

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: Scott Madden

Loan Committee Date: May 4, 2018

Sponsor Name: Chinatown Community Development Center
Project Name: Parkview Terraces
Project Address (w. cross street): 871 Turk Street (@ Gough)
Number of Units/Beds (specify): 20 LOSP units, 101 Total
Funding Amount Recommended: Up to \$233,755 First Year budget
Up to \$4,580,619 Contract Total
for 15 Years and 9 Months

1. SUMMARY AND BACKGROUND

Chinatown Community Development Center (CCDC) is requesting \$4,580,619 in funds from the Local Operating Subsidy Program (LOSP) to support the operations of 20 units within Parkview Terraces, an existing, 101-unit, midrise apartment building for very low-income seniors. The funds would replace rental subsidies from HUD's Continuum of Care program ("CofC," previously known as "Shelter Plus Care"), which were lost when the contract was not renewed through the City's CofC competition in 2017. The 20 units are set aside to serve extremely low-income, formerly homeless seniors.

CCDC's renewal application for the CofC rental assistance ranked too low in the competition last year to be funded. It was ranked 58 out of 62 projects that applied. The funding threshold was at 57. The application for Parkview received a low score because CCDC had failed to properly report income under the existing CofC contract, in addition to other reporting errors, and had not demonstrated that the incomes of the CofC-supported tenants had increased.

The building is located on the eastern edge of the Western Addition across from Jefferson Square Park. It was developed on the former Central Freeway Parcel A beginning in 2003 by a joint venture of Chinatown Community Development Center and A.F. Evans

Company. It was financed with 9% low-income housing tax credits, a conventional permanent loan from Union Bank, a grant from the Affordable Housing Program and gap financing from the former San Francisco Redevelopment Agency. The land is owned by the City and ground-leased to the project owner for 60 years.

The project began operations in 2008 and contains 101 units of housing – 59 studios and 42 one-bedroom units – as well as a roof deck, courtyard, community room and offices for property management staff and supportive services.

The requested funds would be provided through a contract of 15 years and 9 months in length, with a start date of April 2018. The previous CofC rental assistance contract terminated in March. The new LOSP contract would replace the CofC rental assistance contract that would have been in place from April 2018 to March 2019 if CCDC’s renewal application had been approved; \$288,408 was budgeted. In addition, the requested LOSP funds would back fill the previously anticipated annual renewals of the lost CofC funds for an additional 14 years.

The total amount of funds requested was determined by taking the operating budget for 2018 and then applying MOHCD’s standard underwriting assumptions over a 15-year projection period. If approved, the first disbursement of funds would occur in July and cover the period April 2018-December 2019. Thereafter, funds would be disbursed on a calendar-year basis each January in accordance with the attached schedule (see Exhibit A-1), with possible reductions from these amounts based on operating surpluses that may occur in previous years. A total of \$167,817 in assistance is budgeted for a portion of 2018 (April-December). This equates to a monthly per unit subsidy of \$932. The LOSP subsidy is projected to increase an average of 3.5% annually over the term of the contract. Though all requested funds would be provided under a single, long-term contract, disbursements thereunder would be subject to annual appropriations by the Board of Supervisors, as is standard for LOSP contracts.

CCDC’s request is reasonable in light of the historic financial performance of the project and relative to the operating costs and LOSP subsidies of similar projects. The amount of funds requested for the first year under the proposed LOSP contract is materially lower than the amount of CofC funds that were lost for the same period of time. In addition, the total amount of funds under the proposed LOSP contract is lower than the projected amount of CofC rental assistance that would have been provided over the contract term.

2. PROJECT OPERATIONS

2.1. Unit Mix

Unit Size	# of Units	MOHCD AMI Restriction
studio	59	50%
1BR	42	50%
TOTAL	101	

The City restricts all units at 50% of unadjusted Area Median Income (AMI), and TCAC (Tax Credit Allocation Committee) restricts the units further at multiple levels of adjusted AMI (30%, 40% and 50%). Overall, the current tenant population is extremely low-income, with an average annual household income equal to 28% AMI; however, the current tenants in the twenty units that would be supported by LOSP are even more impoverished, with an average annual household income of 17% AMI.

2.2. Target Population and Referrals

The target population of the project overall is very low-income seniors, aged 55 years or older. The twenty units that would be supported by LOSP are set aside for extremely low-income, formerly homeless seniors. Referrals to the LOSP units would continue to come from the Department of Homelessness and Supportive Housing, through Coordinated Entry.

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. 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 for seniors 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. All referrals will be processed by the City and County of San Francisco and presented to the property manager.

2.3. Annual Operating Budget

The following is an evaluation of the 1st Year Operating Budget (Attachment B) and 15-Year Operating Pro Forma (Attachment C) that are the basis for the overall request for LOSP funds. The 1st Year Operating Budget is the current operating budget for the project for 2018, with allocations between the LOSP units and the non-LOSP units. The 15-Year Operating Pro Forma is based on the Year 1 budget, with MOHCD’s standard escalators (2.5% income, 3.5% expenses) and other specifications applied for a 15-year projection period.

2.3.1 Income

Tenant Rents: \$756,138 is budgeted, which reflects the rent roll of the project as of March 1. This represents an average rent across all units equivalent to 30% AMI (\$621 studio, \$710 1BR). Of total revenue from tenant rents, \$68,748, or 9%, will come from

the LOSP units, which are 20% of total units. This variance is due to the fact that LOSP tenants have lower incomes than the other tenants, thus their rents comprise a smaller percentage of total revenue.

Tenant Assistance Payments: \$347,910 is budgeted for 21 units that currently have tenant-based rental assistance, including 15 that have Section 8 Vouchers. This amount reflects current contract rents under the vouchers that are 105%-106% of 2018 FMRs.

Commercial Income: \$32,820 for two ground-floor commercial spaces, currently rented to Northern California Presbyterian Homes & Services (the service provider) and to Focus Staffing Group, a professional recruiting and job placement service. The amount budgeted equates to commercial rent of \$1.14 per s.f.

Other Commercial Income: \$9,600 in CAM (Common Area Maintenance) charges to the commercial tenants

Income – Local Operating Subsidy: \$223,755 is budgeted in the 1st Year Operating Budget, or \$11,188 per unit. This amount is 76% of total revenue from the LOSP units, with the remainder coming from LOSP tenant rents. Of total residential revenue to the project (from LOSP and non-LOSP units), the LOSP subsidy is 17%.

	LOSP	%	non-LOSP	%	Total	%
Tenant Rents	\$68,748	24%	\$687,390	66%	\$756,138	57%
Tenant Assistance Payments			\$347,910	34%	\$347,910	26%
LOSP Subsidy	\$223,755	76%			\$223,755	17%
Subtotals/Total	\$292,503		\$1,035,300		\$1,327,803	

The amount of LOSP subsidy in Year 1 is 22% (\$64,000) less than the amount of the CofC rental assistance contract that would have been in place had CCDC’s renewal application been renewed in the 2017 competition.

2.3.2 Operating Expenses:

The 1st Year Operating Budget shows operating expenses for 2018 at \$1,024,326 or \$10,142 PUPA. This is a 6% above 2017 actuals¹, which is somewhat above the annual growth rate of 5% in expenses from 2012-2017. This increase is also above the 3.5% annual escalation that MOHCD uses to underwrite its financing to new and existing projects. Although an annual growth rate of no more than 3.5% is most favorable to any project, the increase in the 2018 budget is necessary due to increases in certain “big ticket” expenses in recent years. These include liability and property insurance, utilities (8%-12%) and health insurance (10%-15%). The increase also reflects the increase in SF’s minimum wage to \$15/hr. that will take effect this year.

Notwithstanding this increase, the 2018 operating expenses for Parkview compare favorably with projected expenses of similar supportive, senior housing developments

¹ For purposes of this evaluation, CCDC previewed a draft of the 2017 Annual Monitoring Report ahead of the reporting deadline in May. The numbers were taken as is, have not been verified against the audit and have not been officially accepted by MOHCD.

for 2018². At \$10,142 per unit, Parkview’s budgeted costs are 3% below the average of the sample shown below.

Comparable Senior, Mixed-LOSP Projects (size and % of LOSP units)	Projected PUPA Operating Expenses, 2018	Average of Sample
Armstrong Place	\$9,000	\$10,461
990 Polk	\$12,200	\$10,461
Edith Witt Senior Community	\$10,500	\$10,461
Parkview Terrace	\$10,142	\$10,461

Allocation of Expenses to LOSP and non-LOSP Units

Under the LOSP program, the standard allocation of operating expenses is *pro rata* according to the percentages of LOSP and non-LOSP units in a project, in this case, 20% and 80%. For Parkview, the cost of all CCDC staff positions (including wages, benefits, taxes, insurance) that are supported by this budget are allocated 35% to LOSP units and 65% to non-LOSP units. All other expenses, as well as annual debt service, are allocated on a *pro rata* basis. Debt service on private loans, per LOSP program policy, is usually allocated entirely to non-LOSP units. MOHCD staff recommends approval in spite of the deviations in CCDC’s budget from the LOSP programmatic standard and policy. These alternative allocations were necessary to eliminate projected deficits on the non-LOSP side of the budget, which over time would have jeopardized CCDC’s capacity to effectively oversee and manage this important asset and eventually the feasibility of the project itself.

Staffing. CCDC is not calling for any changes to the current staffing with this request. What is now in place is typical of supportive senior housing projects of similar size and with a portion of the units set aside for homeless households. Front desk services are provided in the evenings, overnight and on weekends but not during business hours, when the property manager and assistant property manager (2.0 FTE) are on duty.

Title	FTE	Salary	Pro-rated to Parkview	
<i>Office Salaries</i>				
Desk Clerk	1.0	\$33,972	\$33,972	Total desk clerk coverage is 3.1 FTE, which is ~ 1.0 FTE less than 24/7 coverage (4.2 FTE).
Desk Clerk	1.0	\$36,399	\$36,399	
Desk Clerk	0.725	\$26,255	\$26,255	
Desk Clerk	0.4	\$14,321	\$14,321	
Assistant Manager	1.0	\$40,735	\$40,735	
Assistant Manager	0.12	\$5,086	\$5,086	Only when needed to cover for Asst. Mgr.
Subtotal		\$156,767	\$156,767	

² Based on 2016 actual operating expenses, with 3.5% annual escalation for 2 years.

<i>Manager's Salary</i>				
Property Manager	1.0	\$50,621	\$50,621	Works only at Parkview
Subtotal	1.0	\$50,621	\$50,621	
<i>Janitorial</i>				
Janitor	0.5	\$23,856	\$23,856	through janitorial contract
Subtotal	0.5	\$23,856	\$23,856	
<i>Maintenance Payroll</i>				
Maintenance Lead	1.0	\$44,935	\$44,935	Works only at Parkview
Subtotal	1.0	\$44,935	\$44,935	
<i>Security</i>				
None				
Subtotal		\$0	\$0	
Total FTEs and Expenses	6.7	\$276,180	\$276,180	

Management Fees. \$66,057 in Year 1, which is \$55 per unit per month and well within the current cap of MOHCD policy.

Asset Management Fee. No AM fee is budgeted.

Salaries and Benefits. \$289,118. This includes wages for property management staff and front desk clerks, and associated health insurance and retirement contributions. It also includes a rental revenue offset of \$17,076 for the resident manager's unit, which is \$1,423 per month for a one-bedroom unit.

Administration. \$66,062, which includes office expenses, legal services, audit and bookkeeping costs, bad debts and miscellaneous expenses

Utilities: \$181,528, which includes the cost of water and sewerage and equates to \$150 pupm. Tenants pay for electric cooking fuel, regular electricity and air conditioning. Current utility allowances are \$38 for a studio and \$46 for a 1BR.

Taxes and Licenses: \$26,646. This includes payroll taxes for the property management staff and desk clerks. The residential portion of the project qualifies for a welfare property tax exemption, but the whole property is still liable for special assessments and fees. The portion of the commercial space that is rented to NCPHS, a non-profit organization, also receives a welfare tax exemption. The portion rented to Focus Staffing Group is not exempt, and the property taxes are included elsewhere in the budget as a commercial operating expense.

Insurance: \$60,533, which includes general liability and auto liability insurance, property insurance and worker's compensation insurance, but not health insurance.

Maintenance and Repair: \$273,408, includes the cost of CCDC's maintenance staff; supplies for repairs, decorating and cleaning; recycling, compost and trash removal;

elevator maintenance; and multiple service contracts: grounds, repairs, janitorial, exterminator, boiler, fire alarm & sprinklers, etc.

Supportive Services: \$51,881, which is the portion of the contract with NCPHS for a full-time services coordinator that is not funded by HSH and must be funded through the operating budget.

Ground Lease: \$15,000, as required annually by the ground lease with the former SFRA, which was transferred to MOHCD in 2012

Replacement Reserve Deposits: \$30,300, or \$300 per unit per year, as required by the Partnership Agreement. MOHCD’s minimum requirement is \$250 pupy.

Debt Service. \$171,216 annual debt service to Union Bank. Loan has a 25-year term, 6.77% interest rate, matures in 2033 (15 years remaining), one year after the proposed new LOSP contract would expire. Current principal balance is \$1.6 million.

Partnership Management. \$33,599 for Year 1, which is shared by the managing general partner (affiliate of CCDC) and the developer general partner (affiliate of Bayside Development, successor to A.F. Evans Co.). This is within the current limit of \$40,880 for combined partnership and asset management fees. No separate asset management fee is budgeted.

Investor Services Fee: \$6,719, as required by the Limited Partnership Agreement. NEF (National Equity Fund) is the investor. This exceeds the current cap of \$5,000 on investor services fees under MOHCD policy, but it is allowed in this case because it is an obligation that was already in place when the policy took effect in 2016.

2.3.3. Operating Cost Comparisons

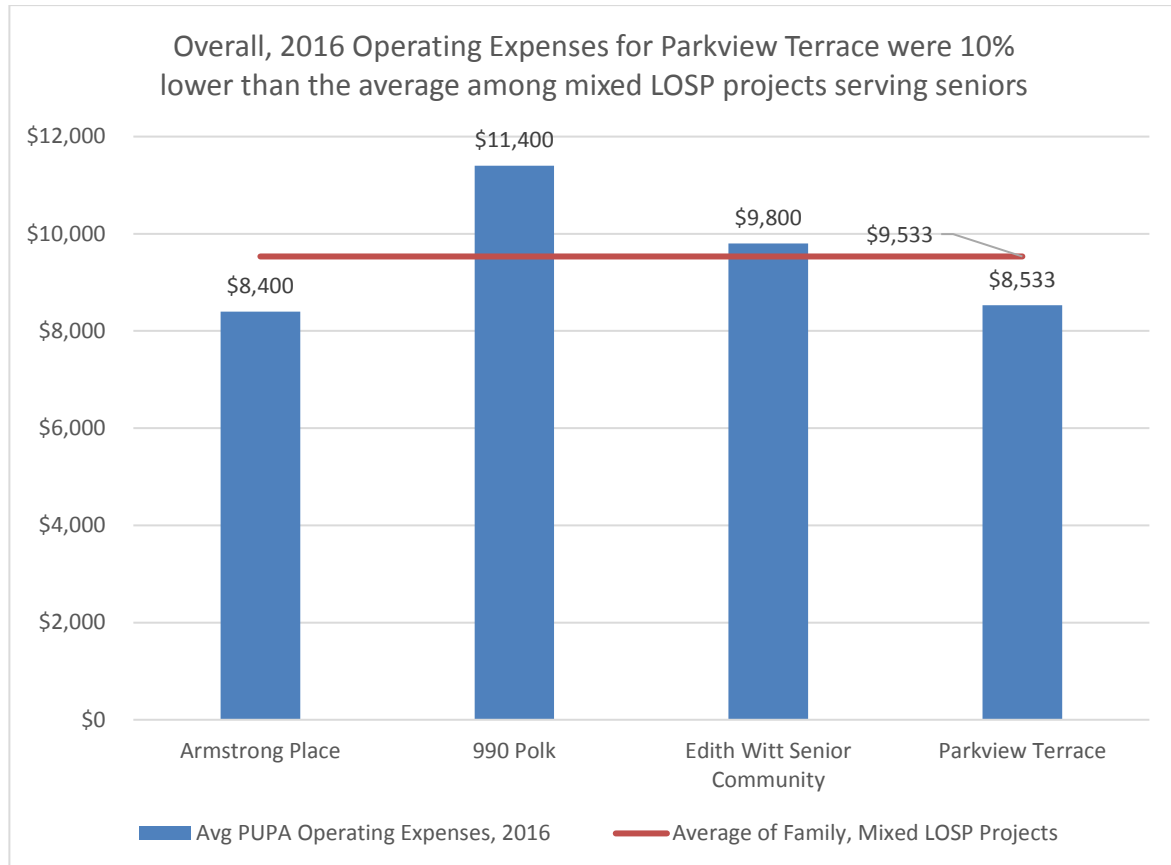
To evaluate the reasonableness of CCDC’s request, MOHCD staff compared 2016 actual operating expenses of Parkview Terraces with those of similar projects, with and without units supported by LOSP.

Comparison to Other Senior Supportive Housing (Non-LOSP): The actual operating costs in 2016 at Parkview compare favorably to other supportive senior projects of similar size. The average pupy operating cost of the three comparison projects was \$9,535. Parkview’s costs were \$8,533, which is 10% less than the average.

SUMMARY	Comp 1	Comp 2	Comp 3	Comp 4
# Units	101	90	85	105
Project Name <i>(Select a project name)</i>	Parkview Terrace	Vera Haile Senior Housing	Eugene Coleman Senior Community	International Hotel
Total Income	\$1,207,651	\$1,027,503	\$880,915	\$994,207
Total Expenses	\$861,831	\$980,921	\$789,219	\$884,232
NOI	\$345,820	\$46,581	\$91,696	\$109,975
Debt Service Payments	\$0	\$0	\$0	\$0
Surplus Payments Before MOHCD	\$0	\$0	\$0	\$0
MOHCD Payment	\$17,072	\$0	\$0	\$0
Surplus Payments After MOHCD	\$0	\$0	\$0	\$0

Expense Benchmark Items				
Expense PUPA	\$8,533	\$10,899	\$9,285	\$8,421
Management Fee (PUPM)	\$57	\$74	\$32	\$50
Bookkeeping Fee (PUPM)	\$7	\$13	\$0	\$10

Comparison to Other Senior LOSP Projects:



2.4. 20-Year Cash Flow. The attached 20 Year Cash Flow Projection shows

- The LOSP subsidy funds a break-even budget, thus no cash flow would be generated and available for soft loan repayments or distributions.
- Tenant rental income is escalated at 1% for LOSP units and 2.5% for non-LOSP units.
- Tenant Assistance Payments for Section 8 Vouchers and other tenant-based subsidies are escalated at 2.5%. CCDC will need to be sure to push for contract rent increases each year.
- Residential vacancy rate is 2% to reflect current budget, then 5% for Years 2-15.
- All operating expenses are escalated at 3.5%.
- Partnership management and investor services fees are escalated 3%. Payment of these fees will cease after Year 5 when tax credit compliance period ends.
- LOSP subsidy amount in Year 7 increases only 1.9% due to the elimination of the partnership management and investor services fees from the budget

3. SUPPORT SERVICES

Northern California Presbyterian Homes and Services is the service provider. The staffing is 1.0 FTE Services Coordinator and 0.05 FTE Supervisor. The Coordinator provides primary case management to the 20 formerly homeless seniors who are referred by HSH and who occupy the 20 set-aside units. The services can include assistance to identify and set goals, locate resources to help achieve them and overcome problems. They may also include needs assessments, benefits counseling, emotional support, crisis intervention and referrals.

The services are funded by HSH. Current contract is for 12/1/2012-6/30/2019. Amount budget for the current fiscal year (FY17-18) is \$57,491. The HSH funding does not cover the entire cost of services, only about half. The balance of the cost is borne by the project, as an operating expense.

NCPHS is currently in good standing under the HSH contract.

4. CONCLUSION

I recommend approval of the request in full. Without this funding, the project would not be feasible with the 20 homeless set-aside units. The amount of funds requested is substantially less than the amount that would have been funded under the Continuum of Care rental assistance contract. The project is well-staffed and well-managed, with lower-than-average operating costs. It is an important resource in the City's array of homeless services and programs, and under CCDC's ownership and management, it merits LOSP funding so that it may continue to serve homeless seniors in spite of the loss of CofC funding.

5. RECOMMENDED CONDITIONS

6. 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

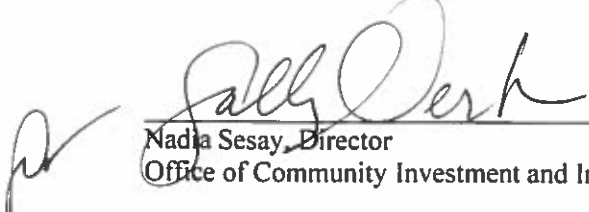
APPROVE. DISAPPROVE. TAKE NO ACTION.



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

Date: 5-4-18

APPROVE. DISAPPROVE. TAKE NO ACTION.



Nadia Sesay, Director
Office of Community Investment and Infrastructure

Date: 5-9-18

- 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.

Contract periods for LOSP contract renewals will transition from a fiscal year basis to a calendar year basis for more streamlined accounting with the tax credit reporting year. For John Burton Advocates for Youth Housing, the LOSP contract will start on July 2017 and end on December 31, 2032, resulting in a 15.5 year term. After the July 2017 disbursement, all disbursements moving forward would be on a calendar year basis.

Attachment B: 1st Year Operating Budget

Application Date: 4/19/2018
 Total # Units: 101
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2018

Project Name: Parkview Terraces
 Project Address: 871 Turk Street
 Project Sponsor: Chinatown Community Development Center
Correct errors noted in Col N!

INCOME	LOSP/non-LOSP Allocation		Total	Comments	
	20%	80%			
Residential - Tenant Rents	68,748	687,390	756,138	Links from 'Existing Proj - Rent Info' Worksheet	Alternative LOSP Split
Residential - Tenant Assistance Payments (Non-LOSP)	0	347,910	347,910	Links from 'Existing Proj - Rent Info' Worksheet	Residential - Tenant Assistance Payments (N
Residential - LOSP Tenant Assistance Payments	223,755		223,755		
Commercial Space			32,820	0%	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	Alternative LOSP Split
Supportive Services Income	0	0	0		Supportive Services Income
Interest Income - Project Operations	58	230	288	Links from 'Utilities & Other Income' Worksheet	
Laundry and Vending	1,560	6,240	7,800	Links from 'Utilities & Other Income' Worksheet	Projected LOSP Split
Tenant Charges	90	360	450	Links from 'Utilities & Other Income' Worksheet	Tenant Charges
Miscellaneous Residential Income	170	680	850	Links from 'Utilities & Other Income' Worksheet	
Other Commercial Income			9,600	Links from 'Commercial Op. Budget' Worksheet	Alternative LOSP Split
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		Withdrawal from Capitalized Reserve (deposit
Gross Potential Income	294,381	1,042,810	1,379,612		
Vacancy Loss - Residential - Tenant Rents	(1,375)	(13,748)	(15,123)	Vacancy loss is 2% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	0	(6,958)	(6,958)	Vacancy loss is 2% of Tenant Assistance Payments.	
Vacancy Loss - Commercial			0	Links from 'Commercial Op. Budget' Worksheet	
EFFECTIVE GROSS INCOME	293,006	1,022,104	1,357,531	PUPA: 13,441	

OPERATING EXPENSES					
Management					
Management Fee	13,211	52,846	66,057	6% of GRP (tenant rents plus tenant non-LOSP tenant assistance)	Alternative LOSP Split
Asset Management Fee	0	0	0		Asset Management Fee
Sub-total Management Expenses	13,211	52,846	66,057	PUPA: 654	

Salaries/Benefits					
Office Salaries	54,868	101,899	156,767	GL 6710 3.0 FTE desk clerks; 1.0 FTE Asst PM who is also week day desk clerk	Alternative LOSP Split
Manager's Salary	17,717	32,904	50,621	GL 6330 1.0 FTE Property Manager	Office Salaries
Health Insurance and Other Benefits	20,953	38,912	59,865	GL 6723 - Health insurance for property staff	Health Insurance and Other Benefits
Other Salaries/Benefits	1,676	3,113	4,789	GL 6724 for 403B contribution	Other Salaries/Benefits
Administrative Rent-Free Unit	5,977	11,099	17,076	GL 6331 - admin rent free unit for resident manager	Administrative Rent-Free Unit
Sub-total Salaries/Benefits	101,191	187,927	289,118	PUPA: 2,863	

Administration					
Advertising and Marketing	0	0	0	GL 6210	
Office Expenses	751	3,003	3,754	GL 6250 Office supplies, copier lease, postage	
Office Rent	0	0	0		Projected LOSP Split
Legal Expense - Property	680	2,720	3,400	GL 6340 Legal consults, and 1 eviction	Legal Expense - Property
Audit Expense	2,400	9,600	12,000	GL 6350 annual audit and tax	
Bookkeeping/Accounting Services	1,800	7,200	9,000	GL 6351 - \$7.50 per unit bookkeeping fee	Projected LOSP Split
Bad Debts	60	240	300	GL 6370 based on property history	Bad Debts
Miscellaneous	7,522	30,086	37,608	GL 6355 Computer & IT services + GL 6360 Tel & Answering Services + GL 6250	
Sub-total Administration Expenses	13,212	52,850	66,062	PUPA: 654	

Utilities					
Electricity	11,314	45,256	56,570	GL 6450 - electricity	Projected LOSP Split
Water	6,920	27,678	34,598	GL 6451 - water	Electricity
Gas	8,157	32,629	40,786	GL 6452 - gas	
Sewer	9,915	39,659	49,574	GL 6453 - sewer	
Sub-total Utilities	36,306	145,222	181,528	PUPA: 1,797	

Taxes and Licenses					
Real Estate Taxes	0	0	0	All in commercial tab	Alternative LOSP Split
Payroll Taxes	7,656	14,219	21,875	GL 6711 - for property staff	Real Estate Taxes
Miscellaneous Taxes, Licenses and Permits	954	3,817	4,771	GL 6790 misc permits: DPH, business license, gross receipts, FTB etc	Payroll Taxes
Sub-total Taxes and Licenses	8,610	18,036	26,646	PUPA: 264	

Insurance					
Property and Liability Insurance	8,953	35,810	44,763	GL 6720 - annual property and GL insurance	
Fidelity Bond Insurance	0	0	0		Alternative LOSP Split
Worker's Compensation	5,520	10,251	15,770	GL 6722 - for property staff	Worker's Compensation
Director's & Officers' Liability Insurance	0	0	0		
Sub-total Insurance	14,473	46,061	60,533	PUPA: 599	

Maintenance & Repair					
Payroll	8,987	35,948	44,935	GL 6540 1.0 FTE Maintenance Tech - Repairs Payroll	Projected LOSP Split
Supplies	3,732	14,928	18,660	GL 6541 repairs supply+ GL 6561 decorating supplies + 6515 Janitorial Supplies	Supplies
Contracts	31,123	124,493	155,616	GL 6542 repairs contract (fire, plumbing, boiler, windows etc) + GL 6517 Janitor Contract +	Contracts
Garbage and Trash Removal	6,179	24,718	30,897	GL 6525 - Garbage	Alternative LOSP Split
Security Payroll/Contract	3,780	7,020	10,800	GL 6530 - contract front desk staff	Security Payroll/Contract
HVAC Repairs and Maintenance	2,500	10,000	12,500	Part of GL 6542 elevator contracts	
Vehicle and Maintenance Equipment Operation and Repairs	0	0	0		
Miscellaneous Operating and Maintenance Expenses	0	0	0		
Sub-total Maintenance & Repair Expenses	56,302	217,106	273,408	PUPA: 2,707	

Supportive Services	0	51,881	51,881	GL 6910 resident services paid to NCPHS as part Parkviews services agreement (DPH also	Alternative LOSP Split
Commercial Expenses			9,092	Links from 'Commercial Op. Budget' Worksheet	Supportive Services

TOTAL OPERATING EXPENSES 243,305 771,929 1,024,326 PUPA: 10,142

Reserves/Ground Lease Base Rent/Bond Fees					
Ground Lease Base Rent	3,000	12,000	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.
Bond Monitoring Fee	0	0	0		Alternative LOSP Split
Replacement Reserve Deposit	6,060	24,240	30,300	\$300 per unit per year	Replacement Reserve Deposit
Operating Reserve Deposit	5,000	20,000	25,000		Operating Reserve Deposit
Other Required Reserve 1 Deposit	0	0	0		Other Required Reserve 1 Deposit
Other Required Reserve 2 Deposit	0	0	0		
Required Reserve Deposits, Commercial			0	Links from 'Commercial Op. Budget' Worksheet	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	14,060	56,240	70,300	PUPA: 696	

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	257,365	828,169	1,094,626	PUPA: 10,838	
NET OPERATING INCOME (INCOME minus OP EXPENSES)	35,641	193,936	262,905	PUPA: 2,603	

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)					
Hard Debt - First Lender	34,243	136,973	171,216	Union Bank	Alternative LOSP Split
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)	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	Links from 'Commercial Op. Budget' Worksheet	Hard Debt - First Lender
TOTAL HARD DEBT SERVICE	34,243	136,973	171,216	PUPA: 1,695	

CASH FLOW (NOI minus DEBT SERVICE)	1,398	56,963	91,689		
Commercial Only Cash Flow			33,328		
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	6,666	26,662			Allocation of Commercial Surplus to LOSP/no
AVAILABLE CASH FLOW	8,064	83,625	91,689		

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	0		
Partnership Management Fee (see policy for limits)	6,720	26,879	33,599	50% CCDC 50% Bayside	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	1,344	5,375	6,719	NEF	Alternative LOSP Split
Other Payments	0	0	0		Other Payments
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0		Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0		Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt => Max Fee from call 1130)	0	0	0	Def. Develop. Fee split: 0%	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	8,064	32,254	40,318	PUPA: 399	

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	0	51,371	51,371		
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Residual Receipts Calculation
 Does Project have a MOHCD Residual Receipt Obligation? **Yes** Project has MOHCD ground lease? **Yes**
 Will Project Deter 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%**
 Sum of DD F from LOSP and non-LOSP:
 Ratio of Sum of DDF and calculated 50%:

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCIL - Soft Debt Loans	All MOHCD/OCIL Loans payable from res. repts		0.00%
MOHCD/OCIL - Ground Lease Value	Ground Lease	\$2,887,500	100.00%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE			
MOHCD Residual Receipts Amount Due	34,248	34,248	67% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	34,248	34,248	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 17,124

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

REMAINDER (Should be zero unless there are distributions below)			
Owner Distributions/Incentive Management Fee		17,124	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses		0	
Final Balance (should be zero)		0	

Application Date: 4/19/2018
 Total # Units: 101
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2018

INCOME			
	LOSP	non-LOSP	Approved By (reqd)
Residential - Tenant Rents			
Residential - Tenant Assistance Payments (Non-LOSP)	0.00%	100.00%	
Residential - LOSP Tenant Assistance Payments			
Commercial Space			
Residential Parking			
Miscellaneous Rent Income	LOSP	non-LOSP	Approved By (reqd)
Supportive Services Income			
Interest Income - Project Operations			
Laundry and Vending	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Tenant Charges	20.00%	80.00%	
Miscellaneous Residential Income			
Other Commercial Income	LOSP	non-LOSP	Approved By (reqd)
Withdrawal from Capitalized Reserve (deposit to operating account)	to operating account		
Gross Potential Income			
Vacancy Loss - Residential - Tenant Rents			
Vacancy Loss - Residential - Tenant Assistance Payments			
Vacancy Loss - Commercial			
EFFECTIVE GROSS INCOME			

OPERATING EXPENSES			
	LOSP	non-LOSP	Approved By (reqd)
Management			
Management Fee			
Asset Management Fee			
Sub-total Management Expenses			
Salaries/Benefits			
Office Salaries	35.00%	65.00%	
Manager's Salary	35.00%	65.00%	
Health Insurance and Other Benefits	35.00%	65.00%	
Other Salaries/Benefits	35.00%	65.00%	
Administrative Rent-Free Unit	35.00%	65.00%	
Sub-total Salaries/Benefits			

Administration			
Advertising and Marketing			
Office Expenses			
Office Rent	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	20.00%	80.00%	
Audit Expense			
Bookkeeping/Accounting Services	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	20.00%	80.00%	
Miscellaneous			
Sub-total Administration Expenses			

Utilities			
Electricity	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	20.00%	80.00%	
Gas			
Sewer			
Sub-total Utilities			

Taxes and Licenses			
Real Estate Taxes			
Payroll Taxes	35.00%	65.00%	
Miscellaneous Taxes, Licenses and Permits			
Sub-total Taxes and Licenses			

Insurance			
Property and Liability Insurance			
Fidelity Bond Insurance	LOSP	non-LOSP	Approved By (reqd)
Worker's Compensation	35.00%	65.00%	
Director's & Officers' Liability Insurance			
Sub-total Insurance			

Maintenance & Repair			
Payroll	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Supplies	20.00%	80.00%	
Contracts			
Garbage and Trash Removal	LOSP	non-LOSP	Approved By (reqd)
Security Payroll/Contract	35.00%	65.00%	
HVAC Repairs and Maintenance			
Vehicle and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			
Sub-total Maintenance & Repair Expenses			

Supportive Services	LOSP	non-LOSP	Approved By (reqd)
Commercial Expenses	0.00%	100.00%	

TOTAL OPERATING EXPENSES

Reserves/Ground Lease Base Rent/Bond Fees			
Ground Lease Base Rent			
Bond Monitoring Fee	LOSP	non-LOSP	Approved By (reqd)
Replacement Reserve Deposit			
Operating Reserve Deposit			
Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit			
Required Reserve Deposits/ Commercial			
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)

NET OPERATING INCOME (INCOME minus OP EXPENSES)

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)			
	LOSP	non-LOSP	Approved By (reqd)
Hard Debt - First Lender			
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender 42% pymt, or other 2nd Lender)			
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			
Hard Debt - Fourth Lender			
Commercial Hard Debt Service			
TOTAL HARD DEBT SERVICE			

CASH FLOW (NOI minus DEBT SERVICE)

Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	non-LOSP (residual income)		

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)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	LOSP	non-LOSP	Approved By (reqd)
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	lender in comments field		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt =<= Max Fee from call 1130)	0.00%	100.00%	

TOTAL PAYMENTS PRECEDING MOHCD

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?

Will Project Deter Developer Fee?

Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: 0

% of Residual Receipts available for distribution to soft debt lenders in #VALUE!

Soft Debt Lenders with Residual Receipts Obligations

MOHCD/OCII - Soft Debt Loans
MOHCD/OCII - Ground Lease Value
HCD (soft debt loan) - Lender 3
Other Soft Debt Lender - Lender 4
Other Soft Debt Lender - Lender 5

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

MOHCD Residual Receipts Amount Due
Proposed MOHCD Residual Receipts Amount to Loan Repayment
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due
Lender 4 Residual Receipts Due
Lender 5 Residual Receipts Due
Total Non-MOHCD Residual Receipts Debt Service

REMAINDER (Should be zero unless there are distributions below)

Owner Distributions/Incentive Management Fee
Other Distributions/Uses
Final Balance (should be zero)

Attachment C: 20-year Operating Proforma

Parkview Terraces

Total # Units:	LOSP Units		Year 1			Year 2			Year 3			Year 4			Year 5		
	20	81	2018			2019			2020			2021			2022		
	20.00%	80.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
101																	
INCOME																	
Residential - Tenant Rents	1.0%	2.5%	68,748	687,390	756,138	69,435	704,575	774,010	70,130	722,189	792,319	70,831	740,244	811,075	71,539	758,750	830,290
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%	-	347,910	347,910	-	356,608	356,608	-	365,523	365,523	-	374,661	374,661	-	384,027	384,027
Residential - LOSP Tenant Assistance Payments	n/a	n/a	223,755	-	223,755	230,943	-	230,943	239,079	-	239,079	247,134	-	247,134	254,090	-	254,090
Commercial Space	n/a	3.0%	-	-	32,820	-	-	33,805	-	-	34,819	-	-	35,864	-	-	36,940
Other Income																	
Gross Potential Income			294,381	1,042,810	1,379,612	302,303	1,068,881	1,414,829	311,182	1,095,603	1,451,690	319,987	1,122,993	1,489,182	327,702	1,151,068	1,526,306
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(1,375)	(13,748)	(15,123)	(1,736)	(17,614)	(19,350)	(1,753)	(18,055)	(19,808)	(1,771)	(18,506)	(20,277)	(1,788)	(18,969)	(20,757)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	(6,958)	(6,958)	-	(8,915)	(8,915)	-	(9,138)	(9,138)	-	(9,367)	(9,367)	-	(9,601)	(9,601)
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			293,006	1,022,104	1,357,531	300,567	1,042,351	1,386,563	309,429	1,068,410	1,422,744	318,216	1,095,120	1,459,538	325,914	1,122,498	1,495,948
OPERATING EXPENSES																	
Management	3.5%	3.5%	13,211	52,846	66,057	13,674	54,695	68,369	14,152	56,610	70,762	14,648	58,591	73,239	15,160	60,642	75,802
Salaries/Benefits	3.5%	3.5%	101,191	187,927	289,118	104,733	194,504	299,237	108,399	201,312	309,711	112,193	208,358	320,550	116,119	215,650	331,770
Administration	3.5%	3.5%	13,212	52,850	66,062	13,675	54,699	68,374	14,153	56,614	70,767	14,649	58,595	73,244	15,162	60,646	75,808
Utilities	3.5%	3.5%	36,306	145,222	181,528	37,576	150,305	187,881	38,891	155,566	194,457	40,253	161,011	201,283	41,662	166,646	208,308
Taxes and Licenses	3.5%	3.5%	8,610	18,036	26,646	8,912	18,667	27,679	9,224	19,320	28,544	9,547	19,996	29,543	9,881	20,696	30,577
Insurance	3.5%	3.5%	14,472	46,061	60,533	14,979	47,673	62,652	15,503	49,342	64,844	16,045	51,069	67,114	16,607	52,856	69,463
Maintenance & Repair	3.5%	3.5%	56,302	217,106	273,408	58,272	224,705	282,977	60,312	232,570	292,881	62,423	240,710	303,132	64,607	249,135	313,742
Supportive Services	3.5%	3.5%	-	51,881	51,881	-	53,697	53,697	-	55,576	55,576	-	57,521	57,521	-	59,535	59,535
Commercial Expenses	3.5%	3.5%	-	-	6,959	-	-	9,336	-	-	9,588	-	-	9,849	-	-	10,119
TOTAL OPERATING EXPENSES			243,305	771,929	1,024,326	251,821	798,946	1,060,103	260,634	826,909	1,097,131	269,757	855,851	1,135,456	279,198	885,806	1,175,123
RESERVES/GROUND LEASE BASE RENT/BOND FEES																	
Reserves/Ground Lease Base Rent/Bond Fees																	
Ground Lease Base Rent			3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000
Bond Monitoring Fee			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Deposit			6,060	24,240	30,300	6,060	24,240	30,300	6,060	24,240	30,300	6,060	24,240	30,300	6,060	24,240	30,300
Operating Reserve Deposit			5,000	20,000	25,000	4,000	16,000	20,000	4,000	16,000	20,000	3,615.972944	14,463.89178	18,080	1820.23998	7280.95992	9,101
Other Required Reserve 1 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposits, Commercial			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			14,060	56,240	70,300	13,060	52,240	65,300	13,060	52,240	65,300	12,676	50,704	63,380	10,880	43,521	54,401
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			257,365	828,169	1,094,626	264,881	851,186	1,125,403	273,694	879,149	1,162,431	282,433	906,555	1,198,836	290,078	929,327	1,229,524
NET OPERATING INCOME (INCOME minus OP EXPENSES)																	
NET OPERATING INCOME (INCOME minus OP EXPENSES)			35,641	193,936	262,905	35,687	191,165	261,161	35,734	189,261	260,312	35,784	188,565	260,702	35,835	193,171	266,424
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																	
Hard Debt - First Lender			34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216
CASH FLOW (NOI minus DEBT SERVICE)																	
CASH FLOW (NOI minus DEBT SERVICE)			1,398	56,963	91,689	1,444	54,192	89,945	1,491	52,288	89,096	1,541	51,592	89,486	1,592	56,199	95,208
USES OF CASH FLOW BELOW (This row also shows DSCR.)																	
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.0%	3.0%	6,720	26,879	33,599	6,921	27,685	34,607	7,129	28,516	35,645	7,343	29,371	36,714	7,563	30,252	37,816
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			1,344	5,375	6,719	1,384	5,536	6,921	1,426	5,703	7,128	1,468	5,874	7,342	1,512	6,050	7,562
Other Payments			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD			8,064	32,254	40,318	8,305	33,222	41,527	8,555	34,218	42,773	8,811	35,245	44,056	9,076	36,302	45,378
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)																	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			-	51,371	51,371	0	48,418	48,418	0	46,323	46,323	0	45,430	45,430	0	49,830	49,830
Does Project have a MOHCD Residual Receipt Obligation?																	
Will Project Defer Developer Fee?																	
Residual Receipts split for all years. - Lender/Owner																	
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																	
MOHCD Residual Receipts Amount Due						34,248		32,279			30,882			30,287			33,220
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease						-		-		-				-			-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve						-		-		-				-			-
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE						17,124		16,139		15,441		15,143		15,143		16,610	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																	
HCD Residual Receipts Amount Due	0.00%					-		-		-				-			-
Lender 4 Residual Receipts Due	0.00%					-		-		-				-			-
Lender 5 Residual Receipts Due	0.00%					-		-		-				-			-
Total Non-MOHCD Residual Receipts Debt Service						-		-		-		-		-		-	
REMAINDER (Should be zero unless there are distributions below)						17,124		16,139		15,441							

Parkview Terraces

Total # Units:	LOSP Units		Year 6			Year 7			Year 8			Year 9			Year 10		
	20	81	2023			2024			2025			2026			2027		
	20.00%	80.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
101																	
INCOME																	
Residential - Tenant Rents	1.0%	2.5%	72,255	777,719	849,974	72,977	797,162	870,139	73,707	817,091	890,798	74,444	837,518	911,962	75,189	858,456	933,645
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%	-	393,628	393,628	-	403,469	403,469	-	413,555	413,555	-	423,894	423,894	-	434,492	434,492
Residential - LOSP Tenant Assistance Payments	n/a	n/a	258,510	-	258,510	268,412	-	268,412	278,448	-	278,448	292,761	-	292,761	299,127	-	299,127
Commercial Space	n/a	3.0%	-	-	38,048	-	-	39,189	-	-	40,365	-	-	41,576	-	-	42,823
Other Income																	
Gross Potential Income			332,889	1,179,844	1,561,642	343,567	1,209,340	1,603,230	354,387	1,239,574	1,645,738	369,493	1,270,563	1,693,328	376,660	1,302,327	1,733,800
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(1,806)	(19,443)	(21,249)	(1,824)	(19,929)	(21,753)	(1,843)	(20,427)	(22,270)	(1,861)	(20,938)	(22,799)	(1,880)	(21,461)	(23,341)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	(9,841)	(9,841)	-	(10,087)	(10,087)	-	(10,339)	(10,339)	-	(10,597)	(10,597)	-	(10,862)	(10,862)
Vacancy Loss - Commercial	n/a	n/a	-	-	-	-	-	-	-	-	-	-	-	(20,788)	-	-	-
EFFECTIVE GROSS INCOME			331,083	1,150,561	1,530,552	341,743	1,179,325	1,571,389	352,545	1,208,808	1,613,129	367,632	1,239,028	1,639,144	374,781	1,270,004	1,699,596
OPERATING EXPENSES																	
Management	3.5%	3.5%	15,691	62,764	78,455	16,240	64,961	81,201	16,809	67,235	84,043	17,397	69,588	86,985	18,006	72,023	90,029
Salaries/Benefits	3.5%	3.5%	120,184	223,198	343,382	124,390	231,010	355,400	128,744	239,095	367,839	133,250	247,464	380,713	137,913	256,125	394,038
Administration	3.5%	3.5%	15,692	62,769	78,461	16,241	64,966	81,207	16,810	67,239	84,049	17,398	69,593	86,991	18,007	72,029	90,036
Utilities	3.5%	3.5%	43,120	172,479	215,598	44,629	178,515	223,144	46,191	184,763	230,954	47,808	191,230	239,038	49,481	197,923	247,404
Taxes and Licenses	3.5%	3.5%	10,227	21,421	31,647	10,584	22,170	32,755	10,955	22,946	33,901	11,338	23,749	35,088	11,735	24,581	36,316
Insurance	3.5%	3.5%	17,188	54,706	71,894	17,790	56,621	74,411	18,413	58,602	77,015	19,057	60,653	79,710	19,724	62,776	82,500
Maintenance & Repair	3.5%	3.5%	66,869	257,854	324,723	69,209	266,879	336,088	71,631	276,220	347,851	74,138	285,888	360,026	76,733	295,894	372,827
Supportive Services	3.5%	3.5%	-	61,618	61,618	-	63,775	63,775	-	66,007	66,007	-	68,317	68,317	-	70,709	70,709
Commercial Expenses			-	-	10,398	-	-	10,688	-	-	10,987	-	-	11,297	-	-	11,618
TOTAL OPERATING EXPENSES			288,970	916,809	1,216,177	299,084	948,897	1,258,669	309,552	982,109	1,302,648	320,386	1,016,482	1,348,166	331,600	1,052,059	1,395,277
RESERVES/GROUND LEASE BASE RENT/BOND FEES																	
Reserves/Ground Lease Base Rent/Bond Fees																	
Ground Lease Base Rent			3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000
Bond Monitoring Fee			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Deposit			6181.2	24724.8	30,906	6304.824	25219.296	31,524	6430.92048	25723.68192	32,155	6559.53889	26238.15556	32,798	6690.729667	26762.91867	33,454
Operating Reserve Deposit			1534.382139	6137.528555	7,672	2011.566958	8046.267832	10,058	2274.779223	9099.116891	11,374	2296.2644	9185.057599	11,481	2313.425913	9253.703651	11,567
Other Required Reserve 1 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposits, Commercial			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			10,716	42,862	53,578	11,316	45,266	56,582	11,706	46,823	58,528	11,856	47,423	59,279	12,004	48,017	60,021
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			299,686	959,671	1,269,755	310,400	994,163	1,315,251	321,258	1,028,931	1,361,176	332,242	1,063,906	1,407,445	343,604	1,100,076	1,455,298
NET OPERATING INCOME (INCOME minus OP EXPENSES)			31,397	190,889	260,797	31,342	185,162	256,139	31,287	179,876	251,953	35,390	175,122	231,699	31,177	169,928	244,299
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																	
Hard Debt - First Lender			34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216
CASH FLOW (NOI minus DEBT SERVICE)			(2,846)	53,917	89,581	(2,901)	48,189	84,923	(2,956)	42,903	80,737	1,146	38,149	60,483	(3,067)	32,955	73,083
USES OF CASH FLOW BELOW (This row also shows DSCR.)																	
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	4,856	19,424	24,280	5,026	20,104	25,130	5,202	20,807	26,009	5,384	21,536	26,920	5,572	22,289	27,862
Partnership Management Fee (see policy for limits)	3.0%	3.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD			4,856	19,424	24,280	5,026	20,104	25,130	5,202	20,807	26,009	5,384	21,536	26,920	5,572	22,289	27,862
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			-	65,301	65,301	0	59,793	59,793	0	54,727	54,727	0	33,564	33,564	(0)	45,221	45,221
Does Project have a MOHCD Residual Receipt Obligation?																	
Will Project Defer Developer Fee?																	
Residual Receipts split for all years. - Lender/Owner																	
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																	
MOHCD Residual Receipts Amount Due					43,534			39,862			36,485			22,376			30,147
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease					-			-			-			-			-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve					-			-			-			-			-
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE					21,767			19,931			18,242			11,188			15,074
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																	
HCD Residual Receipts Amount Due	0.00%				-			-			-			-			-
Lender 4 Residual Receipts Due	0.00%				-			-			-			-			-
Lender 5 Residual Receipts Due	0.00%				-			-			-			-			-
Total Non-MOHCD Residual Receipts Debt Service					-			-			-			-			-
REMAINDER (Should be zero unless there are distributions below)					21,767			19,931			18,242			11,188			15,074
Owner Distributions/Incentive Management Fee					21,767			19,931			18,242			11,188			15,074
Other Distributions/Uses					-			-			-			-			-
Final Balance (should be zero)					-			-			-			-			-
RR Running Balance					300,600			332,124			364,279			397,076			

Parkview Terraces

Total # Units:	LOSP Units		Year 11			Year 12			Year 13			Year 14			Year 15		
	20	81	2028			2029			2030			2031			2032		
	% annual inc LOSP	% annual increase	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
101	20.00%	80.00%															
INCOME																	
Residential - Tenant Rents	1.0%	2.5%	75,941	879,918	955,858	76,700	901,916	978,616	77,467	924,463	1,001,930	78,242	947,575	1,025,817	79,024	971,264	1,050,288
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%	-	445,354	445,354	-	456,488	456,488	-	479,900	467,900	-	479,597	479,597	-	491,587	491,587
Residential - LOSP Tenant Assistance Payments	n/a	n/a	314,509	-	314,509	321,490	-	321,490	333,288	-	333,288	345,511	-	345,511	358,182	-	358,182
Commercial Space	n/a	3.0%	-	-	44,108	-	-	45,431	-	-	46,794	-	-	48,198	-	-	49,644
Other Income			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Potential Income			392,853	1,334,885	1,784,135	400,653	1,368,258	1,826,938	413,280	1,402,464	1,875,449	426,340	1,437,526	1,925,297	439,859	1,473,464	1,976,531
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	(1,899)	(21,998)	(23,896)	(1,917)	(22,548)	(24,465)	(1,937)	(23,112)	(25,048)	(1,956)	(23,689)	(25,645)	(1,976)	(24,282)	(26,257)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a	-	(11,134)	(11,134)	-	(11,412)	(11,412)	-	(11,697)	(11,697)	-	(11,990)	(11,990)	-	(12,290)	(12,290)
Vacancy Loss - Commercial	n/a	n/a	-	-	(22,054)	-	-	-	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME			390,955	1,301,754	1,727,051	398,736	1,334,298	1,791,060	411,343	1,367,655	1,838,703	424,384	1,401,846	1,887,662	437,883	1,436,893	1,937,984
OPERATING EXPENSES																	
Management	3.5%	3.5%	18,636	74,544	93,180	19,288	77,153	96,442	19,963	79,854	99,817	20,662	82,649	103,311	21,385	85,541	106,927
Salaries/Benefits	3.5%	3.5%	142,740	265,089	407,830	147,736	274,367	422,104	152,907	283,970	436,877	158,259	293,909	452,168	163,798	304,196	467,594
Administration	3.5%	3.5%	18,637	74,550	93,187	19,290	77,159	96,449	19,965	79,859	99,824	20,664	82,654	103,318	21,387	85,547	106,934
Utilities	3.5%	3.5%	51,213	204,851	256,063	53,005	212,020	265,025	54,860	219,441	274,301	56,780	227,121	283,902	58,768	235,071	293,838
Taxes and Licenses	3.5%	3.5%	12,146	25,441	37,587	12,571	26,331	38,902	13,011	27,253	40,264	13,466	28,207	41,673	13,938	29,194	43,132
Insurance	3.5%	3.5%	20,414	64,973	85,388	21,129	67,248	88,376	21,868	69,601	91,470	22,634	72,037	94,671	23,426	74,559	97,984
Maintenance & Repair	3.5%	3.5%	79,419	306,250	385,669	82,199	316,969	399,167	85,076	328,063	413,138	88,053	339,545	427,598	91,135	351,429	442,564
Supportive Services	3.5%	3.5%	-	73,183	73,183	-	75,745	75,745	-	78,396	78,396	-	81,140	81,140	-	83,980	83,980
Commercial Expenses			-	-	11,950	-	-	12,293	-	-	12,649	-	-	13,017	-	-	13,398
TOTAL OPERATING EXPENSES			343,206	1,088,881	1,444,037	355,218	1,126,992	1,494,503	367,650	1,166,437	1,546,736	380,518	1,207,262	1,600,797	393,836	1,249,516	1,656,751
Reserves/Ground Lease Base Rent/Bond Fees																	
Ground Lease Base Rent			3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000	3,000	12,000	15,000
Bond Monitoring Fee			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Deposit			6824.544261	27298.17704	34,123	6961.035146	27844.14058	34,805	7100.255849	28401.0234	35,501	7242.260966	28969.04386	36,211	7387.106185	29548.42474	36,936
Operating Reserve Deposit			2392.644589	9570.578357	11,963	2491.259312	9965.037249	12,456	2582.107431	10328.42973	12,911	2669.164821	10676.65928	13,346	2760.320909	11041.28363	13,802
Other Required Reserve 1 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposits, Commercial			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			12,217	48,869	61,086	12,452	49,809	62,261	12,682	50,729	63,412	12,911	51,646	64,557	13,147	52,590	65,737
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			355,423	1,137,750	1,505,123	367,670	1,176,801	1,556,765	380,333	1,217,166	1,610,148	393,430	1,258,908	1,665,355	406,984	1,302,106	1,722,488
NET OPERATING INCOME (INCOME minus OP EXPENSES)																	
			35,532	164,004	221,929	31,066	157,496	234,296	31,010	150,489	228,555	30,955	142,938	222,308	30,899	134,786	215,496
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																	
Hard Debt - First Lender			34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216
Hard Debt - Second Lender (HCD Program 0.42% pymt. or other 2nd Lender)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE			34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216	34,243	136,973	171,216
CASH FLOW (NOI minus DEBT SERVICE)			1,289	27,031	50,713	(3,177)	20,523	63,080	(3,233)	13,516	57,339	(3,288)	5,966	51,092	(3,344)	(2,186)	44,280
USES OF CASH FLOW BELOW (This row also shows DSCR.)																	
		DSCR:			1.3			1.37			1.33			1.3			1.26
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	5,767	23,070	28,837	5,969	23,877	29,846	6,178	24,713	30,891	6,394	25,578	31,972	6,618	26,473	33,091
Partnership Management Fee (see policy for limits)	3.0%	3.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD			5,767	23,070	28,837	5,969	23,877	29,846	6,178	24,713	30,891	6,394	25,578	31,972	6,618	26,473	33,091
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			0	21,875	21,875	0	33,233	33,233	0	26,448	26,448	0	19,119	19,119	0	11,189	11,189
Does Project have a MOHCD Residual Receipt Obligation? Yes																	
Will Project Defer Developer Fee? No																	
Residual Receipts split for all years. - Lender/Owner 67% / 33%																	
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																	
MOHCD Residual Receipts Amount Due			-	-	14,584	-	-	22,155	-	-	17,632	-	-	12,746	-	-	7,459
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE					7,292			11,078			8,816			6,373			3,730
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																	
HCD Residual Receipts Amount Due		0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due		0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due		0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service																	
REMAINDER (Should be zero unless there are distributions below)					7,292			11,078			8,816			6,373			3,730
Owner Distributions/Incentive Management Fee			-	-	7,292	-	-	11,078	-	-	8,816	-	-	6,373	-	-	3,730
Other Distributions/Uses			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Final Balance (should be zero)																	
RR Running Balance					464,653			499,458			534,959			571,171			608,106
OR Running Balance					406,628			419,085			431,995			445,341			459,143
Other Required Reserve 1 Running Balance					67,334			67,334			67,334			67,334			67,334
Other Required Reserve 2 Running Balance					-			-			-			-			-
DEFERRED DEVELOPER FEE - RUNNING BALANCE																	

Attachment D: LOSP Funding Schedule A

LOSP FUNDING SCHEDULE	
Project Address:	Parkview Terraces
Project Start Date:	4/1/2018

Exhibit A \$398,760

Calendar Year	Full Year Funding Amount	# Months to Fund	Total Disbursement for Calendar Year	Estimated Disbursement Date	FY Budgeted (for Disbursement)
CY-1 2018	\$223,755	9	\$167,817	3/1/2018	FY2017/18
CY-2 2019	\$230,943	12	\$230,943	1/1/2019	FY2018/19
CY-3 2020	\$239,079	12	\$239,079	1/1/2020	FY2019/20
CY-4 2021	\$247,134	12	\$247,134	1/1/2021	FY2020/21
CY-5 2022	\$254,090	12	\$254,090	1/1/2022	FY2021/22
CY-6 2023	\$258,510	12	\$258,510	1/1/2023	FY2022/23
CY-7 2024	\$268,412	12	\$268,412	1/1/2024	FY2023/24
CY-8 2025	\$278,448	12	\$278,448	1/1/2025	FY2024/25
CY-9 2026	\$292,761	12	\$292,761	1/1/2026	FY2025/26
CY-10 2027	\$299,127	12	\$299,127	1/1/2027	FY2026/27
CY-11 2028	\$314,509	12	\$314,509	1/1/2028	FY2027/28
CY-12 2029	\$321,490	12	\$321,490	1/1/2029	FY2028/29
CY-13 2030	\$333,288	12	\$333,288	1/1/2030	FY2029/30
CY-14 2031	\$345,511	12	\$345,511	1/1/2031	FY2030/31
CY-15 2032	\$358,182	12	\$358,182	1/1/2032	FY2031/32
CY-16 2033	\$371,318	12	\$371,318	1/1/2033	FY2032/33
Total Contract Amount:			\$4,580,619		