement Reserve Deposit	3,600	0	3,600		
Operating Reserve Deposit	2,455	0	2,455		3% of prior year's operating expenses
Other Required Reserve Deposits	0	0	0		
Other Required Reserve Deposits - Commercial	0	0	0		Links from Commercial Op Budget Worksheet
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	6,055	0	6,055		PUPA: 1,514
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	82,181	0	82,181		PUPA: 20,545
NET OPERATING INCOME (INCOME minus OP EXPENSES)	0	0	0		PUPA:
DEBT SERVICE/MUST PAY PAYMENTS (hard debt amortized loans)					
Hard Debt - First Lender	0	0	0		Provide additional comments here, if needed
Hard Debt - Second Lender (HCD Program 0.4% pmt. or other and Lender)	0	0	0		Provide additional comments here, if needed
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed
Commercial Hard Debt Service	0	0	0		Links from Commercial Op Budget Worksheet
TOTAL HARD DEBT SERVICE	0	0	0		PUPA: 0
CASH FLOW (NOI minus DEBT SERVICE)					
Allocation of Commercial Surplus to LOSP/Non-LOSP (residual income)	0	0	0		
AVAILABLE CASH FLOW	0	0	0		
USES OF CASH FLOW BELOW (This row also shows DISCR)					
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL					
Below-market Asset Mgt Fee (common in new projects, see policy)	0	0	0		
Property Management Fee (see policy for limits)	0	0	0		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	0	0	0		
Other Payments	0	0	0		
Non-amortizing Loan Pmt - Lender 1 (unless lender in comments field)	0	0	0		Provide additional comments here, if needed
Non-amortizing Loan Pmt - Lender 2 (unless lender in comments field)	0	0	0		Provide additional comments here, if needed
Deferred Developer Fee (unless in comments field)	0	0	0		BDVDF
TOTAL PAYMENTS PRECEDING MOHCD	0	0	0		PUPA: 0
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	0	0	0		
Residual Receipts Calculation					
Does Project have a MOHCD Residual Receipt Obligation?		Yes	Project has MOHCD ground lease?	No	
Will Project Dev/ Developer Fee?		No			
Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1		33%			
% of Residual Receipts available for distribution to soft debt lenders in		67%			
Soft Debt Lenders with Residual Receipts Obligations					
MOHCD/DCU - Soft Debt Loans		MOHCD/DCU Loans payable from net rents	Total Principal Amt		Dist'n of Soft Debt Loans
MOHCD/DCU - Ground Lease Value		Ground Lease	\$163,970		100.00%
HCD (soft debt loan) - Lender 1					0.00%
Other Soft Debt Lender - Lender 4					0.00%
Other Soft Debt Lender - Lender 5					0.00%
MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
MOHCD Residual Receipts Amount Due	0	0	0		15% of residual receipts, multiplied by 100% - MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	0	0		Entire/overdue amount of residual receipts proposed for loan repayment
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	0		If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repaymt
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	0	0	0		
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	0	0	0		
Lender 4 Residual Receipts Due	0	0	0		
Lender 5 Residual Receipts Due	0	0	0		
Total Non-MOHCD Residual Receipts Debt Service	0	0	0		
REMAINDER (should be zero unless there are distributions below)					
Owner Distributions/Incentive Management Fee	0	0	0		
Other Distributions/Uses	0	0	0		
Final Balance (should be zero)	0	0	0		

Attachment C: 20-year Operating Proforma

Monterey Boulevard Apartments

Table with columns for Total # Units (4 LOSP, 0 Non-LOSP), % annual inc LOSP, % annual increase, Comments, Year 19 2016 (LOSP, non-LOSP, Total), and Year 20 2017 (LOSP, non-LOSP, Total). Rows include INCOME (Residential - Tenant Rents, Commercial Space, etc.), OPERATING EXPENSES (Management, Salaries/Benefits, etc.), and CASH FLOW (NOI minus DEBT SERVICE, AVAILABLE CASH FLOW, etc.).

Attachment D: LOSP Funding Schedule A

MOHCD Proforma - Exhibit A

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

Exhibit A

Calendar Year	Full Year Funding Amount	# Months to Fund	Total Disbursement for Calendar Year	Estimated Disbursement 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 Amount:			\$1,662,342	