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 Renewal**

Prepared By: Jackie Tsou
Loan Committee Date: April 20, 2018

Sponsor Name:	Mercy Housing
Project Name:	10th & Mission Family Housing
Project Address (w. cross street):	1390 Mission Street at 10th Street, San Francisco, CA 94124
Number of Units/Beds (specify):	136 units, including 44 units set aside for homeless families
	Up to $246,896 for a 6-month Year 1 Budget
	Up to $9,741,171 through 15-years and 6-months (including Year 1)

1. SUMMARY AND BACKGROUND

Mercy Housing California XIV, a California limited partnership ("Mercy"), an affiliate of Mercy Housing California ("MHC"), is requesting $9,741,171 in General Funds from the Local Operating Subsidy Program ("LOSP") to subsidize continuing operations for 44 units set aside for formerly homeless families at 10th & Mission Family Housing (the "Project" or "10th and Mission") for a period of 15 years and six months.

10th & Mission, completed in September 2009, consists of 136 units of affordable family housing with 44 LOSP units, supportive housing targeted to formerly chronic homeless families referred by the Department of Homelessness and Supportive Housing ("HSH"). The Project is a 12 story high rise, with the units located on floors 2-12. The unit mix consists of 34 one-bedroom units, 42 two-bedroom units, 59-three bedroom units and 1 three bedroom manager's unit. The ground floor contains the offices for the on-site property management staff, enclosed garage for 24 cars, approximately 2,900 square feet of retail space, a youth activities center of approximately 5,400 square feet, and 7,200 square feet of secured outdoor space for recreation and bicycle storage. The second floor contains a resident services office and a large multi-purpose room that opens out onto a 6,120 square feet landscaped outdoor courtyard with a play structure.

The Project serves very low-income families with incomes at or below 50% of Area Median Income ("AMI"), and as of the last annual reporting, for 2016, the average AMI of all households served was 43%, while the average across LOSP households was 18% AMI. Catholic Charities CYO is the service provider at the Project. The Project has a separate services contract from HSH, which funds the on-site supportive services, but the operating budget also calls for additional supportive services funding for one FTE Resident Services Coordinator.

The expiring LOSP Grant Agreement with the Project covers a 9-year term, beginning in July 2009 and ending in June 2018, for a total contract amount of $3,764,871. Over the 9-year term, the Project has operated as forecasted financially and therefore will exhaust its current LOSP contract by the end of June 2018 and will need a new contract to begin in July 2018.

The amount of funds requested was determined by using the current calendar year's operating budget and then applying MOHCD's standard underwriting assumptions over a 15½-year projection period. If approved, funds would be disbursed under the contract on an annual basis in accordance with the attached schedule (see Exhibit A), while also taking into account any surplus reported from the prior year. A total of $246,896 in assistance is budgeted for the first 6 months of operations, or $493,792 annualized, under the renewed contract. This equates to a monthly per unit subsidy of $935. This subsidy amount will increase at approximately 3.5% each year during 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. Staff recommends approval of this request.

2. PROJECT PERFORMANCE COMPARED WITH MOHCD SUPPORTIVE HOUSING AND LOSP PORTFOLIOS

2.1. 2016 Operating Expenses

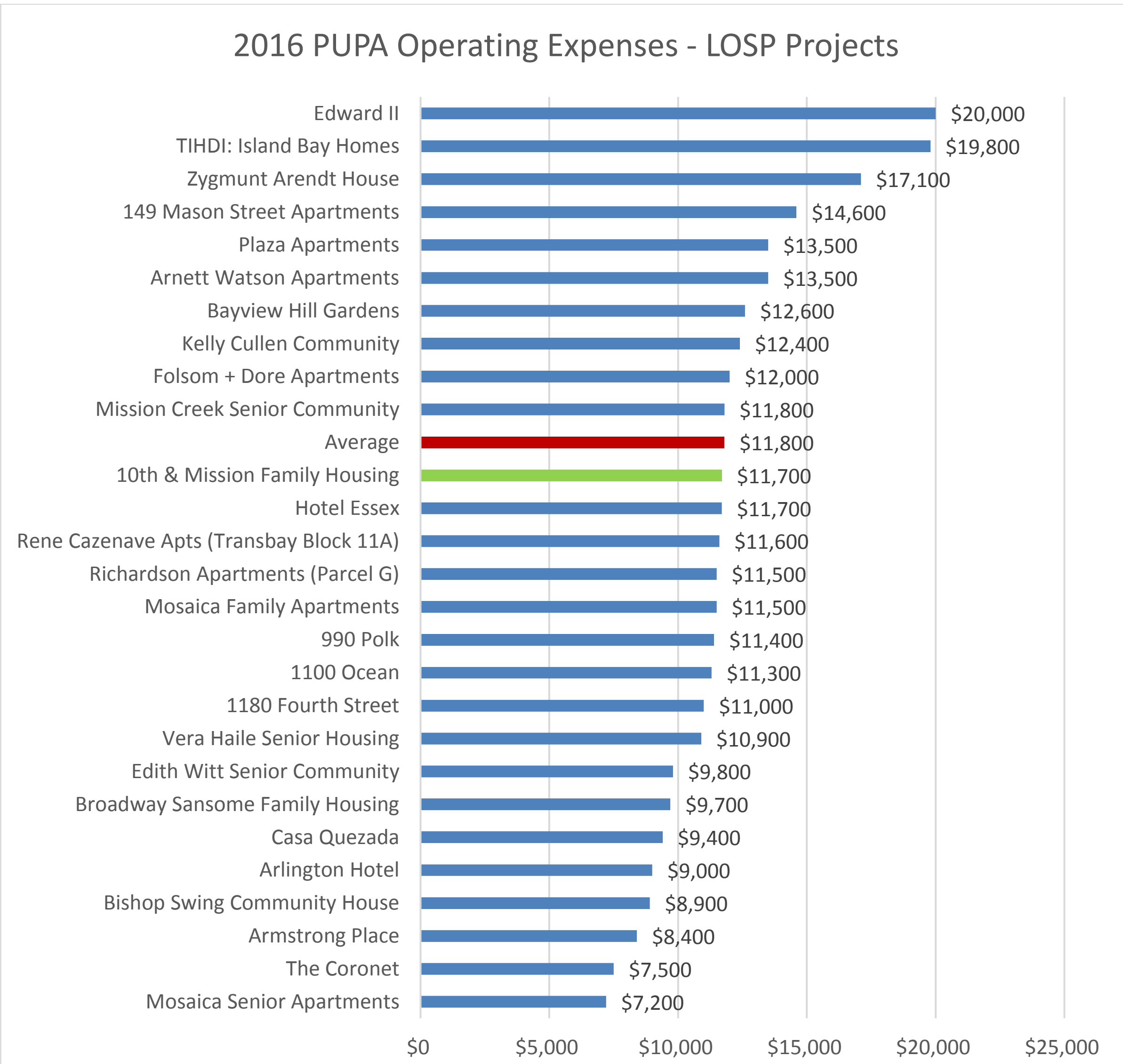
To evaluate the Project's financial performance, operating expenses from 2016, the most current year for which actual operating expenses have been reported, were compared with the operating expenses of projects in MOHCD's supportive housing and LOSP portfolios.

During 2016, MOHCD's portfolio had a total of 102 supportive housing projects. Average total operating expenses for all 102 supportive housing projects (before replacement reserve deposits and hard debt service), averaged $10,400 per unit per annum ("PUPA"). PUPA operating expenses varied by project size, with PUPA operating expenses higher for smaller buildings and lower for larger buildings.

**Average Operating Expenses Per Unit Per Annum,
Supportive Housing Projects, 2016**

# Units	# Projects	Avg PUPA Operating Expenses, 2016
100+ units	20	$9,700
50-99 units	48	$10,900
1-49 units	34	$12,300
All	***102***	***$10,400***

Within MOHCD's LOSP portfolio of 27 projects, operating expenses PUPA ranged from a low of $7,200k to a high of $20,000k, and an average of $11,800. 10th & Mission's 2016 operating expense PUPA, at $10,700, was just below the LOSP portfolio average.



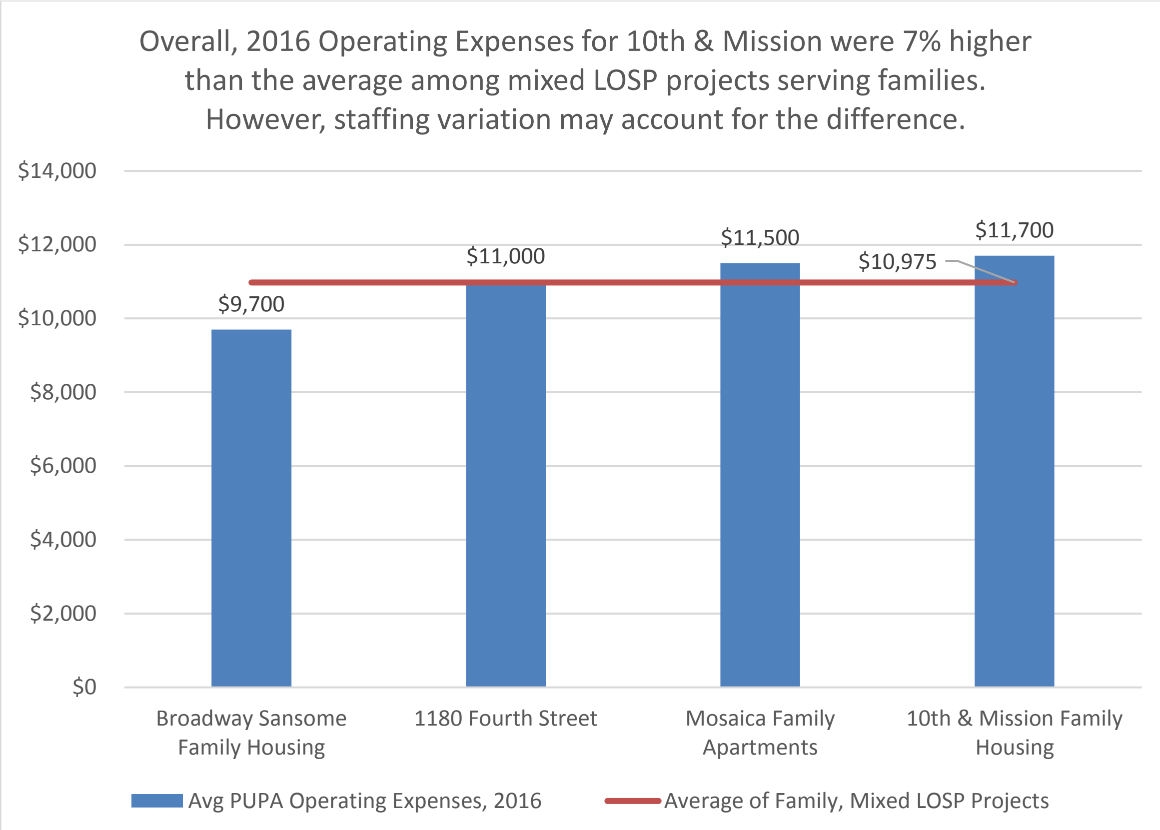
Within the LOSP portfolio, some projects have just 20% set aside for LOSP units, while others are 100% LOSP. Average PUPA operating expenses also varies by the percentage of LOSP units within the building. Buildings with a higher percentage of LOSP units were found to cost more to operate. For the purposes of summarizing data, projects that have 30% of fewer LOSP units are considered the LOSP projects with 20% set aside (20% of units within a project may not calculate out to a whole unit), and 80% or more LOSP units are considered to be 100% LOSP. (Projects typically have at least one manager's unit.)

Average Operating Expenses Per Unit Per Annum by % of LOSP Units, 2016

% of LOSP Units	# Projects	Average PUPA Operating Expenses
80% or more LOSP Units	10	$12,700
31% - 79% LOSP Units	10	$12,100
30% or less LOSP Units	7	$10,200
All	***27***	***$11,800***

Of the 136 units at 10th and Mission, 44 units, or 32% the units, are LOSP units; therefore, the Project's 2016 PUPA operating expenses at $10,700 is within the average of LOSP projects with comparable percentage of LOSP units.

Further, 10th & Mission operating expenses were compared with the operating expenses of projects most comparable to it in terms of size and population service. (Note that supportive services funded through the operating budget was not included as not all these projects had supportive services costs funded through the operating budget). Compared with 1180 Fourth Street, Broadway Sansome and Mosaica Family Apartments, 10th & Mission operating expenses were approximately 7% higher in 2016. While this may be notable, staffing variation and economies of scale may explain why the average among the comparable projects are lower. For instance, as of 2016, Broadway Sansome and Mosaica Family did not have 24/7 front desk staffing. These positions are costly and not having them would result in lower operating costs. Mosaica Family is situated adjacent to Mosaica Senior, so economies of scale are likely realized when operating the Mosaica Family building.



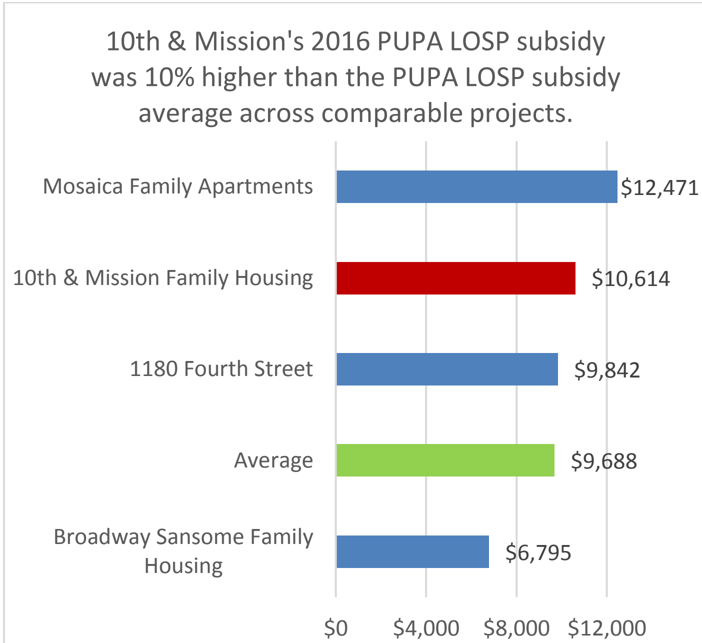
In sum, operationally, 10th & Mission has been performing on par with the LOSP portfolio, and specific comparable projects as well.

2.2. <u>2016 LOSP Subsidy</u>

The level of LOSP subsidy needed is also a metric in which to evaluate how a project has performed. The annual LOSP subsidy is sized to create a break-even budget, therefore it is closely tied to several factors, such as: 1). operating costs, 2). how operating costs are allocated between LOSP vs non-LOSP units, 3) other subsidy funds available to the LOSP units.

In 2016, the City's LOSP portfolio consisted of 27 projects that varied in size and population served. Some projects are 100% LOSP, some have 20% units set aside as LOSP units, some are a combination of LOSP and other subsidy that results in a 100% permanent supportive housing project. Populations served range from adults, to families, to seniors to TAY. In 2016, the average per unit LOSP subsidy averaged just under $9,400. Because 10th & Mission is a family project, with larger units and therefore higher operating costs, it's not surprising that the 2016 LOSP subsidy for 10th & Mission at $10,600 was higher than the LOSP portfolio average.

Compared with the three other LOSP projects most comparable to 10th & Mission in terms of size and population served (1180 Fourth Street, Broadway Sansome and Mosaica Family), the 2016 LOSP subsidy needed at 10th & Mission was about 10% higher than the average of all four Projects combined. However, it should be noted that at Broadway Sansome, which reported the lowest LOSP subsidy has a substantially different staffing model and did not have 24/7 front desk staffing now typical at LOSP properties. Therefore, the average LOSP subsidy across the Family projects with some LOSP units may be skewed to the low side.



In conclusion, based on reported operating costs and LOSP subsidy from the most currently available reports, 10th & Mission Family Housing has been operating on par with the LOSP portfolio and comparable projects.

3. PROJECT OPERATIONS UNDER THE PROPOSED CONTRACT RENEWAL

The Project is requesting a LOSP contract renewal for a 15-year and 6-month period. The sections below present the income and expense assumptions for the operating budget covering the proposed contract renewal period.

3.1. Allocation between LOSP/Non-LOSP Units

The LOSP program assumes that income and expenses are allocated pro-rata among LOSP/Non-LOSP units. Some items are allowed either an alternative split, or a projected split based on actuals, which is allowed if the sponsor's accounting system is able to track income and expenses at the program level. Sponsors must provide rationale for an alternative or project splits are proposed. At 10th & Mission, the pro-rata allocation is 32% LOSP units and 68% non-LOSP units. The sections below will further discuss alternative and proposed splits of specific income and expense line items.

3.2. Annual Operating Income Evaluation

Tenant Rent: Tenants rents are comprised of rents collected from the 84 non-subsidized units, targeted to families up to 50% AMI, the 44 LOSP households who pay 30% of their income on rent, and the 7 Section 8 Voucher tenants who pay 30% of their income on rent. 2016 gross rent was approximately $1.345M.

Subsidy Type	Number of Units	Average Tenant Paid Rent	Average AMI Rent
None	88	$1,205	59% AMI
Section 8 Voucher	7	$323	50% AMI
LOSP	41	$275	16% AMI

Tenant paid rents are projected to generate $1,403,700 in 2018, during 2018, the first year of the new proposed LOSP contract. This is a 4% increase over the 2016 gross rent income reported, with LOSP tenant rents increasing at a higher rate than non-LOSP units. Anecdotally, Mercy staff believe that LOSP household incomes have been increasing due to increases to minimum wage.

Section 8 Voucher Rental Subsidy: Several of the non-LOSP units serve households with Section 8 Vouchers. The vouchers moves with tenants and so this subsidy can fluctuate over time as tenants move out. In 2016, the Project had six (6) households with Section 8 Vouchers and average contract rents were $1,458 on the five (5) 1-bedroom units at $1,515 on the one 2-bedroom unit. On average, these contract rents were just 70% of the 2016 FMR. The subsidy portion of the contract rents totaled $84k in 2016. Since then, Mercy requested and received an increase to contract rents, effective September 2017 through March 2018, and the projected 1st year budget shows a significant 49% increase up to $125k. Rental subsidy from the Section 8 Vouchers have been allocated entirely to the non-LOSP units in the past and the proposed operating budget proposes to do the same.

LOSP Subsidy: A total of $246,896 in assistance is budgeted for the first 6 months of operations, or $493,792 annualized, under the renewed contract ($11,222/PUPA and $932/PUPM) and is shown in the attached operating budget. This is a 5.7% increase in LOSP subsidy from 2016, a 1.9% above the 2017 LOSP subsidy, and is sized to fund a break-even budget, including operating expenses and replacement reserve deposits. Considering that Mercy is proposing to allocate some costs to LOSP units at a level higher than pro-rata (see Section 3.3), this increase is modest due to the increase in LOSP tenant rents since 2016.

Commercial Income: The Project generates income from three of the four commercial spaces on the ground floor of the property. Current tenants include:

1. Cumaica: Coffee shop, rent is $2.26/SF/month, lease expires September 2019.
2. Back to the Picture: Frame store, rent is $1.88/SF/month, lease expires September 2020.
3. Samitra Salon: Hair salon, rent is $2.11/SF/month, lease expires February 2021.
4. Catholic Charities CYO: Child care services, does not pay rent, lease expires November 2019.

For Year One, commercial income is estimated at $107,000 and is approximately 6% above 2016 commercial income. Commercial income is not allocated to the project until after determination of whether any cash flow remains from commercial operations. See the Allocation of Commercial Surplus Section below for additional details.

Other Income: The property also generates income from laundry and vending. Laundry revenues are estimated at $35k and to be split pro-rata among the LOSP and non-LOSP units. In the past, the Project has also generated some interest income and income from various tenant charges. However since those sources generate little income and/or fluctuate, they were not included in the income assumptions.

Vacancy: The operating budget assumes a 5% vacancy on the LOSP and non-LOSP units. Historically, vacancy rates have been in the 1-2% range, but the proforma budgets 5% to be conservative and consistent with underwriting standards. Commercial vacancy is also assumed at 5%; however, since leases are in place for all four commercial spaces, vacancy loss would be 0% at least through the end of the lease terms.

Current tenants will be provided an opportunity to extend the lease for an additional five years (either through an option in existing leases or a lease renewal). However, new developments being constructed in the neighborhood and surrounding areas have brought increased competition from larger chains/businesses to the smaller businesses in the neighborhood, including the commercial tenants at the Project. (i.e. Peet's Coffee directly across from Cumaica; Steel & Lacquer across from Samitra Salon).

It is Mercy's desire to retain their existing commercial tenants. However, should they decide not to renew their leases, the current commercial market in the neighborhood is strong, and the spaces would likely garner interest among possible new tenants.

3.3. Annual Operating Expenses Evaluation

The annual operating expenses in Year One, before debt service and reserves, are projected at $1,828,700 or $13,400 PUPA. This is a 14.5% increase above 2016 operating expenses, largely driven by:

- Project taking an above the line asset management fee for the first time.
- 29% increase to salaries/benefits: No change in staffing occurred between 2016 and 2018. Rather, vacancy in senior property manager position and increase to the minimum wage resulted in the increase between 2016 actuals and 2018 budget.
- 16% increase to utilities: Utility costs have increased year over year in each of the last four years and rates provided by utility companies indicate further increases in 2018. Increases include: 5% to electricity, 7% to water, 14% to sewer, 5% to gas, 14% to garbage.
- 49% increase in taxes & licenses: Assessed value of the property increased dramatically due to households becoming over-income, which resulted in the loss of welfare tax exemption on some units. However, AB 1193 which was passed in 2017 raises the threshold of over-income households in tax credit projects to 140%. Real estate taxes are therefore expected to decline by 2019.

The sections below discuss the expense assumptions in more detail.

Allocation between LOSP/Non-LOSP Units: At the time the original LOSP contract was approved, costs were approved to be split pro-rata part during the 9-year contract period.

Through their experience operating the property over the last 9 years, Mercy has identified several cost categories that have resulted in higher expenditure by the LOSP units. Therefore, Mercy has proposed alternative splits between the LOSP and non-LOSP units for the following expense categories:

Expense Category	**Proposed Split**	**Reason for Alternative Split**
Office Salaries (3 FTE Desk clerks)	50% to LOSP (since Assistant Mgr position shares same line item, overall spit is 42%)	• Non-LOSP units complete re-certifications annually while LOSP units complete 2-4 interim re-certifications annually. • 50% of incidence reports are generated by LOSP units. • 50% of interaction with desk clerks for assistance or other services, are generated by LOSP units.
Health Insurance & Other Benefits	Also assumes 42% to LOSP per allocation above	• Benefits associated with front desk positions in Office Salaries.
Legal Expenses	50% to LOSP	• Historical data from last 2 years confirm that LOSP units require at least half, if not a majority of legal expenses.
Bad Debts	50% to LOSP	• Historical data from last 2 years confirm that LOSP units generated 100% of bad debts.
Security Payroll/Contract	50% to LOSP	• 50% of work orders are generated by LOSP units. • 50% of incidence reports are generated by LOSP units and require emergency response.

MOHCD has approved LOSP budgets with alternative split allocations, and Mercy has demonstrated that historical performance justifies the proposed alternative split. For bad debt and legal expenses, the Project may report actual expenses by LOSP or non-LOSP unit categories if Mercy's accounting system is able to track these expenses to the unit and program level.

Staffing: The originally approved LOSP budget included staffing for 10.5 FTE, including 24-hour front desk coverage. Positions have changed over time to meet the needs of the Project. Importantly, since the property manager position has been difficult to keep filled, Mercy has a Senior Property Manager that oversees the Project. Also the number of FTE Desk Clerks has decreased with the Assistant Property Manager assuming front desk clerk duties. The proposed staffing plan includes 11.0 FTE for 2018.

Position	Approved FTE	Current FTE	Notes
Senior Property Manager	0.0	1.0	Not included in original LOSP budget; position is currently vacant.
Property Manager	1.0	1.0	Position was vacant for most of 2017 and filled in Q4 2017.
Assistant Property Manager	2.0	2.0	1 FTE has dual role of Assistant Property manager and day shift desk clerk.
Desk Clerk	4.5	3.0	Current FTE count does not include the 1.0 FTE APM that serves as day shift desk clerk. PTO and holidays covered by third party temporary contracts
Maintenance Manager	0.0	1.0	
Maintenance Technician	1.0	2.0	
Janitor	2.0	1.0	
TOTAL	**10.5**	**11.0**	**1 staff per 12.4 households (estimated 1:43 residents)**

Management Fees: HUD's 2017 Management Fee Schedule, the most recent schedule available, sets a basic fee of $52 for California, and allows certain add-on fees, with a maximum fee of $78 PUPM. The 2016 management fee taken by the Project equaled $67 PUPM. If the 2017 HUD Management Fee Schedule is used, the Year 1 PUPM management fee would be less than the actual 2016 management fee reported of $67 PUPM. Therefore, Year One management fee of $72 PUPM is calculated by inflating the 2016 fee by 3.5% annually, as allowed per MOHCD underwriting standards. The fee is estimated to increase 3.5% per year.

Asset Management Fee: The Project will be taking an above the line Asset Management Fee beginning in 2018 at $20,440, the maximum allowed under MOHCD's Operating Fees Policy, effective April 1, 2016. This fee is estimated to increase 3.5% annually.

Salaries and Benefits: Salaries and benefits are budgeted at $414,600 or $3,000 PUPA, and covers the salary and benefits of the Senior Property Manager, Property Manager, 2 Assistant Property Managers and 3 Desk Clerks. As noted above, Mercy is requesting that the salaries and benefits of the Desk Clerk positions be allocated 50/50 between the LOSP and non-LOSP units. An administrative rent-free unit is excluded from expenses as the income is also excluded. The Year One budget is 28% higher than 2016 actuals due to vacancies in the Senior Property Manager position during part of 2016. Overall staffing has not changed since 2016.

Administration: Administration line items are budgeted at $99,600, or $730 PUPA, and cover typical functions such as legal, office expenses, bookkeeping, accounting, and audit expense, advertising and marketing, and any bad debt. Legal Expenses and Bad Debts are allocated directly to LOSP units and estimated at 50% of total costs based on historical data. All other Administration expenses are split pro-rata. Administrative expenses are 9% lower than 2016 expenses.

<u>Utilities</u>: Utilities (gas, water/sewer, common electric) are budgeted at $317,000, or $2,300k PUPA and are estimated to increase about 16% above 2016 actuals due to increases to utility rates. Mercy recently installed water aerators and LED lights through the Affordable Community Energy Services Company (ACE), which should result in lower water and electricity costs.

<u>Taxes and Licenses</u>: Taxes are budgeted at $108,700, or $ 780 PUPA. The largest component of this expense category is real estate taxes, which includes property taxes and the business improvement district tax. The 2018 budgeted amount is 49% higher than 2016 actuals due to assessed value at the property increasing substantially due to household becoming over-income and the property losing the welfare tax exemption on those units. As of the 2017-18 tax year, 13 households were over-income (over 80% AMI). As noted above, the passage of AB 1193 raises the threshold for over-income households at tax credit projects to 140%. No household was over 140% as of the March 2018 rent roll and so the Project is anticipated to see a large drop in real estate taxes beginning in 2019.

<u>Insurance</u>: Insurance is budgeted at $135,000, or $1.0k per unit per year, for property and liability and worker's compensation insurance. Budgeted figures are 1% less than 2016 actuals due to a reduction in rates realized by a recently negotiated insurance policy across the Mercy nation-wide portfolio.

<u>Maintenance and Repair</u>: Maintenance and repair costs in Year One are budgeted at $527,300, or $3,900 per unit per year. Maintenance payroll includes 1 FTE Maintenance Manager, 2 FTE Maintenance Technicians and 1 FTE Janitor. The Security Payroll/Contract includes costs for a 3rd party security firm to cover desk clerks when desk clerks are out of the office; this is budgeted 50/50 to LOSP and non-LOSP units consistent with the proposed allocation of the Desk Clerks. Other costs, such as Supplies, Contracts, Garbage Removal and HVAC Repairs and Maintenance are split pro-rata. Overall Maintenance and Repairs are budgeted to be 11% above 2016 actuals, this is due in large part to higher maintenance costs as the building ages.

<u>Supportive Services</u>: Supportive services is budgeted at $80,700 in Year One and covers: one FTE Resident Services Coordinator, who provides on-site case management, crisis intervention services, and specialized services for families with children. This FTE will be paid by the non-LOSP units as HSH's supportive services budget is sized to cover the clinical services attributable to the LOSP units.

<u>Ground Lease</u>: The Project has a Ground Lease with the City which requires annual Base Rent payments of $20,000. Residual Rent is $704,500, and payable through available cash flow. Base rent is budgeted for years 1-20 and is allocated pro-rata between LOSP and non-LOSP units.

<u>Replacement Reserve Deposits</u>: Replacement reserve deposits are shown at $600 per unit per year, or a total of $81,600. The City requires $350 PUPA per the 2005 Tax Increment Loan Agreement, but the Partnership Agreement requires the higher amount. Deposits are allocated pro-rata between LOSP and non-LOSP units. The balance of the replacement reserve as of January 2018 is $1,738,382.

<u>Operating Reserve Deposits</u>: The City requires that the Project maintain an Operating Reserve with a balance of 25% of the prior year's operating expenses including debt

service. As of 2016, the Operating Reserve had a balance of 34% of the prior year's operating expenses and therefore is not required to continue deposits. However, the Project has additional State and investor requirements and is budgeted to continue annual deposits of $14,750. Deposits are allocated pro-rata between LOSP and non-LOSP units. The operating reserve balance as of January 2018 is $748,016.

Debt Service: The Project has a Multifamily Housing Program (MHP) loan from HCD, which requires a 0.42% annual debt service payment of $40,700. This is the Project's only hard debt payment and is allocated pro-rata.

Allocation of Commercial Surplus: Previously, cash flow generated by the Project's commercial activities were allocated annually to LOSP units at whatever percentage needed in order for the Project to break even at the approved annual LOSP contracted amount. In 2016, for instance, 62% of the commercial cash flow, or approximately $37,000 was allocated to the LOSP units.

One major variation in the proposed operating budget is that the Project would only allocate the pro-rata share of any commercial cash flow, which is consistent with LOSP program policy. The pro-rata allocation would result in 32% of any commercial cash flow generated annually to flow to the LOSP units. For 2018, 32% of commercial cash flow is projected at around $29,000.

Given the location of the Project and the ongoing development in the mid-Market area, the commercial cash flow generated by the Project helps to subsidize the affordable housing, and especially non-LOSP units. At lease renewal, it has been Mercy's practice to raise rents by no more than 10-15%. Mercy's commercial asset managers indicate that current market lease rates range from $3-$4/SF/month, which is approximately 30-60% above current lease rates. Therefore, at lease renewal and at turnover, the commercial spaces would likely generate more income than it does currently.

Partnership Management and Investor Services Fees: A $20,440 Partnership Management Fee is budgeted for Year one, increasing 3.5% annually through 2025, when the investor is anticipated to exit. A Limited Partner Asset Management Fee of $2k is budgeted in Year One, and is not inflated annually per MOHCD underwriting standards. Both fees will be taken before the calculation of residual receipts, are split pro-rata between the LOSP and Non-LOSP units, and will end after the 15th year of the Partnership (2025).

3.4. 20-Year Cash Flow

The attached 20-Year Cash Flow Projection shows the estimated amount of annual LOSP subsidy that will be needed for the 15-year and 6-month grant period. The projection was made using MOHCD's standard underwriting guidelines, including income line items inflating 2.5% annually, and expense line items inflating 3.5% annually.

With the above assumptions, the proforma shows that the non-LOSP units will run a deficit by 2030, or Year 13 of the new grant contract. Since income increases slower than expenses annually, it can be expected that the Project will not pencil at some point. By Year 13, the project would have operated for 22 years. 2025 is Year 15 of the tax credit compliance period, and during that time, Mercy would likely re-syndicate, rehab the project and financially restructure.

Additionally, given the increased development in the area around 10th & Mission, the commercial spaces at the Project will likely generate income above what is forecasted in the attached budget.

4. SUPPORT SERVICES EVALUATION

Support Services at 10th & Mission Family Housing are provided through a contract between HSH and Catholic Charities. Services are provided to the 44 LOSP family units, as well as to the families who reside in the other 88 affordable housing units, as necessary. The current level of funding is $296,906 per contract year and the positions funded are one full-time (1 FTE) Program Director, three full-time (3 FTE) Case Managers, one full-time (1 FTE) Employment Coordinator, one full time (1 FTE) Youth Coordinator, one part-time (0.2 FTE) Teacher. The funding provides for services such as: benefits advocacy and assistance, referrals to resources in the community, conflict resolution, and support groups and organized tenant activities that engage the whole family. The contract is monitored on an annual basis, and the program has received satisfactory results in recent years. The contract is currently in the final year of a four year contract, expiring on June 30, 2018, however, it will be renewed for two additional years from July 1, 2018- June 30, 2020.

In addition to the various services provided, monthly collaboration meetings are also held on-site, and attendees at this meeting include property management, services staff, and the HSH program manager. The meetings allow for discussion, brainstorming and planning for working with challenging family situations that may place a family at risk of losing their housing.

Case management has demonstrated active outreach and engagement with residents of the building. They work collaboratively and creatively with property management to engage tenants who appear to be struggling and need additional support to successfully reside in their housing. There has been a 98% housing retention rate amongst the LOSP family units thus far into FY 17-18, and this can be attributed to the strong support that families receive. Recent onboarding of new staff with language skills that reflect the languages spoken by the community have been intentional. As a result, the number of families engaging with services have increased significantly and the services staff have been able to support families even further. Case Management has been an integral and effective tool in keeping tenants housed and providing the support needed.

5. CONCLUSION

Staff recommends approval of the request in full. 10th & Mission Family Housing is a well-staffed, well-run, highly supportive housing project for 44 extremely low income, formerly homeless individuals and families. It is an important resource in the City's array of homeless services and programs, and under Mercy's ownership and management, it merits renewed LOSP funding so that it may continue to serve homeless people well into the future.

If the proposed new 15-year, 6-month LOSP contract is approved, the remaining LOSP subsidy requested for 2018 under the new contract, $246,896, would be disbursed by August/September 2018, based on the underwriting done for this approval. Pending approval by the City's Budget Office, all disbursements moving forward would happen on a calendar year basis in January each year.

6. RECOMMENDED CONDITIONS

As a condition of financing, MOHCD requires the following:

1. Mercy will make best efforts to bring commercial rents closer to market rents at turnover, or by at least 10-15% above current rates at the lease renewal for existing tenants.
2. In Year 7 of the LOSP contract and one year prior to the Year 15 limited partner investor exit, or 2024, Mercy will consult with MOHCD on their plan to restructure project financing, which may include re-syndication of low income housing tax credits, to address the anticipated shortfalls in the operating budget, beginning in Year 13 (2030).

7. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

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

Date: 4/20/18

Kate Hartley, Director
Mayor's Office of Housing

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

Date: 4-20-18

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

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

Date: 4/20/18

Nadia Sesay, Director
Office of Community Investment and Infrastructure

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

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.

This request is a contract renewal of the initial 9-year LOSP grant agreement for 10th and Mission Family Housing. As discussed in the Loan Evaluation, MOHCD and HSH have evaluated the Project's performance during the initial contract period and have determined that the property has been well run, and that services provided address the needs of the tenants. Accordingly, MOHCD staff is recommending a renewal of the LOSP grant agreement for a 15-year and 6-month period, beginning in July 2018, when the initial 9-year contract is projected to run out, and for a full 15-year and 6-month period from July 2018 through 2032.

Pending approval by the City's Budget Office, contract periods for LOSP contract renewals will transition from a fiscal year basis to a calendar year basis.

Attachment B: 1st Year Operating Budget

Application Date:		LOSP Units	Non-LOSP Units	**Project Name:**	**10th and Mission**
Total # Units:	**136**	**44**	**92**	**Project Address:**	**1390 Mission Street**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:**	**2018**	LOSP/non-LOSP Allocation		**Project Sponsor:**	**Mercy Housing West**
		32%	68%		

INCOME	**LOSP**	**non-LOSP**	**Total**	**Comments**
Residential - Tenant Rents	128,752	1,273,988	1,402,740	Links from 'Existing Proj - Rent Info' Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	125,568	125,568	Links from 'Existing Proj - Rent Info' Worksheet
Residential - LOSP Tenant Assistance Payments	493,792		493,792	
Commercial Space			77,484	0%
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Supportive Services Income	0	0	0	
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	11,315	24,045	35,360	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			30,000	Links from 'Commercial Op. Budget' Worksheet
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0		
Gross Potential Income	**633,859**	**1,423,601**	**2,164,944**	
Vacancy Loss - Residential - Tenant Rents	(6,438)	(63,699)	(70,137)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	(6,278)	(6,278)	Vacancy loss is 5% of Tenant Assistance Payments.
Vacancy Loss - Commercial			(3,874)	Links from 'Commercial Op. Budget' Worksheet
EFFECTIVE GROSS INCOME	**627,422**	**1,353,623**	**2,084,655**	***PUPA: 15,328***

OPERATING EXPENSES

	LOSP	non-LOSP	Total	Comments
Management				
Management Fee	38,124	81,012	119,136	1st Year to be set according to HUD schedule
Asset Management Fee	6,541	13,899	20,440	
Sub-total Management Expenses	**44,664**	**94,912**	**139,576**	***PUPA: 1,026***
Salaries/Benefits				
Office Salaries	75,749	104,606	180,355	2fte Asisstant Manager (LOSP alloc pro-rata), 3 fte Desk Clerks (LOSP alloc 50%)
Manager's Salary	44,126	93,767	137,893	1fte Senior Property Manager, 1fte Property Manager
Health Insurance and Other Benefits	40,481	55,902	96,383	11 fte. Please note participation varies per individual
Other Salaries/Benefits	0	0	0	Please note participation varies per individual. Included in Helath Insuranceand Other
Administrative Rent-Free Unit	0	0		Excluded since Rent is excluded in Revenue
Sub-total Salaries/Benefits	**160,356**	**254,275**	**414,631**	***PUPA: 3,049***
Administration				
Advertising and Marketing	707	1,503	2,210	
Office Expenses	16,696	35,480	52,176	
Office Rent	0	0	0	
Legal Expense - Property	6,404	6,404	12,808	50/50 split. Updated using 2017 number
Audit Expense	3,258	6,922	10,180	
Bookkeeping/Accounting Services	4,961	10,543	15,504	
Bad Debts	3,378	3,378	6,756	50/50 split. Updated using 2017 number
Miscellaneous	0	0	0	
Sub-total Administration Expenses	**35,405**	**64,230**	**99,635**	***PUPA: 733***
Utilities				
Electricity	15,797	33,569	49,367	updated 2017 number. 5%
Water	26,594	56,511	83,105	updated 2017 number. 7%
Gas	18,318	38,927	57,245	updated 2017 number. 5%
Sewer	40,756	86,606	127,362	updated 2017 number. 14%
Sub-total Utilities	**101,465**	**215,613**	**317,078**	***PUPA: 2,331***
Taxes and Licenses				
Real Estate Taxes	20,280	43,094	63,374	updated using 2017 number. Welfare exemption reduced.
Payroll Taxes	10,680	22,695	33,376	updated using 2017 number
Miscellaneous Taxes, Licenses and Permits	3,829	8,137	11,966	updated using 2017 number
Sub-total Taxes and Licenses	**34,789**	**73,926**	**108,715**	***PUPA: 799***
Insurance				
Property and Liability Insurance	34,627	73,583	108,210	updated using 2017 number.
Fidelity Bond Insurance	0	0	0	
Worker's Compensation	8,795	18,689	27,483	updated using 2017 number
Director's & Officers' Liability Insurance	0	0	0	
Sub-total Insurance	**43,422**	**92,272**	**135,694**	***PUPA: 998***
Maintenance & Repair				
Payroll	56,737	120,567	177,304	1 Maintenance Manager, 2fte Maintenance Technician, 1fte Janitor
Supplies	6,937	14,740	21,677	updated using 2017 number
Contracts	54,502	115,817	170,319	updated using 2017 number
Garbage and Trash Removal	24,579	52,231	76,810	updated 2017 numbr. 14.42%
Security Payroll/Contract	28,276	28,276	56,551	updaetd using 2017 number. 50/50 split
HVAC Repairs and Maintenance	7,885	16,755	24,640	updated using 2017 number
Vehicle and Maintenance Equipment Operation and Repairs	0	0	0	
Miscellaneous Operating and Maintenance Expenses	0	0	0	
Sub-total Maintenance & Repair Expenses	**178,916**	**348,386**	**527,302**	***PUPA: 3,877***
Supportive Services	0	80,751	80,751	
Commercial Expenses			5,374	Links from 'Commercial Op. Budget' Worksheet
TOTAL OPERATING EXPENSES	***599,017***	***1,224,365***	***1,828,756***	***PUPA: 13,447***

Reserves/Ground Lease Base Rent/Bond Fees

	LOSP	non-LOSP	Total	Comments		
Ground Lease Base Rent	6,400	13,600	20,000	Ground lease with MOHCD	Provide additional comments here, if needed.	
Bond Monitoring Fee	0	0	0			
Replacement Reserve Deposit	26,112	55,488	81,600			
Operating Reserve Deposit	4,720	10,030	14,750			
Other Required Reserve 1 Deposit	0	0	0			
Other Required Reserve 2 Deposit	0	0	0			
Required Reserve Deposit/s, Commercial			7,516	Links from 'Commercial Op. Budget' Worksheet		
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**37,232**	**79,118**	**123,866**	***PUPA: 911***	Min DSCR:	1.09
					Mortgage Rate:	5.00%
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**636,249**	**1,303,483**	**1,952,622**	***PUPA: 14,358***	Term (Years):	30
					Supportable 1st Mortgage Pmt:	121,131
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**(8,827)**	**50,140**	**132,033**	***PUPA: 971***	Supportable 1st Mortgage Amt:	$1,880,374
					Proposed 1st Mortgage Amt:	$10,189,329

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

	LOSP	non-LOSP	Total	Comments		
Hard Debt - First Lender	13,022	27,673	40,695	CHCD		0.42%
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Le	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		
TOTAL HARD DEBT SERVICE	**13,022**	**27,673**	**40,695**	***PUPA: 299***		
CASH FLOW (NOI minus DEBT SERVICE)	**(21,849)**	**22,468**	**91,338**			
Commercial Only Cash Flow			90,720			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	29,030	61,689				
AVAILABLE CASH FLOW	**7,181**	**84,157**	**91,338**			
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***3.24***			

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

	LOSP	non-LOSP	Total	Comments	
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0	0	0	
Partnership Management Fee (see policy for limits)	6,541	13,899	20,440	2	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	640	1,360	2,000	1	
Other Payments	0	0	0	0	
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0			Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0			Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0		Def. Develop. Fee split: 0%	Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	**7,181**	**15,259**	**22,440**	***PUPA: 165***	
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**0**	**68,898**	**68,898**		

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**Yes**
Will Project Defer Developer Fee?	**No**		
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	33%		
% of Residual Receipts available for distribution to **soft debt lenders** *in*	67%		

Soft Debt Lenders with Residual Receipts Obligations	*(Select lender name/program from drop down)*	**Total Principal Amt**	**Distrib. of Soft Debt Loans**
MOHCD/OCII - Soft Debt Loans	All MOHCD/OCII Loans payable from res. rects	$27,966,873	61.60%
MOHCD/OCII - Ground Lease Value	Ground Lease	$7,245,000	15.96%
HCD (soft debt loan) - Lender 3	CHCD	$10,189,329	22.44%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

	non-LOSP	Total	Comments
MOHCD Residual Receipts Amount Due	35,623	35,623	67% of residual receipts, multiplied by 77.56% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0		50%*(2/3)
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	35,623	35,623	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		**33,274**	

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

	Total	Comments
HCD Residual Receipts Amount Due	10,308	67% of residual receipts, multiplied by 22.44% -- CHCD's pro rata share of all soft debt
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	**10,308**	
REMAINDER (Should be zero unless there are distributions below)	**22,966**	
Owner Distributions/Incentive Management Fee	22,966	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses		50%*(1/3), max 50k
Final Balance (should be zero)	**0**	

Application Date:

Total # Units: **136**

First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:** **2018**

INCOME				
Residential - Tenant Rents	**Alternative LOSP Split**		**non-LOSP**	Approved By (reqd)
Residential - Tenant Assistance Payments (Non-LOSP)	Residential - Tenant Assistance Payments (No	*0.00%*	*100.00%*	
Residential - LOSP Tenant Assistance Payments				
Commercial Space				
Residential Parking				
Miscellaneous Rent Income	**Alternative LOSP Split**	**LOSP**	**non-LOSP**	Approved By (reqd)
Supportive Services Income	Supportive Services Income			
Interest Income - Project Operations				
Laundry and Vending	**Projected LOSP Split**	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Tenant Charges	Tenant Charges			
Miscellaneous Residential Income				
Other Commercial Income	**Alternative LOSP Split**	**LOSP**	**non-LOSP**	Approved By (reqd)
Withdrawal from Capitalized Reserve (deposit to operating account)	Withdrawal from Capitalized Reserve (deposit 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				
Management	**Alternative LOSP Split**	**LOSP**	**non-LOSP**	Approved By (reqd)
Management Fee	Management Fee			
Asset Management Fee	Asset Management Fee			
Sub-total Management Expenses				
Salaries/Benefits	**Alternative LOSP Split**	**LOSP**	**non-LOSP**	Approved By (reqd)
Office Salaries	Office Salaries	*42.00%*	*58.00%*	
Manager's Salary	Manager's Salary			
Health Insurance and Other Benefits	Health Insurance and Other Benefits	*42.00%*	*58.00%*	
Other Salaries/Benefits	Other Salaries/Benefits			
Administrative Rent-Free Unit	Administrative Rent-Free Unit			
Sub-total Salaries/Benefits				
Administration				
Advertising and Marketing				
Office Expenses				
Office Rent	**Projected LOSP Split**	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	Legal Expense - Property	*50.00%*	*50.00%*	
Audit Expense				
Bookkeeping/Accounting Services	**Projected LOSP Split**	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	Bad Debts	*50.00%*	*50.00%*	
Miscellaneous				
Sub-total Administration Expenses				
Utilities	**Projected LOSP Split**	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Electricity	Electricity	*32.00%*	*68.00%*	
Water				
Gas				
Sewer				
Sub-total Utilities				
Taxes and Licenses	**Alternative LOSP Split**	**LOSP**	**non-LOSP**	Approved By (reqd)
Real Estate Taxes	Real Estate Taxes			
Payroll Taxes	Payroll Taxes			
Miscellaneous Taxes, Licenses and Permits				
Sub-total Taxes and Licenses				
Insurance				
Property and Liability Insurance				
Fidelity Bond Insurance	**Alternative LOSP Split**	**LOSP**	**non-LOSP**	Approved By (reqd)
Worker's Compensation	Worker's Compensation			
Director's & Officers' Liability Insurance				
Sub-total Insurance				
Maintenance & Repair				
Payroll	**Projected LOSP Split**	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Supplies	Supplies	*32.00%*	*68.00%*	
Contracts	Contracts			
Garbage and Trash Removal	**Alternative LOSP Split**	**LOSP**	**non-LOSP**	Approved By (reqd)
Security Payroll/Contract	Security Payroll/Contract	*50.00%*	*50.00%*	
HVAC Repairs and Maintenance				
Vehicle and Maintenance Equipment Operation and Repairs				
Miscellaneous Operating and Maintenance Expenses				
Sub-total Maintenance & Repair Expenses				
	Alternative LOSP Split	**LOSP**	**non-LOSP**	Approved By (reqd)
Supportive Services	Supportive Services	*0.00%*	*100.00%*	
Commercial Expenses				
TOTAL OPERATING EXPENSES				
Reserves/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent				
Bond Monitoring Fee	**Alternative LOSP Split**	**LOSP**	**non-LOSP**	Approved By (reqd)
Replacement Reserve Deposit	Replacement Reserve Deposit			
Operating Reserve Deposit	Operating Reserve Deposit			
Other Required Reserve 1 Deposit	Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit				
Required Reserve Deposit/s, Commercial				
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				
NET OPERATING INCOME (INCOME minus OP EXPENSES)				
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)	**Alternative LOSP Split**	**LOSP**	**non-LOSP**	Approved By (reqd)
Hard Debt - First Lender	Hard Debt - First Lender	*32.00%*	*68.00%*	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Le	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 - Third Lender (Other HCD Program, or other 3rd Lender)			
Hard Debt - Fourth 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 LOPS/non-LOSP (residual income)	Allocation of Commercial Surplus to LOPS/non-	*32.00%*	*68.00%*	
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)	**Alternative LOSP Split**	**LOSP**	**non-LOSP**	Approved By (reqd)
Other Payments	Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)			
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)				
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	Deferred Developer Fee (Enter amt <= Max Fe	*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 Defer Developer Fee?

Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1 Sum of DD F from LOSP and non-LOSP: 0

% of Residual Receipts available for distribution to **soft debt lenders** in Ratio of Sum of DDF and calculated 50%: #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

10th and Mission

		Non-LOSP													
Total # Units:	LOSP Units	Units													
136	***44***	***92***		**Year 1**			**Year 2**			**Year 3**			**Year 4**		
	32.00%	*68.00%*		**2018**			**2019**			**2020**			**2021**		
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	2.5%	2.5%		*128,752*	*1,273,988*	1,402,740	*131,970*	1,305,838	1,437,809	*135,270*	1,338,484	1,473,754	*138,651*	1,371,946	1,510,598
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%		-	*125,568*	125,568	-	*128,707*	128,707	-	*131,925*	131,925	-	*135,223*	135,223
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*493,792*		493,792	*496,130*		496,130	*513,339*		513,339	*531,193*		531,193
Commercial Space	n/a	2.5%				77,484			79,421			81,407			83,442
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		*11,315*	*24,045*	35,360	*11,598*	*24,646*	36,244	*11,888*	*25,262*	37,150	*12,185*	*25,894*	38,079
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				30,000			30,750			31,519			32,307
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-		-	-		-	-	
Gross Potential Income				***633,859***	***1,423,601***	**2,164,944**	***639,699***	***1,459,191***	**2,209,061**	***660,497***	***1,495,671***	**2,269,093**	***682,029***	***1,533,063***	**2,330,841**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	*(6,438)*	*(63,699)*	(70,137)	*(6,599)*	*(65,292)*	(71,890)	*(6,763)*	*(66,924)*	(73,688)	*(6,933)*	*(68,597)*	(75,530)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	*(6,278)*	(6,278)	-	*(6,435)*	(6,435)	-	*(6,596)*	(6,596)	-	*(6,761)*	(6,761)
Vacancy Loss - Commercial	n/a	n/a				(3,874)			(3,971)			(4,070)			(4,172)
EFFECTIVE GROSS INCOME				***627,422***	***1,353,623***	**2,084,655**	***633,100***	***1,387,464***	**2,126,764**	***653,733***	***1,422,151***	**2,184,739**	***675,097***	***1,457,704***	**2,244,378**
OPERATING EXPENSES															
Management															
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*38,124*	*81,012*	119,136	*39,458*	*83,848*	123,306	*40,839*	*86,783*	127,621	*42,268*	*89,820*	132,088
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*6,541*	*13,899*	20,440	*6,770*	*14,386*	21,155	*7,007*	*14,889*	21,896	*7,252*	*15,410*	22,662
Sub-total Management Expenses				***44,664***	***94,912***	**139,576**	***46,228***	***98,234***	**144,461**	***47,846***	***101,672***	**149,517**	***49,520***	***105,230***	**154,750**
Salaries/Benefits															
Office Salaries	3.5%	3.5%		*75,749*	*104,606*	180,355	*78,400*	*108,267*	186,667	*81,144*	*112,056*	193,201	*83,984*	*115,978*	199,963
Manager's Salary	3.5%	3.5%		*44,126*	*93,767*	137,893	*45,670*	*97,049*	142,719	*47,269*	*100,446*	147,714	*48,923*	*103,961*	152,884
Health Insurance and Other Benefits	3.5%	3.5%		*40,481*	*55,902*	96,383	*41,898*	*57,859*	99,757	*43,364*	*59,884*	103,248	*44,882*	*61,980*	106,862
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***160,356***	***254,275***	**414,631**	***165,968***	***263,175***	**429,143**	***171,777***	***272,386***	**444,163**	***177,789***	***281,920***	**459,709**
Administration															
Advertising and Marketing	3.5%	3.5%		*707*	*1,503*	2,210	*732*	*1,555*	2,287	*758*	*1,610*	2,367	*784*	*1,666*	2,450
Office Expenses	3.5%	3.5%		*16,696*	*35,480*	52,176	*17,281*	*36,721*	54,002	*17,886*	*38,007*	55,892	*18,512*	*39,337*	57,848
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		*6,404*	*6,404*	12,808	*6,628*	*6,628*	13,256	*6,860*	*6,860*	13,720	*7,100*	*7,100*	14,201
Audit Expense	3.5%	3.5%		*3,258*	*6,922*	10,180	*3,372*	*7,165*	10,536	*3,490*	*7,415*	10,905	*3,612*	*7,675*	11,287
Bookkeeping/Accounting Services	3.5%	3.5%		*4,961*	*10,543*	15,504	*5,135*	*10,912*	16,047	*5,315*	*11,294*	16,608	*5,501*	*11,689*	17,190
Bad Debts	3.5%	3.5%		*3,378*	*3,378*	6,756	*3,496*	*3,496*	6,993	*3,619*	*3,619*	7,238	*3,746*	*3,746*	7,491
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				***35,405***	***64,230***	**99,635**	***36,644***	***66,478***	**103,122**	***37,926***	***68,805***	**106,731**	***39,254***	***71,213***	**110,467**
Utilities															
Electricity	3.5%	3.5%		*15,797*	*33,569*	49,367	*16,350*	*34,744*	51,095	*16,923*	*35,960*	52,883	*17,515*	*37,219*	54,734
Water	3.5%	3.5%		*26,594*	*56,511*	83,105	*27,524*	*58,489*	86,013	*28,488*	*60,536*	89,024	*29,485*	*62,655*	92,140
Gas	3.5%	3.5%		*18,318*	*38,927*	57,245	*18,960*	*40,289*	59,249	*19,623*	*41,699*	61,322	*20,310*	*43,159*	63,468
Sewer	3.5%	3.5%		*40,756*	*86,606*	127,362	*42,182*	*89,637*	131,820	*43,659*	*92,775*	136,433	*45,187*	*96,022*	141,208
Sub-total Utilities				***101,465***	***215,613***	**317,078**	***105,016***	***223,160***	**328,176**	***108,692***	***230,970***	**339,662**	***112,496***	***239,054***	**351,551**
Taxes and Licenses															
Real Estate Taxes	3.5%	3.5%		*20,280*	*43,094*	63,374	*6,242*	*13,265*	19,508	*6,461*	*13,730*	20,190	*6,687*	*14,210*	20,897
Payroll Taxes	3.5%	3.5%		*10,680*	*22,695*	33,376	*11,054*	*23,490*	34,544	*11,441*	*24,312*	35,753	*11,841*	*25,163*	37,004
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		*3,829*	*8,137*	11,966	*3,963*	*8,421*	12,384	*4,102*	*8,716*	12,818	*4,245*	*9,021*	13,267
Sub-total Taxes and Licenses				***34,789***	***73,926***	**108,715**	***21,259***	***45,176***	**66,436**	***22,004***	***46,758***	**68,761**	***22,774***	***48,394***	**71,168**
Insurance															
Property and Liability Insurance	3.5%	3.5%		*34,627*	*73,583*	108,210	*35,839*	*76,158*	111,998	*37,094*	*78,824*	115,918	*38,392*	*81,583*	119,975
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		*8,795*	*18,689*	27,483	*9,102*	*19,343*	28,445	*9,421*	*20,020*	29,441	*9,751*	*20,721*	30,471
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Insurance				***43,422***	***92,272***	**135,694**	***44,942***	***95,501***	**140,443**	***46,515***	***98,844***	**145,358**	***48,143***	***102,303***	**150,446**
Maintenance & Repair															
Payroll	3.5%	3.5%		*56,737*	*120,567*	177,304	*58,723*	*124,787*	183,510	*60,778*	*129,154*	189,932	*62,906*	*133,674*	196,580
Supplies	3.5%	3.5%		*6,937*	*14,740*	21,677	*7,179*	*15,256*	22,436	*7,431*	*15,790*	23,221	*7,691*	*16,343*	24,034
Contracts	3.5%	3.5%		*54,502*	*115,817*	170,319	*56,410*	*119,871*	176,280	*58,384*	*124,066*	182,450	*60,427*	*128,408*	188,836
Garbage and Trash Removal	3.5%	3.5%		*24,579*	*52,231*	76,810	*25,440*	*54,059*	79,499	*26,330*	*55,951*	82,281	*27,251*	*57,909*	85,161
Security Payroll/Contract	3.5%	3.5%		*28,276*	*28,276*	56,551	*29,265*	*29,265*	58,531	*30,290*	*30,290*	60,579	*31,350*	*31,350*	62,700
HVAC Repairs and Maintenance	3.5%	3.5%		*7,885*	*16,755*	24,640	*8,161*	*17,342*	25,503	*8,446*	*17,949*	26,395	*8,742*	*18,577*	27,319
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***178,916***	***348,386***	**527,302**	***185,178***	***360,579***	**545,757**	***191,659***	***373,200***	**564,859**	***198,367***	***386,262***	**584,629**
Supportive Services	3.5%	3.5%		-	*80,751*	80,751	-	*83,577*	83,577	-	*86,502*	86,502	-	*89,530*	89,530
Commercial Expenses						-			5,562			5,757			5,958
TOTAL OPERATING EXPENSES				***599,017***	***1,224,365***	***1,828,756***	***605,235***	***1,235,881***	**1,846,678**	***626,418***	***1,279,136***	**1,911,312**	***648,343***	***1,323,906***	**1,978,208**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						***13,447***									
Reserves/Ground Lease Base Rent/Bond Fees									*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell ra*						
Ground Lease Base Rent				*6,400*	*13,600*	20,000	*6,400*	*13,600*	20,000	*6,400*	*13,600*	20,000	*6,400*	*13,600*	20,000
Bond Monitoring Fee				-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit				*26,112*	*55,488*	81,600	*26,112*	*55,488*	81,600	*26,112*	*55,488*	81,600	*26,112*	*55,488*	81,600
Operating Reserve Deposit				*4,720*	*10,030*	14,750	*4,720*	*10,030*	14,750	*4,720*	*10,030*	14,750	*4,720*	*10,030*	14,750
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				-	-	7,516	*2,405*	*5,111*	7,516	*2,405*	*5,111*	7,516	*2,405*	*5,111*	7,516
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***37,232***	***79,118***	**123,866**	***37,232***	***79,118***	**116,350**	***37,232***	***79,118***	**116,350**	***37,232***	***79,118***	**116,350**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***636,249***	***1,303,483***	**1,952,622**	***642,467***	***1,314,999***	**1,963,028**	***663,650***	***1,358,254***	**2,027,662**	***685,575***	***1,403,024***	**2,094,558**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						***14,358***									
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***(8,827)***	***50,140***	**132,033**	***(9,367)***	***72,465***	**163,736**	***(9,917)***	***63,896***	**157,077**	***(10,478)***	***54,680***	**149,820**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell ra*						
Hard Debt - First Lender			Enter comments re: annual increase, etc.	*13,022*	*27,673*	40,695	*13,022*	*27,673*	40,695	*13,022*	*27,673*	40,695	*13,022*	*27,673*	40,695
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-			-
TOTAL HARD DEBT SERVICE				***13,022***	***27,673***	**40,695**	***13,022***	***27,673***	**40,695**	***13,022***	***27,673***	**40,695**	***13,022***	***27,673***	**40,695**
CASH FLOW (NOI minus DEBT SERVICE)				***(21,849)***	***22,468***	**91,338**	***(22,389)***	***44,793***	**123,041**	***(22,940)***	***36,224***	**116,382**	***(23,501)***	***27,008***	**109,125**
Commercial Only Cash Flow						**90,720**			**93,122**			**95,582**			**98,102**
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				*29,030*	*61,689*		*29,799*	*63,323*		*30,586*	*64,996*		*31,393*	*66,709*	
AVAILABLE CASH FLOW				***7,181***	***84,157***	**91,338**	***7,410***	***108,116***	**123,041**	***7,647***	***101,219***	**116,382**	***7,892***	***93,717***	**109,125**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***			***3.24***			***4.02***			***3.86***			***3.68***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									*Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell ra*						
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	*6,541*	*13,899*	20,440	*6,770*	*14,386*	21,155	*7,007*	*14,889*	21,896	*7,252*	*15,410*	22,662
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	*640*	*1,360*	2,000	*640*	*1,360*	2,000	*640*	*1,360*	2,000	*640*	*1,360*	2,000
Other Payments				-	-	-	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-	-	-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***7,181***	***15,259***	**22,440**	***7,410***	***15,746***	**23,155**	***7,647***	***16,249***	**23,896**	***7,892***	***16,770***	**24,662**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	68,898	**68,898**	(0)	92,370	**99,886**	0	84,970	**92,486**	0	76,947	**84,463**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***													
Will Project Defer Developer Fee?		***No***													
Residual Receipts split for all years. - Lender/Owner		*67% / 33%*													
				Max Deferred Developer Fee Amt:											
		Dist. Soft Debt Loans		*Cum. Deferred Developer Fee:*		-			-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE															
MOHCD Residual Receipts Amount Due		*77.56%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			35,623			51,646			47,820			43,671
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			51,646			47,820			43,671
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			35,623			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE															
HCD Residual Receipts Amount Due		*22.44%*	Allocation per pro rata share of all soft debt			10,308			14,945			13,838			12,637
Lender 4 Residual Receipts Due		*0.00%*				-			-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-			-
Total Non-MOHCD Residual Receipts Debt Service						**10,308**			**14,945**			**13,838**			**12,637**
REMAINDER (Should be zero unless there are distributions below)						**22,966**			**33,295**			**30,829**			**28,154**
Owner Distributions/Incentive Management Fee						22,966			33,295			30,829			28,154
Other Distributions/Uses						-									
Final Balance (should be zero)						**-**			**-**			**-**			**-**
REPLACEMENT RESERVE - RUNNING BALANCE															
Replacement Reserve Starting Balance						**677,582**			**759,182**			**840,782**			**922,382**
Replacement Reserve Deposits						**81,600**			**81,600**			**81,600**			**81,600**
Replacement Reserve Withdrawals (ideally tied to CNA)						**-**			**-**			**-**			**-**
Replacement Reserve Interest															
RR Running Balance						**759,182**			**840,782**			**922,382**			**1,003,982**
			RR Balance/Unit			*$5,582*			*$6,182*			*$6,782*			*$7,382*
OPERATING RESERVE - RUNNING BALANCE															
Operating Reserve Starting Balance						**556,266**			**571,016**			**585,766**			**600,516**
Operating Reserve Deposits						**14,750**			**14,750**			**14,750**			**14,750**
Operating Reserve Withdrawals															
Operating Reserve Interest															
OR Running Balance						**571,016**			**585,766**			**600,516**			**615,266**
			OR Balance as a % of Prior Yr Op Exps + Debt Service						*29.4%*			*30.0%*			*29.7%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE															
Other Reserve 1 Starting Balance									-			-			-
Other Reserve 1 Deposits						-			-			-			-
Other Reserve 1 Withdrawals															
Other Reserve 1 Interest															
Other Required Reserve 1 Running Balance						-			-			-			-
OTHER RESERVE 2 - RUNNING BALANCE															
Other Reserve 2 Starting Balance									-			-			-
Other Reserve 2 Deposits						-			-			-			-
Other Reserve 2 Withdrawals															
Other Reserve 2 Interest															
Other Required Reserve 2 Running Balance						-			-			-			-

10th and Mission

		Non-LOSP Units													
Total # Units:	LOSP Units														
136	***44***	***92***		**Year 5**			**Year 6**			**Year 7**			**Year 8**		
	32.00%	*68.00%*		**2022**			**2023**			**2024**			**2025**		
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	2.5%	2.5%		142,118	1,406,245	1,548,362	145,671	1,441,401	1,587,072	149,312	1,477,436	1,626,748	153,045	1,514,372	1,667,417
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%		-	138,604	138,604	-	142,069	142,069	-	145,620	145,620	-	149,261	149,261
Residential - LOSP Tenant Assistance Payments	n/a	n/a		549,715		549,715	568,931		568,931	588,865		588,865	609,544		609,544
Commercial Space	n/a	2.5%				85,528			87,666			89,858			92,104
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		12,490	26,541	39,031	12,802	27,204	40,007	13,122	27,885	41,007	13,450	28,582	42,032
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				33,114			33,942			34,791			35,661
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-		-	-	
Gross Potential Income				***704,323***	***1,571,389***	**2,394,354**	***727,403***	***1,610,674***	**2,459,686**	***751,299***	***1,650,941***	**2,526,889**	***776,039***	***1,692,214***	**2,596,018**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(7,106)	(70,312)	(77,418)	(7,284)	(72,070)	(79,354)	(7,466)	(73,872)	(81,337)	(7,652)	(75,719)	(83,371)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	(6,930)	(6,930)	-	(7,103)	(7,103)	-	(7,281)	(7,281)	-	(7,463)	(7,463)
Vacancy Loss - Commercial	n/a	n/a				(4,276)			(4,383)			(4,493)			(4,605)
EFFECTIVE GROSS INCOME				***697,217***	***1,494,147***	**2,305,730**	***720,120***	***1,531,501***	**2,368,845**	***743,834***	***1,569,788***	**2,433,777**	***768,387***	***1,609,033***	**2,500,579**
OPERATING EXPENSES															
Management															
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	43,748	92,964	136,711	45,279	96,217	141,496	46,864	99,585	146,449	48,504	103,070	151,574
Asset Management Fee	3.5%	3.5%	per MOHCD policy	7,506	15,950	23,455	7,768	16,508	24,276	8,040	17,086	25,126	8,322	17,684	26,005
Sub-total Management Expenses				***51,253***	***108,913***	**160,167**	***53,047***	***112,725***	**165,773**	***54,904***	***116,671***	**171,575**	***56,825***	***120,754***	**177,580**
Salaries/Benefits															
Office Salaries	3.5%	3.5%		86,924	120,038	206,962	89,966	124,239	214,205	93,115	128,587	221,702	96,374	133,088	229,462
Manager's Salary	3.5%	3.5%		50,635	107,600	158,235	52,408	111,366	163,774	54,242	115,264	169,506	56,140	119,298	175,438
Health Insurance and Other Benefits	3.5%	3.5%		46,453	64,149	110,602	48,079	66,394	114,473	49,761	68,718	118,480	51,503	71,123	122,627
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***184,012***	***291,787***	**475,799**	***190,452***	***302,000***	**492,452**	***197,118***	***312,569***	**509,688**	***204,017***	***323,509***	**527,527**
Administration															
Advertising and Marketing	3.5%	3.5%		812	1,724	2,536	840	1,785	2,625	869	1,847	2,717	900	1,912	2,812
Office Expenses	3.5%	3.5%		19,159	40,714	59,873	19,830	42,139	61,969	20,524	43,614	64,138	21,242	45,140	66,382
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		7,349	7,349	14,698	7,606	7,606	15,212	7,872	7,872	15,744	8,148	8,148	16,296
Audit Expense	3.5%	3.5%		3,738	7,944	11,682	3,869	8,222	12,091	4,004	8,509	12,514	4,145	8,807	12,952
Bookkeeping/Accounting Services	3.5%	3.5%		5,693	12,098	17,791	5,892	12,521	18,414	6,099	12,960	19,058	6,312	13,413	19,725
Bad Debts	3.5%	3.5%		3,877	3,877	7,753	4,012	4,012	8,025	4,153	4,153	8,305	4,298	4,298	8,596
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				***40,628***	***73,705***	**114,333**	***42,050***	***76,285***	**118,335**	***43,521***	***78,955***	**122,476**	***45,045***	***81,718***	**126,763**
Utilities															
Electricity	3.5%	3.5%		18,128	38,522	56,650	18,762	39,870	58,632	19,419	41,265	60,684	20,099	42,710	62,808
Water	3.5%	3.5%		30,517	64,848	95,365	31,585	67,118	98,702	32,690	69,467	102,157	33,834	71,898	105,732
Gas	3.5%	3.5%		21,021	44,669	65,690	21,756	46,233	67,989	22,518	47,851	70,369	23,306	49,525	72,832
Sewer	3.5%	3.5%		46,768	99,383	146,151	48,405	102,861	151,266	50,099	106,461	156,560	51,853	110,187	162,040
Sub-total Utilities				***116,434***	***247,421***	**363,855**	***120,509***	***256,081***	**376,590**	***124,727***	***265,044***	**389,770**	***129,092***	***274,320***	**403,412**
Taxes and Licenses															
Real Estate Taxes	3.5%	3.5%		6,921	14,707	21,629	7,163	15,222	22,386	7,414	15,755	23,169	7,674	16,306	23,980
Payroll Taxes	3.5%	3.5%		12,256	26,044	38,299	12,685	26,955	39,640	13,129	27,898	41,027	13,588	28,875	42,463
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		4,394	9,337	13,731	4,548	9,664	14,211	4,707	10,002	14,709	4,872	10,352	15,224
Sub-total Taxes and Licenses				***23,571***	***50,088***	**73,659**	***24,396***	***51,841***	**76,237**	***25,250***	***53,655***	**78,905**	***26,133***	***55,533***	**81,667**
Insurance															
Property and Liability Insurance	3.5%	3.5%		39,736	84,438	124,174	41,126	87,394	128,520	42,566	90,452	133,018	44,056	93,618	137,674
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		10,092	21,446	31,538	10,445	22,196	32,642	10,811	22,973	33,784	11,189	23,777	34,967
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Insurance				***49,828***	***105,884***	**155,712**	***51,572***	***109,590***	**161,162**	***53,377***	***113,425***	**166,802**	***55,245***	***117,395***	**172,640**
Maintenance & Repair															
Payroll	3.5%	3.5%		65,107	138,353	203,460	67,386	143,195	210,582	69,745	148,207	217,952	72,186	153,395	225,580
Supplies	3.5%	3.5%		7,960	16,915	24,875	8,239	17,507	25,746	8,527	18,120	26,647	8,825	18,754	27,579
Contracts	3.5%	3.5%		62,542	132,903	195,445	64,731	137,554	202,286	66,997	142,369	209,366	69,342	147,351	216,693
Garbage and Trash Removal	3.5%	3.5%		28,205	59,936	88,141	29,192	62,034	91,226	30,214	64,205	94,419	31,272	66,452	97,724
Security Payroll/Contract	3.5%	3.5%		32,447	32,447	64,894	33,583	33,583	67,165	34,758	34,758	69,516	35,975	35,975	71,949
HVAC Repairs and Maintenance	3.5%	3.5%		9,048	19,227	28,275	9,365	19,900	29,265	9,693	20,597	30,289	10,032	21,318	31,349
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***205,310***	***399,781***	**605,091**	***212,496***	***413,773***	**626,269**	***219,933***	***428,255***	**648,189**	***227,631***	***443,244***	**670,875**
Supportive Services	3.5%	3.5%		-	92,663	92,663	-	95,907	95,907	-	99,263	99,263	-	102,737	102,737
Commercial Expenses						6,167			6,383			6,606			6,837
TOTAL OPERATING EXPENSES				***671,035***	***1,370,243***	**2,047,445**	***694,521***	***1,418,201***	**2,119,106**	***718,830***	***1,467,838***	**2,193,274**	***743,989***	***1,519,213***	**2,270,039**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)															
Reserves/Ground Lease Base Rent/Bond Fees				*ther than dragging across multiple cells.*											
Ground Lease Base Rent				6,400	13,600	20,000	6,400	13,600	20,000	6,400	13,600	20,000	6,400	13,600	20,000
Bond Monitoring Fee				-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit				26,112	55,488	81,600	26,112	55,488	81,600	26,112	55,488	81,600	26,112	55,488	81,600
Operating Reserve Deposit				4,720	10,030	14,750	4,720	10,030	14,750	4,720	10,030	14,750	4,720	10,030	14,750
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				2,405	5,111	7,516	2,405	5,111	7,516	2,405	5,111	7,516	2,405	5,111	7,516
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***37,232***	***79,118***	**116,350**	***37,232***	***79,118***	**116,350**	***37,232***	***79,118***	**116,350**	***37,232***	***79,118***	**116,350**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***708,267***	***1,449,361***	**2,163,795**	***731,753***	***1,497,319***	**2,235,456**	***756,062***	***1,546,956***	**2,309,624**	***781,221***	***1,598,331***	**2,386,389**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)															
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***(11,050)***	***44,786***	**141,935**	***(11,634)***	***34,181***	**133,390**	***(12,228)***	***22,832***	**124,153**	***(12,834)***	***10,702***	**114,190**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				*ther than dragging across multiple cells.*											
Hard Debt - First Lender			Enter comments re: annual increase, etc.	13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-			-
TOTAL HARD DEBT SERVICE				***13,022***	***27,673***	**40,695**	***13,022***	***27,673***	**40,695**	***13,022***	***27,673***	**40,695**	***13,022***	***27,673***	**40,695**
CASH FLOW (NOI minus DEBT SERVICE)				***(24,073)***	***17,113***	**101,240**	***(24,656)***	***6,509***	**92,695**	***(25,250)***	***(4,841)***	**83,458**	***(25,856)***	***(16,971)***	**73,495**
Commercial Only Cash Flow						**100,683**			**103,326**			**106,033**			**108,806**
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				32,219	68,464		33,064	70,262		33,931	72,103		34,818	73,988	
AVAILABLE CASH FLOW				***8,146***	***85,578***	**101,240**	***8,408***	***76,770***	**92,695**	***8,680***	***67,262***	**83,458**	***8,962***	***57,018***	**73,495**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***			***3.49***			***3.28***			***3.05***			***2.81***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				*ther than dragging across multiple cells.*											
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	7,506	15,950	23,455	7,768	16,508	24,276	8,040	17,086	25,126	8,322	17,684	26,005
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	640	1,360	2,000	640	1,360	2,000	640	1,360	2,000	640	1,360	2,000
Other Payments				-	-		-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***8,146***	***17,310***	***25,455***	***8,408***	***17,868***	***26,276***	***8,680***	***18,446***	***27,126***	***8,962***	***19,044***	***28,005***
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	68,268	**75,784**	(0)	58,903	**66,419**	0	48,816	**56,332**	(0)	37,974	**45,490**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***													
Will Project Defer Developer Fee?		***No***													
Residual Receipts split for all years. - Lender/Owner		*67% / 33%*													
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*				-			-			-			-
MOHCD Residual Receipts Amount Due		*77.56%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			39,184			34,342			29,126			23,520
Proposed MOHCD Residual Receipts Amount to Loan Repayment						39,184			34,342			29,126			23,520
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE															
HCD Residual Receipts Amount Due		*22.44%*	Allocation per pro rata share of all soft debt			11,339			9,937			8,428			6,806
Lender 4 Residual Receipts Due		*0.00%*				-			-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-			-
Total Non-MOHCD Residual Receipts Debt Service						**11,339**			**9,937**			**8,428**			**6,806**
REMAINDER (Should be zero unless there are distributions below)						**25,261**			**22,140**			**18,777**			**15,163**
Owner Distributions/Incentive Management Fee						25,261			22,140			18,777			15,163
Other Distributions/Uses															
Final Balance (should be zero)						-			-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE															
Replacement Reserve Starting Balance						**1,003,982**			**1,085,582**			**1,167,182**			**1,248,782**
Replacement Reserve Deposits						**81,600**			**81,600**			**81,600**			**81,600**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-			-
Replacement Reserve Interest															
RR Running Balance						**1,085,582**			**1,167,182**			**1,248,782**			**1,330,382**
			RR Balance/Unit			*$7,982*			*$8,582*			*$9,182*			*$9,782*
OPERATING RESERVE - RUNNING BALANCE															
Operating Reserve Starting Balance						**615,266**			**630,016**			**644,766**			**659,516**
Operating Reserve Deposits						**14,750**			**14,750**			**14,750**			**14,750**
Operating Reserve Withdrawals															
Operating Reserve Interest															
OR Running Balance						**630,016**			**644,766**			**659,516**			**674,266**
			OR Balance as a % of Prior Yr Op Exps + Debt Service			*29.5%*			*29.2%*			*29.0%*			*28.7%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE															
Other Reserve 1 Starting Balance						-			-			-			-
Other Reserve 1 Deposits						-			-			-			-
Other Reserve 1 Withdrawals															
Other Reserve 1 Interest															
Other Required Reserve 1 Running Balance						-			-			-			-
OTHER RESERVE 2 - RUNNING BALANCE															
Other Reserve 2 Starting Balance						-			-			-			-
Other Reserve 2 Deposits						-			-			-			-
Other Reserve 2 Withdrawals															
Other Reserve 2 Interest															
Other Required Reserve 2 Running Balance						-			-			-			-

10th and Mission

Total # Units: 136 — LOSP Units: 44 (32.00%) — Non-LOSP Units: 92 (68.00%)

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 9 2026 LOSP	Year 9 2026 non-LOSP	Year 9 2026 Total	Year 10 2027 LOSP	Year 10 2027 non-LOSP	Year 10 2027 Total	Year 11 2028 LOSP	Year 11 2028 non-LOSP	Year 11 2028 Total	Year 12 2029 LOSP	Year 12 2029 non-LOSP	Year 12 2029 Total
Residential - Tenant Rents	2.5%	2.5%		156,871	1,552,231	1,709,102	160,793	1,591,037	1,751,830	164,813	1,630,813	1,795,626	168,933	1,671,583	1,840,516
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%		-	152,992	152,992	-	156,817	156,817	-	160,738	160,738	-	164,756	164,756
Residential - LOSP Tenant Assistance Payments	n/a	n/a		621,742		621,742	643,692		643,692	666,461		666,461	690,079		690,079
Commercial Space	n/a	2.5%				94,407			96,767			99,186			101,666
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		13,786	29,296	43,083	14,131	30,029	44,160	14,484	30,779	45,264	14,847	31,549	46,395
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				36,552			37,466			38,403			39,363
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-		-	-	
Gross Potential Income				792,400	1,734,520	2,657,878	818,616	1,777,883	2,730,732	845,758	1,822,330	2,805,677	873,859	1,867,888	2,882,775
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(7,844)	(77,612)	(85,455)	(8,040)	(79,552)	(87,592)	(8,241)	(81,541)	(89,781)	(8,447)	(83,579)	(92,026)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	(7,650)	(7,650)	-	(7,841)	(7,841)	-	(8,037)	(8,037)	-	(8,238)	(8,238)
Vacancy Loss - Commercial	n/a	n/a				(4,720)			(4,838)			(4,959)			(5,083)
EFFECTIVE GROSS INCOME				784,556	1,649,259	2,560,053	810,576	1,690,490	2,630,461	837,518	1,732,752	2,702,899	865,412	1,776,071	2,777,428
OPERATING EXPENSES															
Management															
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	50,201	106,678	156,879	51,958	110,412	162,370	53,777	114,276	168,053	55,659	118,276	173,935
Asset Management Fee	3.5%	3.5%	per MOHCD policy	8,613	18,303	26,916	8,914	18,943	27,858	9,226	19,606	28,833	9,549	20,292	29,842
Sub-total Management Expenses				58,814	124,981	183,795	60,873	129,355	190,228	63,003	133,882	196,886	65,209	138,568	203,777
Salaries/Benefits															
Office Salaries	3.5%	3.5%		99,747	137,746	237,493	103,238	142,567	245,805	106,852	147,557	254,409	110,591	152,721	263,313
Manager's Salary	3.5%	3.5%		58,105	123,474	181,579	60,139	127,795	187,934	62,244	132,268	194,512	64,422	136,897	201,320
Health Insurance and Other Benefits	3.5%	3.5%		53,306	73,613	126,918	55,171	76,189	131,361	57,102	78,856	135,958	59,101	81,616	140,717
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				211,158	334,832	545,990	218,549	346,551	565,100	226,198	358,681	584,878	234,115	371,234	605,349
Administration															
Advertising and Marketing	3.5%	3.5%		931	1,979	2,910	964	2,048	3,012	998	2,120	3,117	1,032	2,194	3,227
Office Expenses	3.5%	3.5%		21,986	46,720	68,706	22,755	48,355	71,111	23,552	50,048	73,599	24,376	51,799	76,175
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		8,433	8,433	16,866	8,728	8,728	17,456	9,034	9,034	18,067	9,350	9,350	18,699
Audit Expense	3.5%	3.5%		4,290	9,115	13,405	4,440	9,435	13,874	4,595	9,765	14,360	4,756	10,106	14,862
Bookkeeping/Accounting Services	3.5%	3.5%		6,533	13,883	20,416	6,762	14,369	21,130	6,998	14,872	21,870	7,243	15,392	22,635
Bad Debts	3.5%	3.5%		4,448	4,448	8,897	4,604	4,604	9,208	4,765	4,765	9,531	4,932	4,932	9,864
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				46,621	84,579	131,200	48,253	87,539	135,792	49,942	90,603	140,544	51,690	93,774	145,464
Utilities															
Electricity	3.5%	3.5%		20,802	44,205	65,007	21,530	45,752	67,282	22,284	47,353	69,637	23,064	49,010	72,074
Water	3.5%	3.5%		35,019	74,415	109,433	36,244	77,019	113,263	37,513	79,715	117,227	38,826	82,505	121,330
Gas	3.5%	3.5%		24,122	51,259	75,381	24,966	53,053	78,019	25,840	54,910	80,750	26,744	56,832	83,576
Sewer	3.5%	3.5%		53,668	114,044	167,711	55,546	118,035	173,581	57,490	122,166	179,657	59,502	126,442	185,945
Sub-total Utilities				133,610	283,922	417,532	138,287	293,859	432,145	143,127	304,144	447,270	148,136	314,789	462,925
Taxes and Licenses															
Real Estate Taxes	3.5%	3.5%		7,942	16,877	24,819	8,220	17,468	25,688	8,508	18,079	26,587	8,806	18,712	27,518
Payroll Taxes	3.5%	3.5%		14,064	29,886	43,949	14,556	30,932	45,488	15,065	32,014	47,080	15,593	33,135	48,727
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		5,042	10,714	15,756	5,219	11,089	16,308	5,401	11,478	16,879	5,590	11,879	17,469
Sub-total Taxes and Licenses				27,048	57,477	84,525	27,995	59,489	87,483	28,975	61,571	90,545	29,989	63,726	93,714
Insurance															
Property and Liability Insurance	3.5%	3.5%		45,598	96,895	142,492	47,193	100,286	147,480	48,845	103,796	152,641	50,555	107,429	157,984
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		11,581	24,609	36,190	11,986	25,471	37,457	12,406	26,362	38,768	12,840	27,285	40,125
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Insurance				57,178	121,504	178,683	59,180	125,757	184,937	61,251	130,158	191,409	63,395	134,714	198,109
Maintenance & Repair															
Payroll	3.5%	3.5%		74,712	158,763	233,476	77,327	164,320	241,647	80,034	170,071	250,105	82,835	176,024	258,858
Supplies	3.5%	3.5%		9,134	19,410	28,545	9,454	20,090	29,544	9,785	20,793	30,578	10,127	21,521	31,648
Contracts	3.5%	3.5%		71,769	152,509	224,278	74,281	157,847	232,127	76,881	163,371	240,252	79,571	169,089	248,661
Garbage and Trash Removal	3.5%	3.5%		32,366	68,778	101,144	33,499	71,185	104,684	34,671	73,677	108,348	35,885	76,256	112,140
Security Payroll/Contract	3.5%	3.5%		37,234	37,234	74,467	38,537	38,537	77,074	39,886	39,886	79,771	41,282	41,282	82,563
HVAC Repairs and Maintenance	3.5%	3.5%		10,383	22,064	32,446	10,746	22,836	33,582	11,122	23,635	34,757	11,512	24,462	35,974
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				235,598	458,758	694,356	243,844	474,814	718,658	252,378	491,433	743,811	261,212	508,633	769,845
Supportive Services	3.5%	3.5%		-	106,333	106,333	-	110,055	110,055	-	113,907	113,907	-	117,894	117,894
Commercial Expenses						7,077			7,324			7,581			7,846
TOTAL OPERATING EXPENSES				770,028	1,572,385	2,349,490	796,979	1,627,419	2,431,722	824,874	1,684,378	2,516,833	853,744	1,743,332	2,604,922
PUPA (w/o Reserves/GL Base Rent/Bond Fees)															
Reserves/Ground Lease Base Rent/Bond Fees															
Ground Lease Base Rent				6,400	13,600	20,000	6,400	13,600	20,000	6,400	13,600	20,000	6,400	13,600	20,000
Bond Monitoring Fee				-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit				26,112	55,488	81,600	26,112	55,488	81,600	26,112	55,488	81,600	26,112	55,488	81,600
Operating Reserve Deposit				4,720	10,030	14,750	4,720	10,030	14,750	4,720	10,030	14,750	4,720	10,030	14,750
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				2,405	5,111	7,516	2,405	5,111	7,516	2,405	5,111	7,516	2,405	5,111	7,516
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				37,232	79,118	116,350	37,232	79,118	116,350	37,232	79,118	116,350	37,232	79,118	116,350
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				807,260	1,651,503	2,465,840	834,211	1,706,537	2,548,072	862,106	1,763,496	2,633,183	890,976	1,822,450	2,721,272
PUPA (w/ Reserves/GL Base Rent/Bond Fees)															
NET OPERATING INCOME (INCOME minus OP EXPENSES)				(22,704)	(2,245)	94,213	(23,635)	(16,047)	82,389	(24,588)	(30,744)	69,717	(25,564)	(46,378)	56,156
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)															
Hard Debt - First Lender			Enter comments re: annual increase, etc.	13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-			-
TOTAL HARD DEBT SERVICE				13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695
CASH FLOW (NOI minus DEBT SERVICE)				(35,727)	(29,917)	53,518	(36,657)	(43,719)	41,694	(37,610)	(58,417)	29,022	(38,587)	(74,051)	15,461
Commercial Only Cash Flow						111,646			114,554			117,532			120,583
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				35,727	75,919		36,657	77,897		37,610	79,922		38,587	81,996	
AVAILABLE CASH FLOW				(0)	46,002	53,518	-	34,178	41,694	0	21,506	29,022	-	7,945	15,461
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:			2.32			2.02			1.71			1.38
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL															
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-	-	-	-		-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-	-	-	-		-	-	
Other Payments				-	-		-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				(0)	46,002	53,518	-	34,178	41,694	0	21,506	29,022	-	7,945	15,461

			Year 9 Total	Year 10 Total	Year 11 Total	Year 12 Total
Does Project have a MOHCD Residual Receipt Obligation?	Yes					
Will Project Defer Developer Fee?	No					
Residual Receipts split for all years. - Lender/Owner	67% / 33%					
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Dist. Soft Debt Loans		-	-	-	-
MOHCD Residual Receipts Amount Due	77.56%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	27,671	21,558	15,006	7,994
Proposed MOHCD Residual Receipts Amount to Loan Repayment			27,671	21,558	15,006	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	7,994
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE						
HCD Residual Receipts Amount Due	22.44%	Allocation per pro rata share of all soft debt	8,007	6,238	4,342	2,313
Lender 4 Residual Receipts Due	0.00%		-	-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			8,007	6,238	4,342	2,313
REMAINDER (Should be zero unless there are distributions below)			17,839	13,898	9,674	5,154
Owner Distributions/Incentive Management Fee			17,839	13,898	9,674	5,154
Other Distributions/Uses						
Final Balance (should be zero)			-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE						
Replacement Reserve Starting Balance			1,330,382	1,411,982	1,493,582	1,575,182
Replacement Reserve Deposits			81,600	81,600	81,600	81,600
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-
Replacement Reserve Interest						
RR Running Balance			1,411,982	1,493,582	1,575,182	1,656,782
		RR Balance/Unit	$10,382	$10,982	$11,582	$12,182
OPERATING RESERVE - RUNNING BALANCE						
Operating Reserve Starting Balance			674,266	689,016	703,766	718,516
Operating Reserve Deposits			14,750	14,750	14,750	14,750
Operating Reserve Withdrawals						
Operating Reserve Interest						
OR Running Balance			689,016	703,766	718,516	733,266
		OR Balance as a % of Prior Yr Op Exps + Debt Service	28.4%	28.1%	27.8%	27.4%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE						
Other Reserve 1 Starting Balance			-	-	-	-
Other Reserve 1 Deposits			-	-	-	-
Other Reserve 1 Withdrawals						
Other Reserve 1 Interest						
Other Required Reserve 1 Running Balance			-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE						
Other Reserve 2 Starting Balance			-	-	-	-
Other Reserve 2 Deposits			-	-	-	-
Other Reserve 2 Withdrawals						
Other Reserve 2 Interest						
Other Required Reserve 2 Running Balance			-	-	-	-

10th and Mission

Total # Units:	LOSP Units	Non-LOSP Units		Year 13			Year 14			Year 15			Year 16		
136	44	92		2030			2031			2032			2033		
	32.00%	68.00%													
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents	2.5%	2.5%		173,157	1,713,373	1,886,529	177,486	1,756,207	1,933,693	181,923	1,800,112	1,982,035	186,471	1,845,115	2,031,586
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%		-	168,875	168,875	-	173,097	173,097	-	177,424	177,424	-	181,860	181,860
Residential - LOSP Tenant Assistance Payments	n/a	n/a		714,577		714,577	739,987		739,987	766,343		766,343	793,678		793,678
Commercial Space	n/a	2.5%				104,207			106,813			109,483			112,220
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		15,218	32,338	47,555	15,598	33,146	48,744	15,988	33,975	49,963	16,388	34,824	51,212
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				40,347			41,355			42,389			43,449
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-		-	-	
Gross Potential Income				902,951	1,914,585	2,962,091	933,071	1,962,450	3,043,689	964,253	2,011,511	3,127,637	996,537	2,061,799	3,214,005
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(8,658)	(85,669)	(94,326)	(8,874)	(87,810)	(96,685)	(9,096)	(90,006)	(99,102)	(9,324)	(92,256)	(101,579)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	(8,444)	(8,444)	-	(8,655)	(8,655)	-	(8,871)	(8,871)	-	(9,093)	(9,093)
Vacancy Loss - Commercial	n/a	n/a				(5,210)			(5,341)			(5,474)			(5,611)
EFFECTIVE GROSS INCOME				894,293	1,820,473	2,854,110	924,196	1,865,985	2,933,008	955,157	1,912,634	3,014,190	987,213	1,960,450	3,097,721
OPERATING EXPENSES															
Management															
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	57,607	122,415	180,023	59,624	126,700	186,323	61,710	131,134	192,845	63,870	135,724	199,594
Asset Management Fee	3.5%	3.5%	per MOHCD policy	9,884	21,003	30,886	10,230	21,738	31,967	10,588	22,499	33,086	10,958	23,286	34,244
Sub-total Management Expenses				67,491	143,418	210,909	69,853	148,438	218,291	72,298	153,633	225,931	74,828	159,010	233,838
Salaries/Benefits															
Office Salaries	3.5%	3.5%		114,462	158,067	272,529	118,468	163,599	282,067	122,615	169,325	291,940	126,906	175,251	302,158
Manager's Salary	3.5%	3.5%		66,677	141,689	208,366	69,011	146,648	215,659	71,426	151,781	223,207	73,926	157,093	231,019
Health Insurance and Other Benefits	3.5%	3.5%		61,170	84,472	145,642	63,311	87,429	150,739	65,526	90,489	156,015	67,820	93,656	161,476
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				242,309	384,228	626,536	250,790	397,676	648,465	259,567	411,594	671,161	268,652	426,000	694,652
Administration															
Advertising and Marketing	3.5%	3.5%		1,069	2,271	3,339	1,106	2,350	3,456	1,145	2,433	3,577	1,185	2,518	3,703
Office Expenses	3.5%	3.5%		25,229	53,612	78,842	26,112	55,489	81,601	27,026	57,431	84,457	27,972	59,441	87,413
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		9,677	9,677	19,354	10,016	10,016	20,031	10,366	10,366	20,732	10,729	10,729	21,458
Audit Expense	3.5%	3.5%		4,922	10,460	15,383	5,095	10,826	15,921	5,273	11,205	16,478	5,458	11,597	17,055
Bookkeeping/Accounting Services	3.5%	3.5%		7,497	15,931	23,428	7,759	16,488	24,248	8,031	17,065	25,096	8,312	17,663	25,975
Bad Debts	3.5%	3.5%		5,105	5,105	10,210	5,283	5,283	10,567	5,468	5,468	10,937	5,660	5,660	11,319
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				53,499	97,056	150,555	55,371	100,453	155,824	57,309	103,969	161,278	59,315	107,607	166,923
Utilities															
Electricity	3.5%	3.5%		23,871	50,726	74,597	24,706	52,501	77,208	25,571	54,339	79,910	26,466	56,240	82,707
Water	3.5%	3.5%		40,185	85,392	125,577	41,591	88,381	129,972	43,047	91,474	134,521	44,553	94,676	139,229
Gas	3.5%	3.5%		27,680	58,821	86,501	28,649	60,879	89,529	29,652	63,010	92,662	30,690	65,216	95,905
Sewer	3.5%	3.5%		61,585	130,868	192,453	63,740	135,448	199,188	65,971	140,189	206,160	68,280	145,095	213,376
Sub-total Utilities				153,321	325,807	479,127	158,687	337,210	495,897	164,241	349,012	513,253	169,989	361,228	531,217
Taxes and Licenses															
Real Estate Taxes	3.5%	3.5%		9,114	19,367	28,481	9,433	20,045	29,477	9,763	20,746	30,509	10,105	21,472	31,577
Payroll Taxes	3.5%	3.5%		16,139	34,294	50,433	16,703	35,495	52,198	17,288	36,737	54,025	17,893	38,023	55,916
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		5,786	12,295	18,081	5,988	12,725	18,714	6,198	13,171	19,369	6,415	13,632	20,047
Sub-total Taxes and Licenses				31,038	65,956	96,994	32,125	68,265	100,389	33,249	70,654	103,903	34,413	73,127	107,539
Insurance															
Property and Liability Insurance	3.5%	3.5%		52,324	111,189	163,513	54,156	115,081	169,236	56,051	119,108	175,159	58,013	123,277	181,290
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		13,289	28,240	41,529	13,755	29,228	42,983	14,236	30,251	44,487	14,734	31,310	46,044
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Insurance				65,614	139,429	205,042	67,910	144,309	212,219	70,287	149,360	219,647	72,747	154,587	227,334
Maintenance & Repair															
Payroll	3.5%	3.5%		85,734	182,185	267,919	88,735	188,561	277,296	91,840	195,161	287,001	95,055	201,991	297,046
Supplies	3.5%	3.5%		10,482	22,274	32,755	10,849	23,053	33,902	11,228	23,860	35,089	11,621	24,695	36,317
Contracts	3.5%	3.5%		82,356	175,007	257,364	85,239	181,133	266,371	88,222	187,472	275,694	91,310	194,034	285,344
Garbage and Trash Removal	3.5%	3.5%		37,141	78,924	116,065	38,441	81,687	120,128	39,786	84,546	124,332	41,179	87,505	128,684
Security Payroll/Contract	3.5%	3.5%		42,726	42,726	85,453	44,222	44,222	88,444	45,770	45,770	91,539	47,372	47,372	94,743
HVAC Repairs and Maintenance	3.5%	3.5%		11,915	25,319	37,233	12,332	26,205	38,536	12,763	27,122	39,885	13,210	28,071	41,281
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				270,354	526,435	796,789	279,816	544,860	824,677	289,610	563,930	853,541	299,746	583,668	883,414
Supportive Services	3.5%	3.5%		-	122,020	122,020	-	126,291	126,291	-	130,711	130,711	-	135,286	135,286
Commercial Expenses						8,121			8,405			8,699			9,004
TOTAL OPERATING EXPENSES				883,625	1,804,348	2,696,094	914,552	1,867,500	2,790,457	946,561	1,932,863	2,888,123	979,691	2,000,513	2,989,208
PUPA (w/o Reserves/GL Base Rent/Bond Fees)															
Reserves/Ground Lease Base Rent/Bond Fees															
Ground Lease Base Rent				6,400	13,600	20,000	6,400	13,600	20,000	6,400	13,600	20,000	6,400	13,600	20,000
Bond Monitoring Fee				-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit				26,112	55,488	81,600	26,112	55,488	81,600	26,112	55,488	81,600	26,112	55,488	81,600
Operating Reserve Deposit				4,720	10,030	14,750	4,720	10,030	14,750	4,720	10,030	14,750	4,720	10,030	14,750
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				2,405	5,111	7,516	2,405	5,111	7,516	2,405	5,111	7,516	2,405	5,111	7,516
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				37,232	79,118	116,350	37,232	79,118	116,350	37,232	79,118	116,350	37,232	79,118	116,350
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				920,857	1,883,466	2,812,444	951,784	1,946,618	2,906,807	983,793	2,011,981	3,004,473	1,016,923	2,079,631	3,105,558
PUPA (w/ Reserves/GL Base Rent/Bond Fees)															
NET OPERATING INCOME (INCOME minus OP EXPENSES)				(26,564)	(62,993)	41,666	(27,588)	(80,634)	26,201	(28,636)	(99,346)	9,716	(29,710)	(119,181)	(7,836)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)															
Hard Debt - First Lender			Enter comments re: annual increase, etc.	13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-			-
TOTAL HARD DEBT SERVICE				13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695
CASH FLOW (NOI minus DEBT SERVICE)				(39,586)	(90,666)	971	(40,610)	(108,306)	(14,494)	(41,658)	(127,019)	(30,979)	(42,732)	(146,853)	(48,531)
Commercial Only Cash Flow						123,707			126,906			130,183			133,538
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				39,586	84,121		40,610	86,296		41,658	88,524		42,732	90,806	
AVAILABLE CASH FLOW				(0)	(6,545)	971	(0)	(22,010)	(14,494)	-	(38,495)	(30,979)	-	(56,047)	(48,531)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:			1.02			0.64			0.24			-0.19
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL															
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments				-	-		-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				(0)	(6,545)	971	(0)	(22,010)	(14,494)	-	(38,495)	(30,979)	-	(56,047)	(48,531)

Does Project have a MOHCD Residual Receipt Obligation?	***Yes***					
Will Project Defer Developer Fee?	***No***					
Residual Receipts split for all years. - Lender/Owner	67% / 33%					
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Dist. Soft Debt Loans		-	-	-	
MOHCD Residual Receipts Amount Due	77.56%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	502	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			502	-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE						
HCD Residual Receipts Amount Due	22.44%	Allocation per pro rata share of all soft debt	145	-	-	-
Lender 4 Residual Receipts Due	0.00%		-	-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			145	-	-	-
REMAINDER (Should be zero unless there are distributions below)			324	-	-	-
Owner Distributions/Incentive Management Fee			324	-	-	-
Other Distributions/Uses						
Final Balance (should be zero)			-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE						
Replacement Reserve Starting Balance			1,656,782	1,738,382	1,819,982	1,901,582
Replacement Reserve Deposits			81,600	81,600	81,600	81,600
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-	-
Replacement Reserve Interest						
RR Running Balance			1,738,382	1,819,982	1,901,582	1,983,182
		RR Balance/Unit	$12,782	$13,382	$13,982	$14,582
OPERATING RESERVE - RUNNING BALANCE						
Operating Reserve Starting Balance			733,266	748,016	762,766	777,516
Operating Reserve Deposits			14,750	14,750	14,750	14,750
Operating Reserve Withdrawals						
Operating Reserve Interest						
OR Running Balance			748,016	762,766	777,516	792,266
	OR Balance as a % of Prior Yr Op Exps + Debt Service		27.1%	26.7%	26.4%	26.0%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE						
Other Reserve 1 Starting Balance			-	-	-	-
Other Reserve 1 Deposits			-	-	-	-
Other Reserve 1 Withdrawals						
Other Reserve 1 Interest						
Other Required Reserve 1 Running Balance			-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE						
Other Reserve 2 Starting Balance			-	-	-	-
Other Reserve 2 Deposits			-	-	-	-
Other Reserve 2 Withdrawals						
Other Reserve 2 Interest						
Other Required Reserve 2 Running Balance			-	-	-	-

10th and Mission

		Non-LOSP Units													
Total # Units:	LOSP Units	Non-LOSP Units		Year 17			Year 18			Year 19			Year 20		
136	44	92		2034			2035			2036			2037		
	32.00%	68.00%													
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents	2.5%	2.5%		191,132	1,891,243	2,082,375	195,911	1,938,524	2,134,435	200,809	1,986,987	2,187,796	205,829	2,036,662	2,242,491
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%		-	186,406	186,406	-	191,067	191,067	-	195,843	195,843	-	200,739	200,739
Residential - LOSP Tenant Assistance Payments	n/a	n/a		822,029		822,029	851,433		851,433	881,928		881,928	913,554		913,554
Commercial Space	n/a	2.5%				115,025			117,901			120,849			123,870
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		16,797	35,695	52,492	17,217	36,587	53,804	17,648	37,502	55,150	18,089	38,439	56,528
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%				44,535			45,649			46,790			47,960
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-		-	-	
Gross Potential Income				1,029,959	2,113,344	3,302,864	1,064,561	2,166,178	3,394,289	1,100,385	2,220,332	3,488,355	1,137,472	2,275,840	3,585,141
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(9,557)	(94,562)	(104,119)	(9,796)	(96,926)	(106,722)	(10,040)	(99,349)	(109,390)	(10,291)	(101,833)	(112,125)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	(9,320)	(9,320)	-	(9,553)	(9,553)	-	(9,792)	(9,792)	-	(10,037)	(10,037)
Vacancy Loss - Commercial	n/a	n/a				(5,751)			(5,895)			(6,042)			(6,193)
EFFECTIVE GROSS INCOME				1,020,403	2,009,462	3,183,674	1,054,766	2,059,698	3,272,119	1,090,344	2,111,191	3,363,131	1,127,180	2,163,970	3,456,786
OPERATING EXPENSES															
Management															
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	66,106	140,475	206,580	68,419	145,391	213,810	70,814	150,480	221,294	73,293	155,747	229,039
Asset Management Fee	3.5%	3.5%	per MOHCD policy	11,342	24,101	35,443	11,739	24,945	36,683	12,149	25,818	37,967	12,575	26,721	39,296
Sub-total Management Expenses				77,447	164,576	242,023	80,158	170,336	250,494	82,963	176,297	259,261	85,867	182,468	268,335
Salaries/Benefits															
Office Salaries	3.5%	3.5%		131,348	181,385	312,733	135,945	187,734	323,679	140,703	194,304	335,007	145,628	201,105	346,733
Manager's Salary	3.5%	3.5%		76,513	162,591	239,105	79,191	168,282	247,473	81,963	174,172	256,135	84,832	180,268	265,099
Health Insurance and Other Benefits	3.5%	3.5%		70,193	96,934	167,127	72,650	100,327	172,977	75,193	103,838	179,031	77,825	107,472	185,297
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				278,055	440,910	718,965	287,787	456,342	744,129	297,859	472,314	770,173	308,284	488,845	797,129
Administration															
Advertising and Marketing	3.5%	3.5%		1,226	2,606	3,832	1,269	2,697	3,966	1,314	2,791	4,105	1,360	2,889	4,249
Office Expenses	3.5%	3.5%		28,951	61,521	90,472	29,964	63,675	93,639	31,013	65,903	96,916	32,099	68,210	100,308
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		11,105	11,105	22,209	11,493	11,493	22,986	11,895	11,895	23,791	12,312	12,312	24,624
Audit Expense	3.5%	3.5%		5,649	12,003	17,652	5,846	12,423	18,270	6,051	12,858	18,909	6,263	13,308	19,571
Bookkeeping/Accounting Services	3.5%	3.5%		8,603	18,281	26,884	8,904	18,921	27,825	9,216	19,583	28,799	9,538	20,268	29,806
Bad Debts	3.5%	3.5%		5,858	5,858	11,716	6,063	6,063	12,126	6,275	6,275	12,550	6,495	6,495	12,989
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				61,391	111,374	172,765	63,540	115,272	178,812	65,764	119,306	185,070	68,066	123,482	191,548
Utilities															
Electricity	3.5%	3.5%		27,392	58,209	85,601	28,351	60,246	88,597	29,343	62,355	91,698	30,370	64,537	94,908
Water	3.5%	3.5%		46,113	97,990	144,102	47,727	101,419	149,146	49,397	104,969	154,366	51,126	108,643	159,769
Gas	3.5%	3.5%		31,764	67,498	99,262	32,876	69,861	102,736	34,026	72,306	106,332	35,217	74,836	110,053
Sewer	3.5%	3.5%		70,670	150,174	220,844	73,143	155,430	228,573	75,703	160,870	236,573	78,353	166,500	244,853
Sub-total Utilities				175,939	373,871	549,810	182,097	386,956	569,053	188,470	400,499	588,970	195,067	414,517	609,584
Taxes and Licenses															
Real Estate Taxes	3.5%	3.5%		10,458	22,224	32,682	10,824	23,002	33,826	11,203	23,807	35,010	11,595	24,640	36,235
Payroll Taxes	3.5%	3.5%		18,519	39,354	57,873	19,168	40,731	59,898	19,838	42,157	61,995	20,533	43,632	64,165
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		6,639	14,109	20,748	6,872	14,603	21,474	7,112	15,114	22,226	7,361	15,643	23,004
Sub-total Taxes and Licenses				35,617	75,686	111,303	36,864	78,335	115,199	38,154	81,077	119,231	39,489	83,915	123,404
Insurance															
Property and Liability Insurance	3.5%	3.5%		60,043	127,592	187,635	62,145	132,058	194,202	64,320	136,680	200,999	66,571	141,463	208,034
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		15,250	32,406	47,656	15,784	33,540	49,324	16,336	34,714	51,050	16,908	35,929	52,837
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Insurance				75,293	159,998	235,291	77,928	165,598	243,526	80,656	171,394	252,050	83,479	177,392	260,871
Maintenance & Repair															
Payroll	3.5%	3.5%		98,382	209,061	307,443	101,825	216,378	318,203	105,389	223,951	329,340	109,077	231,790	340,867
Supplies	3.5%	3.5%		12,028	25,560	37,588	12,449	26,454	38,903	12,885	27,380	40,265	13,336	28,338	41,674
Contracts	3.5%	3.5%		94,506	200,825	295,331	97,814	207,854	305,667	101,237	215,129	316,366	104,780	222,658	327,439
Garbage and Trash Removal	3.5%	3.5%		42,620	90,568	133,188	44,112	93,738	137,849	45,656	97,018	142,674	47,254	100,414	147,668
Security Payroll/Contract	3.5%	3.5%		49,030	49,030	98,059	50,746	50,746	101,491	52,522	52,522	105,044	54,360	54,360	108,720
HVAC Repairs and Maintenance	3.5%	3.5%		13,672	29,054	42,726	14,151	30,070	44,221	14,646	31,123	45,769	15,159	32,212	47,371
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				310,238	604,096	914,334	321,096	625,240	946,336	332,334	647,123	979,457	343,966	669,772	1,013,738
Supportive Services	3.5%	3.5%		-	140,021	140,021	-	144,921	144,921	-	149,994	149,994	-	155,243	155,243
Commercial Expenses						9,319			9,645			9,983			10,332
TOTAL OPERATING EXPENSES				1,013,980	2,070,531	3,093,830	1,049,469	2,143,000	3,202,114	1,086,201	2,218,005	3,314,188	1,124,218	2,295,635	3,430,185
PUPA (w/o Reserves/GL Base Rent/Bond Fees)															
Reserves/Ground Lease Base Rent/Bond Fees															
Ground Lease Base Rent				6,400	13,600	20,000	6,400	13,600	20,000	6,400	13,600	20,000	6,400	13,600	20,000
Bond Monitoring Fee				-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit				26,112	55,488	81,600	26,112	55,488	81,600	26,112	55,488	81,600	26,112	55,488	81,600
Operating Reserve Deposit				4,720	10,030	14,750	4,720	10,030	14,750	4,720	10,030	14,750	4,720	10,030	14,750
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				2,405	5,111	7,516	2,405	5,111	7,516	2,405	5,111	7,516	2,405	5,111	7,516
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				37,232	79,118	116,350	37,232	79,118	116,350	37,232	79,118	116,350	37,232	79,118	116,350
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				1,051,212	2,149,649	3,210,180	1,086,701	2,222,118	3,318,464	1,123,433	2,297,123	3,430,538	1,161,450	2,374,753	3,546,535
PUPA (w/ Reserves/GL Base Rent/Bond Fees)															
NET OPERATING INCOME (INCOME minus OP EXPENSES)				(30,809)	(140,188)	(26,506)	(31,936)	(162,420)	(46,346)	(33,089)	(185,932)	(67,407)	(34,270)	(210,783)	(89,748)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)															
Hard Debt - First Lender			Enter comments re: annual increase, etc.	13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-			-
TOTAL HARD DEBT SERVICE				13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695	13,022	27,673	40,695
CASH FLOW (NOI minus DEBT SERVICE)				(43,832)	(167,860)	(67,201)	(44,958)	(190,092)	(87,041)	(46,111)	(213,605)	(108,102)	(47,292)	(238,455)	(130,443)
Commercial Only Cash Flow						136,975			140,494			144,097			147,788
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				43,832	93,143		44,958	95,536		46,111	97,986		47,292	100,496	
AVAILABLE CASH FLOW				-	(74,717)	(67,201)	(0)	(94,557)	(87,041)	(0)	(115,618)	(108,102)	(0)	(137,959)	(130,443)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:			-0.65			-1.14			-1.66			-2.21
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL															
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-	-	-	-
Other Payments				-	-		-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	(74,717)	(67,201)	(0)	(94,557)	(87,041)	(0)	(115,618)	(108,102)	(0)	(137,959)	(130,443)
Does Project have a MOHCD Residual Receipt Obligation?		Yes													
Will Project Defer Developer Fee?		No													
Residual Receipts split for all years. - Lender/Owner		67% / 33%													
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		Dist. Soft Debt Loans													
MOHCD Residual Receipts Amount Due		77.56%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE															
HCD Residual Receipts Amount Due		22.44%	Allocation per pro rata share of all soft debt			-			-			-			-
Lender 4 Residual Receipts Due		0.00%				-			-			-			-
Lender 5 Residual Receipts Due		0.00%				-			-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-			-
Owner Distributions/Incentive Management Fee						-			-			-			-
Other Distributions/Uses															
Final Balance (should be zero)						-			-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE															
Replacement Reserve Starting Balance						1,983,182			2,064,782			2,146,382			2,227,982
Replacement Reserve Deposits						81,600			81,600			81,600			81,600
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-			-
Replacement Reserve Interest															
RR Running Balance						2,064,782			2,146,382			2,227,982			2,309,582
			RR Balance/Unit			$15,182			$15,782			$16,382			$16,982
OPERATING RESERVE - RUNNING BALANCE															
Operating Reserve Starting Balance						792,266			807,016			821,766			836,516
Operating Reserve Deposits						14,750			14,750			14,750			14,750
Operating Reserve Withdrawals															
Operating Reserve Interest															
OR Running Balance						807,016			821,766			836,516			851,266
			OR Balance as a % of Prior Yr Op Exps + Debt Service			25.7%			25.3%			24.9%			24.5%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE															
Other Reserve 1 Starting Balance						-			-			-			-
Other Reserve 1 Deposits						-			-			-			-
Other Reserve 1 Withdrawals															
Other Reserve 1 Interest															
Other Required Reserve 1 Running Balance						-			-			-			-
OTHER RESERVE 2 - RUNNING BALANCE															
Other Reserve 2 Starting Balance						-			-			-			-
Other Reserve 2 Deposits						-			-			-			-
Other Reserve 2 Withdrawals															
Other Reserve 2 Interest															
Other Required Reserve 2 Running Balance						-			-			-			-

Attachment D: LOSP Funding Schedule A

LOSP FUNDING SCHEDULE

Project Address:	10th and Mission
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	FY Budgeted (for Disbursement)
CY-1	2018	$493,792	6	$246,896	6/1/2018	FY2018/19
CY-2	2019	$496,130	12	$496,130	1/1/2019	FY2018/19
CY-3	2020	$513,339	12	$513,339	1/1/2020	FY2019/20
CY-4	2021	$531,193	12	$531,193	1/1/2021	FY2020/21
CY-5	2022	$549,715	12	$549,715	1/1/2022	FY2021/22
CY-6	2023	$568,931	12	$568,931	1/1/2023	FY2022/23
CY-7	2024	$588,865	12	$588,865	1/1/2024	FY2023/24
CY-8	2025	$609,544	12	$609,544	1/1/2025	FY2024/25
CY-9	2026	$621,742	12	$621,742	1/1/2026	FY2025/26
CY-10	2027	$643,692	12	$643,692	1/1/2027	FY2026/27
CY-11	2028	$666,461	12	$666,461	1/1/2028	FY2027/28
CY-12	2029	$690,079	12	$690,079	1/1/2029	FY2028/29
CY-13	2030	$714,577	12	$714,577	1/1/2030	FY2029/30
CY-14	2031	$739,987	12	$739,987	1/1/2031	FY2030/31
CY-15	2032	$766,343	12	$766,343	1/1/2032	FY2031/32
CY-16	2033	$793,678	12	$793,678	1/1/2033	FY2032/33
			Total Contract Amount:	**$9,741,171**		