Citywide Affordable Housing Loan Committee

Small Sites Program Loan Evaluation

Mayor's Office of Housing and Community Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure
Controller's Office of Public Finance

MEDA Refinance and Rehabilitation Bundle

Small Sites Program Loan Consolidation and Upsize Request of up to $37,820,766

Evaluation of Request for:	Permanent Financing
Loan Committee Date:	September 19, 2025
Prepared By:	Amanda Fukutome-Lopez, Project Manager
Construction Representative:	Carrie Thomas
Asset Manager:	Carmen Otero
Amount of Existing SSP Funds	Up to $31,580,766
Amount of Additional SSP Funds Recommended	Up to $6,240,000
Applicant/Sponsor(s) Name:	Mission Economic Development Agency (MEDA)
Number of Units with Unit Mix:	15 Buildings 98 units total 89 residential (16 studio, 57 1BR, 11 2BR, & 5 3BR) 9 commercial
District/Supervisor:	District 9/Jackie Fielder District 8/Rafael Mandelman

1. SUMMARY/BRIEF PROJECT UPDATE

Mission Economic Development Agency ("MEDA," "Sponsor," or "MEDA Precita Small Properties, LLC") requests the consolidation of up to $31,580,766 in Small Sites Program ("SSP") funding and an additional $6,240,000 in SSP funding from the Mayor's Office of Housing and Community Development ("MOHCD") for the refinancing and rehabilitation of 15 MEDA-owned Small Sites properties, totaling 89 residential units and 9 commercial units (the "Sites," "Project," "Bundle," or "MEDA Bundle") located at:

1) 3329-3333 20th Street ("3329 20th Street")
2) 3182-3198 24th Street ("3182 24th Street")
3) 3353 26th Street
4) 1500 Cortland Avenue
5) 35 Fair Avenue
6) 3840 Folsom Street
7) 642-646 Guerrero Street ("642 Guerrero Street")
8) 63-67 Lapidge Street ("63 Lapidge Street")
9) 2217-2221 Mission Street ("2217 Mission Street")
10) 3800 Mission Street
11) 19-23 Precita Avenue ("19 Precita Avenue")
12) 344-348 Precita Avenue ("344 Precita Avenue")
13) 269-271 Richland Avenue ("269 Richland Avenue")
14) 380 San Jose Avenue
15) 1015 Shotwell Street

This request "bundles" these 15 properties together in a scattered sites project henceforth, and combines reserves, income/receipts and expenses for all the Sites. SSP supports the stabilization of at-risk communities by providing acquisition and preservation loans to convert rent-controlled properties into permanently affordable housing. SSP buildings are acquired from the speculative market and are lower in unit count than new construction projects, generally ranging from 5-40 units. SSP buildings are expected to support first position debt and average 80% AMI rents to ensure their financial feasibility. MEDA was one of the earliest adopters of SSP and holds the largest SSP portfolio of any MOHCD Sponsor, at over 400 units.

In 2019, the Preservation and Seismic Safety Program (PASS) was created to provide preservation projects undergoing rehabilitation with competitive first position mortgage rates. Before this loan product became available for Small Site properties, sponsors were expected to obtain a first position loan from a private lender. These non-City first position loans were typically 10 to 15-year terms with variable or adjustable interest rates and a balloon payment due at the end of the term. Because the 15 MEDA Bundle properties are some of the earliest Small Sites acquisitions, with acquisition dates ranging from January 2016 to November 2017, all have first position mortgages with private lenders and require refinancing before the end of 2025 to address upcoming loan maturities and unsustainable debt service payments. In addition, all MEDA Bundle properties received SSP loans in tandem with their first mortgage closings with standard SSP terms: 3% simple interest for 40-year terms.

The introduction of the PASS loan program mitigated against some of the risk and instability of these conventional loan products, providing a 40-year loan term and below market interest rates. However, the PASS loan product can only be used for the acquisition, improvement, and/or rehabilitation of at-risk multifamily buildings and cannot be used to refinance existing debt. Therefore, the MEDA Bundle is not eligible to obtain a PASS loan for the refinancing of the first position mortgages, and MEDA has sought a new first position mortgage with a private lender, the Bank of San Francisco ("Bank"), to support the refinancing of these sites. Because the maximum proposed loan amount from Bank of San Francisco is less than the existing principal across the 15 sites, MEDA is requesting additional SSP funds to fill the gap.

The existing first position mortgages on the Project were sized in a pre-pandemic environment, in which underwriting was less conservative, and the local rental market was stronger. And because these Bundle properties were some of the first Small Sites acquisitions, their loans were sized on limited operating data. These factors, in addition to the unique feasibility challenges that smaller buildings pose, such as lack of economies of scale and dynamic cash flow swings due to vacancy loss and/or operating expense increases, have led to increasing pressure on these Small Sites properties that do not have PASS financing, and especially those with variable interest rates.

The Bundle properties have not been able to stabilize occupancy and income generation, and thus consistently cash flow, primarily due to variations from initial underwriting, increased operating expenses, high debt service payments, and high and prolonged vacancies. For more on the Bundle's challenges with stabilization, please see **Section 2 and Section 8.4.1**.

MEDA believes bundling properties can improve their financial stability, namely the mix of properties provides a high enough number of units (98) and varied enough building typologies (3 unit residential to 13 unit mixed-use) for the Bundle to mitigate cash flow swings at individual sites and achieve operational efficiencies. Overall, the bundling will result in a reduction of $340k in annual debt service across the 15 sites. However, MOHCD staff note that bundling also comes with the risk that lower performing properties' challenges can be obscured for longer periods of time because the offsetting contribution of higher performing properties provides. In consultation with MOHCD Asset Management, conditions have been added to ensure MEDA is closely tracking performance of each of the Bundle properties through additional and more frequent reporting and will establish protective measures in the event the Bundle shows declining cashflow or reserves. For more information on additional reporting requirements, please see **Section 8.4** and **Section 12, Loan Conditions**.

The Bank of San Francisco loan will provide up to $13,000,000 in first position hard debt, which is sized based on current rents and reflects current Small Sites underwriting and includes more conservative assumptions, including a 1.15 DSCR and 10% vacancy loss. The proposed Bank o loan has a 15-year term, with a 40-year amortization, but has a fixed interest rate of 5.25% for only the first ten years. For more on the Bank of San Francisco loan, please see **Section 2** and **Section 8.2**. Because the loan only has a fixed rate for 10 of the 15 years, this evaluation and loan request contemplate addressing the Bundle's needs through the end of the Bank's fixed rate term, ending after Year 10. MEDA is responsible for identifying and implementing a recapitalization strategy for the Bundle after Year 10 in order to provide for all the Bundle's future financing needs without additional infusion of City soft debt subsidy in the future. Please see **Section 2 and Section 9.3** for more on the Long-Term Sustainability Plan.

The proposed Bank of San Francisco loan is less than the $14,029,787 payoff amount of the existing first position mortgages and will not provide funds for critical immediate rehabilitation needs, soft costs, or reserve replenishment. Therefore, MEDA is requesting up to an additional $6,240,000 SSP loan to bridge the gap in the amount of loan payoff, fund immediate rehabilitation needs, soft costs, operating reserves, and replacement reserves that will cover the anticipated needs of the Bundle for at least 10 years.

The MEDA Bundle's immediate rehabilitation needs include, but are not limited to roof replacements, window replacements, electrical upgrades, plumbing repairs, siding repair/replacement, HVAC upgrades, and in-unit improvements. The CNA-identified capital needs anticipated to be funded through replacement reserves and addressed through Year 10 include exterior siding repair and replacement, plumbing repairs, electrical upgrade and repairs, window replacement, walkway and entry repair, star repair, fence repair, door replacement, painting, and unit refurbishment. The Project currently has $31,580,766 in existing SSP debt across the 15 properties which will be consolidated as a part of this request.

The Bundle includes all MEDA's non-PASS Small Site properties that will require refinancing with a non-City lender. MEDA's other Small Site properties all have PASS. However, even with PASS funding, a majority of MEDA's Small Sites portfolio has had challenges cash flowing over the past few years. In order to address portfolio-wide challenges, MEDA has already prioritized reducing property vacancies and has improved the vacancy rate from 13.5% to 7% in the last 3 months. MEDA will implement rent increases to under-rent burdened tenants beginning 10/1/2025 and annually thereafter. Finally, by January 1, 2026, MEDA will provide an Operational and Organizational Plan to help improve interdepartmental coordination and performance, and to address the historic challenges of the Bundle and guide its future recapitalization strategy, MEDA will generate a Long-Term Sustainability Plan for the Bundle.

Total Project Costs and Sources

Funding Source	Prior Funding	New Funding	Total Loan Balances Following Refinance
Non-City 1st Position Loans	$14,029,787 (Payoff amounts through 8/31/2025. To be repaid as part of this request.)	$13,000,000 (Bank of San Francisco proposed 1st position loan)	$13,000,000 (Bank of San Francisco proposed 1st position loan)
Small Sites Program	$31,580,766 ($322,253/unit) (15 existing SSP loans will be consolidated as part of this request.)	**Up to $6,240,000** ($63,673/unit) (Additional SSP Funds)	**Up to $37,830,766** ($386,028/unit)

Sources and Uses Table

Uses	**Bank of San Francisco First Position Loan**	**Prior Small Sites Program (SSP) Loans**	**SSP Additional Funds (This Request)**	**Total SSP Funds Per Unit (Prior SSP Loans + Additional SSP Funds)**
Original Acquisition and Rehabilitation	N/A	$31,580,766		$322,253
Repayment of First Position Mortgages	$13,000,000		$1,159,787	$11,835
Construction-Hard Costs			$1,967,739	$20,079
Construction-GC Bond/Insurance & Overhead and Profit			$354,193	$3,614
Construction-Contingency			$354,193	$3,614
Soft Costs (incl. Contingency)			$312,210	$3,186
Operating Reserve Replenishment			$473,572	$4,832
Replacement Reserve Replenishment			$1,618,306	$16,513
Total	**$13,000,000**	**$31,580,766**	**$6,240,000**	**$385,926**

All 15 properties are currently owned by MEDA entities (MEDA Small Properties, LLC owns 14 and MEDA Precita Small Properties, LLC owns one, 344 Precita Avenue). Following the refinance, the 14 properties owned by MEDA Small Sites Properties, LLC will be acquired by MEDA Precita Small Properties, LLC, which will be the sole owner of the MEDA Bundle. To streamline loan administration and monitoring and support the Projects' financial feasibility, the prior SSP loans for $31.6M and the additional $6.2M will result in one new single SSP loan and will:

1) Support the takeout of existing hard debt private loans.
2) Simultaneously upsize and consolidate existing SSP debt.

3) Finance capital needs for rehabilitation across 14 properties that were not fully addressed at the time of acquisition due to factors including capital availability.
4) Utilize a shared approach to operating and replacement reserves to cross-subsidize sites within the Bundle.
5) Update underwriting standards for vacancy losses (increased from 5% to 10%) with the current standard SSP vacancy rate.

The bundled refinancing would result in a single financial statement for the 15 sites, resulting in one Annual Monitoring Report (AMR) submitted for the Project. However, each individual property will submit a separate Annual Occupancy Report (AOR) to report their occupancy data.

The table below summarizes the existing non-City loans secured by each of the 15 properties, existing SSP soft debt and additional SSP soft debt request. The consolidated SSP loan will have a 55-year term, 3% simple interest, and residual receipts repayment.

Existing and Proposed Loans Table

	Existing 1st Position Loans				Proposed Permanent Funding Sources (this request)	
Address	**Lender**	**Current Interest Rate**	**Maturity Date**	**Payoff Amount (as of 8/31/2025)**	**Existing SSP Funds (3% Interest Rate)**	**Additional SSP Funds (3% Interest Rate)**
3329 20th Street	Boston Private	4.31% (10 YR, variable)	11/14/2026	$784,110.04	$2,540,000	
3182 24th Street	Enterprise Community Loan Fund	3.83% (10 YR, fixed)	4/28/2027	$2,030,165.19	$5,012,000	
3353 26th Street	Bank of San Francisco	5.76% (10 YR, variable)	11/6/2027	$1,337,576.58	$2,734,000	
1500 Cortland Avenue	Northern California Community Loan	5.25% (10 YR, fixed)	10/22/2026	$439,763.77	$1,262,000	

	Fund/Community Vision Capital					
35 Fair Avenue	Mechanics Bank	6.93% (15 YR, ARM) Interest rate may change every 6 months, with a maximum interest rate of 9.5%. Last increase was in March 2025.	8/1/2032	$598,946.43	$1,509,000	
3840 Folsom Street	Northern California Community Loan Fund/Community Vision Capital	5.25% (10 YR, fixed)	12/23/2026	$441,553.46	$1,292,199	
642 Guerrero Street	Mechanics Bank	4.95% (30 YR, ARM) Interest rate will change to 6.75% in February 2026. Monthly thereafter, interest rate will vary from 4.95%-9.95%.	2/1/2046	$416,423.52	$1,600,014	
63 Lapidge Street	Bank of San Francisco	6.36% (10 YR, variable)	4/12/2027	$986,547.57	$1,827,000	

2217 Mission Street	Boston Private	5.40% (10 YR, variable)	5/8/2027	$1,881,814.78	$2,608,000	
3800 Mission Street	Northern California Community Loan Fund	5.25% (10 YR, fixed)	2/24/2027	$909,781.14	$2,099,000	
19 Precita Avenue	Boston Private	5.23% (10 YR, variable)	5/26/2027	$668,313.95	$1,200,000	
344 Precita Avenue	Boston Private	3.88% (10 YR variable)	3/2/2026	$626,820.39	$1,385,000	
269 Richland Avenue	Enterprise Community Loan Fund	5.00% (10 YR, fixed)	3/10/2027	$511,563.53	$2,100,000	
380 San Jose Avenue	Chase/First Republic Bank	4.95% (30 YR, ARM) Interest rate will change to 6.75% in February 2026. Monthly thereafter, interest rate will vary from 4.95%-9.95%.	2/1/2046, (w/ adjustable rate change 2/1/2026)	$499,911.77	$1,431,553	
1015 Shotwell Street	Mechanics Bank	7.06% (15YR, ARM) Interest rate may change every 6 months, with a maximum interest	6/1/2032	$1,896,495.07	$2,981,000	

		rate of 9.5%. Last increase was in January 2025.				
Total				**$14,029,787**	**$31,580,766**	**$6,240,000**

Proposed Loan Structure:

1) One loan agreement for the SSP funding with income and rent restrictions noted for each property;
2) One SSP promissory note;
3) Fifteen Declarations of Restrictions, one for each property, will be senior to all Deeds of Trust and will be effective for the Life of the Project (recorded in first position);
4) One SSP Deed of Trust recorded on title, reflecting the full value of all the SSP notes (recorded in third position and subordinated to the Bank of San Francisco Deed of Trust); and
5) One City Option to Purchase Agreement (recorded in fourth position).

Project Background:
The Project currently serves tenants with an average household income of 52%, with incomes for tenants of individual projects ranging from 0% to 144% AMI, and an average rent AMI of 62%, which is lower than the SSP goal of an average rent AMI of 80%. To support the Project's cashflow and meet the SSP rent AMI goal, MEDA has set the rent AMI of vacant units across the Project at an average of 76%, which is in line with the current rental market and will result in an average rent AMI of 64% at 100% occupancy of the Project. This is still well below the 80% rent AMI average that SSP properties seek to achieve. For more on the Project's AMI goals, please see **Section 6.11.**

Below is a table that provides building-level information for each property in the Bundle, including acquisition dates, units and typology, occupancy status, Rent AMIs, and Household AMIs.

Address	Acquisition Date	# Units	Occupied Residential Units	Average HH AMI	Tenant Income Range	Avg Rent AMI of Occupied Units*	Proposed Rent AMI of Vacant Units and 100%

							Occupied AMI
3329 20th Street	11/17/2016	10 (5 studio; 5 1BR)	9/10 (1 unit receives rental assistance)	40%	0%-67% AMI	45%	77% (100% Occupied AMI = 48%)
3182 24th Street	5/16/2017	13 8 residential (4 studio; 2 1BR; 2 3BR) 5 commercial	6/8 (1 unit receives rental assistance)	36%	0%-76% AMI	48%	78% (100% Occupied AMI = 56%)
3353 26th Street	11/20/2017	11 10 residential (3 studio; 6 1BR; 1 2BR) 1 commercial	10/10 (2 units receive rental assistance)	39%	9%-87% AMI	59%	N/A
1500 Cortland Avenue	7/22/2016	4 (2 1BR; 2 2BR)	4/4	53%	20%-94% AMI	57%	N/A
35 Fair Avenue	7/7/2017	4 (4 1BR)	4/4	68%	65%-75% AMI	69%	N/A
3840 Folsom Street	9/23/2016	4 (3 1BR; 1 2BR)	4/4	79%	60%-105% AMI	67%	84% (100% Occupied AMI = 68%)
642 Guerrero Street	1/19/2016	4 (3 1BR; 1 2BR)	4/4 (1 unit receives rental assistance)	59%	49-72% AMI	82%	75% (100% Occupied AMI = 67%)
63 Lapidge Street	4/14/2017	6 (6 1BR)	5/6 (1 unit receives rental assistance)	49%	18%-75% AMI	73%	90% (100% Occupied AMI = 75%)
2217 Mission Street	5/10/2017	9 8 residential (6 1BR; 2 2BR) 1 commercial	6/8 (1 unit receives rental assistance)	59%	10%-115% AMI	65%	75% (100% Occupied AMI = 68%)

3800 Mission Street	2/14/2017	6 5 residential (1 studio; 4 1BR) 1 commercial	5/5 (1 unit receives rental assistance)	51%	21%-76% AMI	66%	N/A
19 Precita Avenue	9/29/2017	3 (3 3BR)	3/3	92%	43-144% AMI	69%	N/A
344 – 348 Precita Avenue	3/10/2017	4 3 residential (1 studio; 1 1BR; 1 2BR) 1 commercial	3/3	56%	50%-86% AMI	56%	N/A
269 Richland Avenue	3/10/2017	6 (4 1BR; 2 2BR)	6/6	57%	30%-80% AMI	67%	N/A
380 San Jose Avenue	1/22/2016	4 (4 1BR)	3/4 (1 unit receives rental assistance)	46%	19%-63% AMI	75%	54% (100% Occupied AMI = 71%)
1015 Shotwell Street	5/12/2017	10 (2 studio; 7 1BR; 1 2BR)	7/10 (1 unit receives rental assistance)	46%	17%-85% AMI	67%	79% (100% Occupied AMI = 66%)

*Includes proposed rent increases in October 2025.

**100% Occupied AMI includes proposed rent increases in October 2025.

The buildings are in average condition, though 14 of the 15 have immediate capital needs. All properties are compliant with the City's Mandatory Soft Story Retrofit Program. Six of the 15 properties received structural upgrades, as a part of their initial rehabilitation scopes.

As a part of this refinance, 14 properties will undergo some amount of rehabilitation related to life/safety and/or immediate needs. These needs are a combination of work identified in the individual CNAs provided at acquisition, for Years 7 to 11, and needs that were not identified in the CNAs at acquisition but are now considered immediate needs. While it is not typical for a project to undergo rehabilitation after ten years, the circumstances of the Bundle are unique. As some of the earliest Small Sites, these buildings had some of the leanest capitalized Replacement Reserve deposits in the portfolio of Small Sites acquisitions and were only sized to cover the first 10 years of operation. Replacement Reserves were depleted more quickly due to unforeseen capital needs and due to cash flow challenges at the sites that did not allow for the replenishment of reserves, as modeled at acquisition. The Bundle now has a varied scope of work across 14 sites that addressed unforeseen needs and immediate needs previously identified in the CNA that cannot be otherwise completed, since the Replacement Reserves are underfunded. These circumstances justify the execution of a single rehabilitation scope to be started immediately after loan closing. For more on the rehabilitation scope and the property-specific scopes of work, please see **Section 6.5.** For the scope of previous rehabilitations, please see **Appendix D: Previous Rehab and ADA Compliance**.

2. PRINCIPAL DEVELOPMENT ISSUES

Stabilizing the Cashflow & Reducing Vacancies.

A primary goal of the MEDA Bundle is to provide the ability for properties to support one another when these smaller properties have higher vacancies, operating expense fluctuations, or capital needs. However, according to MEDA's 2023 AMRs, 13 properties in the Bundle had negative cash flow in 2023, one deposited excess cashflow into reserves, and only one made a residual receipts payment. The operating loss across the Project in 2023 was approximately $400K, which included some bad debt write off that had accrued during the pandemic but had not yet been written off. The Bundle properties struggled to stabilize vacancy and income over the past few years due to variations from underwriting at acquisition, leasing challenges and vacancy loss, in addition to issues like bad debts and legal expenses. Ensuring that the properties are cash flowing is critical to MEDA's ability to stabilize the properties and the Bundle as a whole. MEDA will use lessons learned and incorporate updated and conservative underwriting assumptions to ensure Project cashflow. MEDA is also in the process of developing and implementing an income maximization strategy for their portfolio, which will be part of a forthcoming Operational and Organizational Plan. Please see **Section 8.4.1** for more on underwriting assumptions, leasing challenges, and the Operational and Organizational Plan.

Risk of a Large Bundle.

The MEDA Bundle would be the largest scattered site project, by number of properties, in MOHCD's portfolio. Though other scattered sites projects have more units, none have more than four properties in one bundle. Additionally, and as noted above, the 15-site Bundle includes a number of properties that underperformed in 2023, as reported in the AMRs. While the Project is anticipated to have positive cashflow, with the refinance of the first position mortgages and low vacancy, there is a risk that if there is continued underperformance, the Bundle may not cash flow and risk not being able to sustain its debt service payments, which may put the Project at risk of default. Responding to concerns, MEDA has analyzed different scenarios to ensure that the 15-site bundle is the best path forward for the projects and is also working with the Bank of San Francisco to mitigate risk to the Bundle, in an event of underperformance. For more, see **Section 8.2**.

Sponsor's Improvement of Internal Coordination and Capacity.

Over the past 10 years, MEDA acquired 38 SSP properties and holds the largest portfolio of SSP properties among all developers. They have however experienced challenges with operating a number of their Small Sites. For more on operational challenges, see **Section 3**. While external factors, such as changes in the rental market and COVID-era impacts, have made it challenging to operate these sites, improving internal coordination and capacity was also identified to support efficient operation of the Sponsor's SSP portfolio. To support interdepartmental coordination, the delivery of efficient leasing, asset management functions, and portfolio stability, MEDA will deliver an Organizational and Operational Plan by January 1, 2026, as a condition of this loan. For more on the Organizational and Operational Plan, please see **Section 8.4.1**, and for more on Loan Conditions, please see **Section 12**.

Long-Term Sustainability of the Bundle

While the Bank of San Francisco loan has a 15-year term, the interest rate is only fixed at 5.25% for 10 years, after which time, the interest rate will adjust based on the five-year Constant Maturity Treasury, plus a one percent margin. While the Project cashflows for the first 10 years, after 10 years, the interest rate is unknown and the Replacement Reserve is projected to require replenishment, and there is uncertainty about the long-term sustainability of the Bundle. The Sponsor will be required to develop and implement a Long-Term Sustainability Plan for the Project as a condition of this Loan. For more on the Long-Term Stabilization Plan, see **Section 9.3**, and for Loan Conditions, see **Section 12**.

Adequately Funding Replacement Reserves.

When the individual properties in the Bundle were acquired, SSP Guidelines required that capitalized replacement reserve be sized at "the higher of $2,000 per unit or the amount necessary to pay replacement costs for the next *10 years*..." Current SSP Guidelines require the higher of $2,000 per unit or the amount necessary to pay replacement costs for the next 20 years. The Bundle has a combined $1.5M in existing Replacement Reserves, which is only enough to get the Project through the next 3-4 years, assuming no Replacement Reserve funds go towards funding immediate needs that are anticipated to be addressed through rehabilitation. To support the Project's capital needs while the Bundle identifies a solution for its long-term sustainability, MEDA is requesting to replenish Replacement Reserves to support the Project through 10 years of capital needs. For more on Replacement Reserves, see **Section 8.4.1**.

3. BORROWER/GRANTEE PROFILE

MEDA's mission is to strengthen low- and moderate-income Latino families by promoting economic equity and social justice through asset building and community development. Inspired by and rooted in the Mission District of San Francisco, MEDA envisions generations of Latino families that are part of vibrant, diverse, proud, and forward-thinking communities in which residents own their homes and businesses and are rooted and actively engaged in the civic and political life of their neighborhoods, and the institutions that affect their lives. MEDA provides integrated, culturally and linguistically responsive services to community members in the Mission District and beyond, including: policy, advocacy, and community leadership development; early learning and K-12 educational supports through their Mission Promise Neighborhood collaborative; financial capability coaching; business technical assistance; housing and homeownership counseling; affordable housing development; business and real estate lending through our subsidiary CDFI, Fondo Adelante; workforce development training and career placement; and free tax preparation.

In 2023, MEDA directly served 16,354 community members and reached an estimated 43,918 people through outreach and engagement work. 92% of client households are considered low-to-moderate income, and 85% identify as Latino. MEDA is actively engaged in providing and asset managing affordable housing for low-income San Franciscans. They have developed over 1,350 units of affordable housing, own over 300 residential Small Sites units, and MEDA also supports new construction activities, including the co-development of a 350-unit affordable housing site at 1979 Mission Street with Mission Housing Development Corporation. In 2024, MEDA launched Propiedades Adelante, their affiliated property management company, which serves the Bundle properties.

For more detailed experience of key staff and the Board of Directors, see **Appendix A.**
For recent development activity, see **Appendix B.**

3.1 Racial Equity Vision.

Mission Economic Development Agency (MEDA) is a place-based community development organization that is committed to expanding opportunities for all qualified individuals socially and economically through direct services in asset and wealth building and housing.
MEDA envisions generations of Mission District families and individuals thriving economically, excelling in education, launching businesses that create jobs, and driving policies that close opportunity gaps and foster prosperity.

MEDA has done this by (1) recruiting talent that is reflective of the community that they serve; (2) providing and facilitating community conversation sessions on topics of concern; (3)

engaging in community leadership development training to prepare community members to be effective advocates before decision-makers and influencers; and (4) hosting and participating in broader conversations in San Francisco and advocating for the production and preservation of affordable housing and commercial spaces for residents, small businesses, and cultural institutions.

MEDA’s commitment to racial equity is also evident in its diverse workforce with a high percentage of BIPOC staff at all levels. The Board of Directors is 75% Latinx. MEDA’s Chief Executive Officer, Chief Operating Officer and Chief Financial Officer are all BIPOC and two are women. Among the 12-person management team, 75% are people of color, and 60% identify as Latinx. Overall, MEDA's staff comprises 74% Latinx, 15% white, 7% Asian/Pacific Islander, 1% Black, and 3% Mixed/Other.

The Development Team consists of 17 members, including the Community Real Estate Officer, and is composed of 95% people of color, with over two-thirds identifying as Latinx, 1% Black, and more than 50% being women.

3.2 <u>Asset Management Performance & Capacity.</u>

With 38 properties, MEDA holds the largest portfolio of Small Sites Program projects among all sponsors. The portfolio includes over 400 residential units. Excluding 2901 16th Street and 2059 Mission Street, MEDA’s most recent acquisitions that are a combined 81% vacant, MEDA’s SSP portfolio had a vacancy rate of approximately 11% in May 2025.

MEDA's Asset Management team, of three full-time employees, and staff from MEDA’s property management company, Propiedades Adelante, have extensive experience in managing and leasing commercial spaces, currently overseeing 43 commercial units within the Small Sites Portfolio.

MEDA has experienced challenges operating these sites over the past few years. According to 2023 AMRs, only eight out of 34 properties had excess cash flow, while 26 experienced losses, and according to 2022 AMRs, 23 of 29 properties had excess cash flow, while nine experienced losses. It should be noted that in 2023, MEDA reconciled bad debts from the previous few years, which may have skewed the extent of the reported losses in 2023 but obscured some of the losses in 2022. From 2021-2022, six of MEDA’s SSP properties were granted forbearance and underwent loan workouts to address underperformance and COVID-era impacts, and some of these properties still underperform. In addition to underperformance of SSP properties, MEDA has not been able to meet MOHCD's basic reporting requirements, including submitting 2023 AMRs in January 2025.

Despite Asset Management staffing levels, over the years MEDA has failed to meet MOHCD's reporting requirement in a timely way. For the 2022 reporting year, 30 out of MEDA's 32 Annual Monitoring Reports (AMRs) were submitted late. MEDA's 2023 AMRs (36 in total) were due on May 31, 2024, and were submitted in January 2025. Fourteen outstanding Annual Occupancy Reports (AOR-XLs), which were due on August 15, 2024, were completed and/or submitted in January 2025. 2024 AMRs were due on May 31, 2025. As of September 1, 2025, MOHCD has not received MEDA's 2024 AMRs. **As a Closing Condition, MEDA must submit missing data for 2023 AORs, and as a Post-Closing Loan Condition, MEDA must submit any outstanding and due AMRs as a condition of the first loan disbursement post-close.**

MEDA acknowledges past and recent challenges meeting their City reporting obligations in a timely manner. To address these challenges, MEDA's Asset Management is now meeting with Propiedades Adelante monthly to ensure timely and accurate financial reporting across the portfolio. MEDA has implemented Yardi for real-time oversight and improved coordination between property and asset management functions. In addition, MEDA has expanded its Community Real Estate Finance Team to respond to the complexities of affordable housing finance and to focus solely on affordable housing-related finance issues, while the broader Finance team focuses on organization accounting. Also, MEDA's Finance Department has streamlined the annual audit process, in an effort to meet reporting requirements on time. Having one AMR for the Bundle should also help to streamline AMR reporting, but AORs will remain building-level reports.

To ensure that MEDA will be able to submit timely AMR and AOR reports in the coming years, as a condition of this loan, MEDA will be required to 1) assess its procedures, staffing, and systems to identify the causes of late AOR and AMR reporting and submit their findings to MOHCH no later than January 1, 2026 (if not received by January 1, 2026, draws will be paused at that time until the assessment is received) and 2) propose a plan to address the identified causes, with an implementation timeline of 2-3 years no later than April 1, 2026. See **Section 12**.

3.4 Development Experience.

MEDA has a number of residential real estate projects in its portfolio. 38 of the projects are Small Sites projects.

	Developed	Owned
No. Projects	52	49
No. Units	1,394	1,361

4. SELECTION PROCESS

4.1 Small Sites Program Funding.

A Notice of Funding Availability ("NOFA") was published on July 24, 2014 to provide acquisition and rehabilitation financing for multi-family rental buildings of 5 to 25 units. The NOFA established a fund to help stabilize buildings occupied by low- to moderate-income tenants throughout San Francisco that are particularly susceptible to market pressure resulting in property sales, evictions, and rising tenant rents. Since the NOFA's publication and submission deadline, the Small Sites Program aims to fund projects on a first come first served basis according to funding availability.

All projects in the Bundle were acquired before 2022; therefore, the projects in the MEDA Bundle were not subject to the revised scoring guidelines for the SSP program published in November 2022. However, all the projects in the Bundle met previous SSP Guidelines, including stabilizing at-risk and vulnerable tenants. Though the Project is not subject to the revised scoring guidelines, the total SSP loan (consolidated and new) request of $37,820,766 is below the $39,450,000 ($402,551/unit) maximum subsidy amount calculated for the Project, per the 2022 SSP Underwriting Guidelines.

4.2 Small Sites Program Guideline Exceptions.

The MEDA Bundle requests the following waivers to the Small Sites Program Guidelines:

1) **Requirement that Replacement Reserves are funded for 20 years.** MEDA is requesting the replenishment of Replacement Reserves to cover 10 years of capital needs and will identify a plan to fund the Replacement Reserve past Year 10 as part of their required Long-Term Stabilization Plan.
2) **SSP Construction Management Fee.** The standard SSP Construction Management fee is $30,000 per project, and MEDA is requesting up to $81,600 in Construction Management fee for the Project. Because of the number of properties in the Bundle receiving rehab (14) and the cost of the rehabilitation scope (approximately $2.7M), MEDA is requesting to use the Construction Management fee schedule under MOHCD's Underwriting Guidelines, which are used for non-SSP projects**.** The requested fee is sized

at one year of the allowable maximum preconstruction construction management fee ($3,000/month) and one year of the allowable maximum annual construction management fee ($45,600/year) under MOHCD's Underwriting Guidelines. While the scope is not large, compared to other SSP rehab scopes, the requested increase acknowledges the additional time and coordination required to complete scopes at 14 different sites. The $81,600 maximum will include any related construction consultant fees incurred before loan close, and the fee cannot exceed the monthly maximums as outlined in MOHCD's Multifamily Underwriting Guidelines.

3) **Construction Contingency**. SSP Guidelines require a 15% construction contingency. Responding to Construction Representative feedback, MEDA is requesting to increase construction contingency to 18%. The 3% contingency increase (approximately $60K) is sized to cover the possibility of 1) additional rot at 3182 24th Street, 2) mold at 269 Richland Avenue, and 3) an increased electrical cost at 1015 Shotwell.
4) **Residual Receipts Split and Replacement Reserve.** The SSP Guidelines explicitly require that in years where a project's Replacement Reserve is less than 1.5x the original capitalized Replacement Reserve deposit amount, the project will deposit 2/3 of residual receipts to the Replacement Reserve, while the Sponsor keeps the other 1/3. This split reflects the Residual Receipts Policy in place at the time of the SSP Guideline updates in November 2022. To reflect MOHCD's recently updated Residual Receipts Policy split of 50% of residual receipts repaid to MOHCD and 50% of residual receipts going to the Sponsor, the Sponsor requests a waiver to allow for 50% of residual receipts to be deposited to the Replacement Reserve in years where the original capitalized Replacement Reserve deposit is less than 1.5x the original capitalized Replacement Reserve deposit amount. For more on the Replacement Reserve, see **Section 8.4.1**.

5. SITE

5.1 Site Characteristics.

Address	Block / Lot	Lot Sq. Footage	Building Age	# Buildings	# Floors	Building Typology	Parking	Unit Count
3329 20th St	3611/ 060	3,373 sf	1900	1	3	Apartment (5-14 units)	N/A	10 (4 studio; 6 1BR)
3182 24th St	3641/ 023	3,238 sf	1900	1	3	Apartment & Commercial Store	N/A	13 8 residential (4 studio; 2 1BR; 2 3BR) 5 commercial

3553 26th St	6570/ 001	2,112 sf	1914	1	3	Flat & Store (5-14 units)	N/A	11 10 residential (4 studio; 4 1BR; 2 2BR) 1 commercial
1500 Cortland Avenue	5690/ 044	2,099 sf	1959	1	3	Apartment (4 units or less)	N/A	4 (2 1BR; 2 2BR)
35 Fair Ave	5609/ 007	2,200 sf	1912	1	2	Apartment (4 units or less)	N/A	4 (4 1BR)
3840 Folsom Street	5683/ 005	1,750 sf	1905	1	3	Apartment (4 units or less)	N/A	4 (3 1BR; 1 2BR)
642 Guerrero St	3587/ 078	3,297 sf	1924	1	2	Apartment (4 units or less)	Garage	4 (3 1BR; 1 2BR)
63 Lapidge St	3588/ 022	1,999 sf	1910	1	3	Apartment (5-14 units)	N/A	6 (6 1BR)
2217 Mission St	3590/ 033	3,675 sf	1904	1	3	Flat & Store (5-14 units)	N/A	9 8 residential (7 1BR; 1 2BR) 1 commercial
3800 Mission St	6692/ 001	2,495 sf	1910	1	3	Flat & Store (5-14 units)	2 detached garages	6 5 residential (1 studio; 4 1BR) 1 commercial
19 Precita Ave	5501/ 043	3,408 sf	1900	1	3	Flats & Duplex	N/A	3 (3 3BR)
344 Precita Ave	5524/ 001	2,800 sf	1900	1	2	Apartment & Commercial Store	4 garages	4 3 residential (1 studio; 1 1BR; 1 2BR) 1 commercial
269 Richland Avenue	5720/ 010	3,750 sf	1908	2	2	2 Dwellings on 1 Parcel 5-14 units	N/A	6 (4 1BR; 2 2BR)
380 San Jose Avenue	6532/ 034	3,245 sf	1900	1	3	Apartment (4 units or less)	N/A	4 (4 1BR)
1015 Shotwell St	6520/ 031	6,124 sf	1900	2	3	Apartment (5-14 units)	Exterior parking	10 (2 studio; 7 1BR; 1 2BR)

Existing zoning for all the projects in the Bundle will not be affected.

5.2 Commercial Space.

Eight of 9 commercial spaces in the MEDA Bundle are occupied. Information about the commercial tenants is provided in the table below.

Address	Sq Ft	Tenant	Occupancy Start Date	Lease End Date	Monthly Rent	Annual Rent Increase
3182 24th St	898	Luz de Luna	5/2014	7/2025	$3,493	3%
3184 24th St	272	Jewelry J R	9/2010	7/2025	$2,348	3%
3194 24th St	474	Einstein Paredes	9/2013	2/2026	$2,678	3%
3196 24th St	419	Eyebrow Queen	7/2015	7/2025	$3,489	3%
3198 24th St	573	The Jelly Donut	11/2010	12/2031	$5,550	3%
3353 26th St	640	Vacant		8/2024	$1,910 (previous tenant rent)	3%
2221 Mission St	3,000	Homies Organizing the Mission to Empower Youth (HOMEY)	7/2017	6/2024 (renegotiating lease and currently month-to-month)	$6,180	3%
3800 Mission St	888	Marina's Beauty Salon	10/2011	6/2027	$2,266	1.5% until 6/2027
348-348A Precita Ave	800	Precita Eyes Muralist Assoc.	8/1992	9/2024 (renegotiating lease and currently month-to-month)	$1,273	3%

MEDA's commercial portfolio primarily serves community-based tenants, including small businesses, legacy enterprises, cultural institutions, and nonprofit organizations. Their leasing strategy prioritizes mission-aligned tenants that reflect and sustain the cultural and economic fabric of the communities they serve. Historically, MEDA's direct engagement with commercial tenants has been limited to the acquisition, rehabilitation, and stabilization phases of their Preservation Program. However, this is changing with recent shifts in internal capacity. As of 2024, Property Management has been brought in-house, and MEDA's licensed commercial broker is overseeing lease administration and assisting with strategic planning.

A comprehensive portfolio review of all expired and upcoming commercial leases occurred in June 2025. During this review, MEDA worked with their commercial broker to develop a proactive strategy for renewals, tenant engagement, and long-term occupancy planning. Leases that have ended and are currently operating month-to-month are being renegotiated as an outcome of this review, and MEDA and the existing tenants are committed to the renegotiation and extension of their leases. The vacancy at 3353 26th Street is in the initial steps for lease-up, including preparing marketing materials and contacting prospective tenants. There have been signs of interest in the space, though no formal commitments have been made as of the date of this evaluation.

5.3 Local/Federal Environmental Review.

N/A.

5.4 Phase One.

MEDA is not required to procure updated or new Phase I reports for the additional SSP funding request. However, MEDA procured Phase I reports for any properties that did not have a Phase I at acquisition for the Bank of San Francisco Loan. Summaries of the Phase I reports are in **Appendix E**.

5.5 Article 34 Authority.

N/A. All units previously received Article 34 authority.

6. DEVELOPMENT PLAN

6.1 Site Control.

All sites are owned by MEDA Small Properties LLC, except for 344 Precita Avenue, which is owned by MEDA Precita Small Properties, LLC. For more information on purchase price and closing dates, please see **Appendix E**.

6.2 Appraisal.

Though MOHCD does not require a new appraisal for refinancing events, appraisals were required as a condition of financing by the Bank of San Francisco a to evaluate the loan's 55% loan-to-value restriction. Watts, Cohn, and Partners, Inc. appraised the 15 properties and provided a summary of values of the MEDA Bundle on May 13, 2025. The summary provided a value of the MEDA Bundle at $31,500,000, which would be a 41% loan-to-value ratio and that meets the requirements for the Bank of San Francisco's loan. Appraisals were completed using sales and income-based approaches to determine the value of the properties with restricted rents. The individual property values are below:

Property	# Units	Preliminary Value
3329 20th Street	10 (4 studio; 6 1BR)	$1,750,000
3182 24th Street	13 8 residential (4 studio; 2 1BR; 2 3BR) 5 commercial	$4,300,000
3353 26th Street	11 10 residential (4 studio; 4 1BR; 2 2BR) 1 commercial	$2,900,000
1500 Cortland Avenue	4 (2 1BR; 2 2BR)	$1,200,000
35 Fair Avenue	4 (4 1BR)	$1,450,000
3840 Folsom Street	4 (3 1BR; 1 2BR)	$1,200,000
642 Guerrero Street	4 (3 1BR; 1 2BR)	$1,650,000
63 Lapidge Street	6	$2,300,000

	(6 1BR)	
2217 Mission Street	9 8 residential (7 1BR; 1 2BR) 1 commercial	$3,450,000
3800 Mission Street	6 5 residential (1 studio; 4 1BR) 1 commercial	$1,500,000
19 Precita Avenue	3 (3 3BR)	$1,250,000
344 - 348 Precita Avenue	4 3 residential (1 studio; 1 1BR; 1 2BR) 1 commercial	$1,350,000
269 Richland Avenue	6 (4 1BR; 2 2BR)	$2,250,000
380 San Jose Avenue	4 (4 1BR)	$1,450,000
1015 Shotwell Street	10 (2 studio; 7 1BR; 1 2BR)	$3,500,000
MEDA Bundle Total	**98 total units** **(89 residential; 9 commercial)**	**$31,500,000**

6.3 Title Issues.

642 Guerrero Street: Ellis Act eviction notices were recorded on title in March and April 2014, as was required by local and state law. The notices may not be removed until ten years after the original notice was served. Ten years have passed, and **as a condition of closing, MEDA will ensure that the restrictions have been removed from title**.

There are no additional title issues to note.

6.4 Proposed Property Ownership Structure.

MEDA Small Properties LLC owns fee title to the land and improvements of the subject properties, with the exception of 344 Precita. MEDA Precita Small Properties, LLC owns fee title to the land and improvements for 344 Precita. Mission Economic Development Agency is the sole member and manager of MEDA Small Properties LLC and MEDA Precita Small Properties, LLC. The 14 sites owned by MEDA Small Properties LLC will be assigned to MEDA Precita Small Properties, LLC at loan closing.

6.5 Proposed Rehabilitation Scope.

The 15 buildings and 89 units are in average condition. The rehabilitation scope was determined by a Capital Needs Assessment ("CNA") completed by Zubi Consulting on April 18, 2025. It evaluated the existing conditions and proposed repairs and upgrades to keep the building sustainable for at least 20 years.

All the Bundle properties received some level of rehabilitation immediately after acquisition, and the original CNAs identified $1.9M in anticipated needs during Years 1-10. All capitalized Replacement Reserve deposits at acquisition were sized to cover capital needs for Years 1-10. Many Bundle projects did not have identified capital needs for the first several years after initial rehabilitation and therefore used Replacement Reserve funds primarily for unforeseen capital needs and unit turns during those years, which drew down the Replacement Reserve funds at certain sites more quickly than anticipated, leaving less funding for identified capital needs in outer years. Additionally, Small Sites Replacement Reserve modeling anticipates MOHCD's portion of the residual receipts split will be used to fund the Replacement Reserve in years where the Replacement Reserve amount is less than 1.5x the initial capitalized Replacement Reserve deposit. As many of these properties have experienced cash flow issues over the recent years, they could not make anticipated deposits from residual receipts to the Replacement Reserve, further straining the reserve balances. And most projects had larger capital needs (e.g. unit renovations, roofing, exterior work, systems work, etc.) planned for around 2023 to 2026 (during ~Years 7-10). Since the Replacement Reserve funds were only sized for anticipated needs during Years 1-10 and many have not been able to continue funding the reserve in the way it was modeled at acquisition, some sites are not able to support these larger capital needs through the sites' existing Replacement Reserves alone.

The scope of rehabilitation also includes items identified in the CNAs and other immediate capital needs that were not identified in earlier CNAs, such as items that are now at the end of their useful life, like window replacement and some roof replacements. The CNAs have been thoroughly updated by Zubi Consulting, a consultant that has previously provided Construction Management and other services to MEDA for the Bundle sites and has deep familiarity with the sites and their specific needs. MEDA is confident that the updated CNAs reflect the Project's anticipated capital needs for the next 20 years.

Since the Bundle does not currently have enough Replacement Reserves to fund needed immediate capital needs and maintain a Replacement Reserve for future capital needs, MEDA included the proposed rehabilitation scope in the Project's original PASS loan application, which was submitted in 2024. Because the refinancing of first position mortgages was determined to be an ineligible use of PASS funds, the Project's application was denied, and the proposed rehabilitation was put on hold, while MEDA identified another financing path for the Bundle. While the Project's rehabilitation scope would have been eligible for PASS debt, the Project would not have had enough cash flow to support any additional hard debt, with its current debt service payments.

The estimated $2.7M in hard costs is approximately $800K more than the $1.9M that was set aside to address all capital needs from Years 1 to 10, and more than the $1.5M that remains in the Project's Replacement Reserves. The contemplated scope of the work is large and varied, involving a General Contractor and multiple trades, and should be considered as, and monitored as, one rehabilitation project.

The rehabilitation will include health, life, and safety upgrades in 14 of the 15 properties, many of which were contemplated in the CNAs as needs around Years 7 to 11. The scope varies from site to site, but it contemplates envelope and systems replacement or upgrades as needed.

Proposed Rehabilitation Scope

	Proposed Scope of Work	**Hard Cost Estimate**
3329 20th St	No immediate rehabilitation needs	N/A
3182 24th St	Exterior: Repair exterior wood siding and paint; repair four-story stairway	$42,400
3553 26th St	Exterior: Repair/replace exterior siding and paint; replace exterior windows; repair entry tile Interior: Electrical service upgrade and meter installation Unit Improvements: Window replacement in eight units	$356,140

1500 Cortland Ave	Roof: Roof replacement Interior: Intercom replacement Unit Improvements: Exhaust fan replacement	$39,200
35 Fair Ave	Roof: Roof replacement Exterior: Repair exterior wood siding and paint	$65,050
3840 Folsom St	Roof: Main roof replacement Exterior: Garage work, including replacing the garage door hardware, replacing the garage built-up roof and re-sloping the roof deck to allow for proper water drainage and installation of scuppers and drains; exterior stucco repair Unit Improvements: Window replacement	$153,868
642 Guerrero St	Exterior: Replace exterior lights; recondition exterior doors Interior: Replace existing electrical system Unit Improvements: Replace windows in four units; replace water heater in one unit HVAC: Replace exhaust fans in three units; replace heating system in four units	$266,200
63 Lapidge St	Roof: Roof repair Unit Improvements: Replace windows in four units; replace exhaust fan in one unit	$143,950
2217 Mission St	Interior: Replace three common area windows Unit Improvements: Replace windows in two units HVAC: Replace exhaust fans in two units	$15,300
3800 Mission St	Roof: Roof replacement Exterior: Recondition unit entry doors Unit Improvements: Replace windows in five units HVAC: Replace exhaust fans in two units	$169,800
19 Precita Ave	Roof: Replace replacement Exterior: Repair exterior wood siding and repaint; replace exterior gate Unit Improvements: Replace windows in three units	$222,920
344 Precita Ave	Roof: Roof replacement Exterior: Recondition entry doors; wood stair deck repair Unit Improvements: Replace windows in three units	$117,750
380 San Jose Ave	Unit Improvements: Window replacement in all units	$270,780
269 Richland Ave	Exterior: Structural repairs, door repair Interior: Sewer line replacement; electrical upgrade Unit Improvements: Replace three windows; carpet replacement;	$96,580
1015 Shotwell St	Interior: Electrical upgrade	$7,800
Total Hard Costs		$2,217,739

GC Bond Premium/ Insurance/ Taxes & Overhead & Profit		$354,193
Hard Cost Contingency		$354,193
Total Construction Budget		$2,676,125

The $1.5M in existing Project Replacement Reserve funds will remain in the Replacement Reserve and will be deposited into the combined Project Replacement Reserve as a portion of the initial deposit.

6.6 MOHCD Construction Representative (CR) Evaluation & MEDA Responses

Multiple members of the MOHCD CR team visited 11 buildings in July 2024. An additional 4 buildings were visited by CR Carrie Thomas, who will monitor the rehabilitation, in April 2025. Overall, the scope identified by MEDA addresses the most critical needs, and the cost estimates seem reasonable. A large amount of the planned work across the 14 sites could be termed "weatherization" (reducing the amount of water and air that infiltrate the exterior envelope via re-roofing, replacing windows, patching holes in walls, etc.) and "electrification" (replacing gas-powered equipment with electric-powered equipment.) Both of these categories of improvements open up potential funding sources and/or rebates/credits. See **Section 11** for a loan condition requiring these options to be explored fully to potentially offset some of the MOHCD loan amount or allow for additional scope. It is recommended that MEDA strategically coordinate the weatherization (i.e. window) and electrification upgrades around incentives in orderly to maximize the amount of incentives received.

1) Please see **Appendix C** for site-specific assessments.

2) Responding to MOHCD's Construction Representative comments, MEDA has increased contingency to account for the possibility of additional rot at 3182 24th Street, possible mold at 269 Richland Avenue, and an increased electrical cost at 1015 Shotwell (from 15% to 18% contingency). MEDA will conduct a window survey to determine if there can be cost savings in the window line item.

3) **To incorporate the MOHCD Construction Representative feedback in the loan approval, the following post-closing loan conditions will be required:**
   a. **MEDA will be required to perform a window survey, within 90 days of loan closing, and share the results with MOHCD's Construction Representative.**

b. **Any excess proceeds will be deposited into the Project's Replacement Reserve.**

c. **MEDA will apply for other funding sources and/or rebates/credits that may be available for any relevant rehabilitation scope, including the Multifamily Energy Savings Program and share results with MOHCD's Construction Representative.**

6.7 Relocation.

The rehabilitation scope will not require relocation.

6.8 Accessibility.

N/A

6.9 Performance Schedule

No.	Performance Milestone	Estimated or Actual Date
1	SSP and Private First Mortgage Loan Closing Date	November 21, 2025
2	Design	
a.	Submit Bid Packet for MOHCD Approval	February 23, 2026
3	Development Team Selection	
a.	Design Team Selection	N/A
b.	General Contractor Selection	March 30, 2026
4	Permits	
a.	Building Permit Application Submitted	May 4, 2026
5	Construction	
a.	Notice to Proceed	April 27, 2026
b.	Complete Construction	April 30, 3037

To ensure the Project is started and completed as soon as possible, MEDA will commit to attending bi-weekly meetings, beginning after Loan Committee approval, with the MOHCD Project Manager and Construction Representative to provide updates on progress and daylight any Project-related challenges with MOHCD staff, who can escalate where appropriate. MEDA will also be required to provide monthly post-closing reports until all Loan Conditions are met.

6.10 Population to Be Served.

The MEDA Bundle houses families with children, couples, individuals, seniors, and veterans, and has a high percentage of BIPOC households. Many are long-term residents that have lived in their units for more than a decade. Nine units receive tenant-based Section 8 assistance, while three units receive rent subsidies from Catholic Charities and Episcopal Community Services.

6.11 Unit Mix & Affordability.

There are 89 residential units, with six vacancies across the Project (93% occupied). Household incomes at the Project range from 0% to 144% of AMI. The two tenants that have no income are receiving rent subsidies and have provided no income on their 2024 annual income certifications. MEDA is working with the tenants to clarify that they do have some supplemental income and are above 0% AMI. MEDA has identified nine households with rent burdens over 50%. MEDA is currently working on collecting written or verifiable statements from households with high rent burdens explaining their income, how they are able to afford rent, any additional sources of income, and/or any recent changes in household composition since the last reported income certification. MEDA also has 16 households that are under 20% rent burdened. MEDA has scheduled a portfolio-wide rent increase of 2.5% in October 2025. Four of the 16 under-rent burdened households will be at 20% rent burden with the 2.5% increase, while the other 12 will receive a rent increase of no less than 3.5% per year until the units reach 20% rent burden.

The average household income at the Project is 52% AMI, and the average rent at the Project is 62% of AMI. The overall household and rent AMIs are below 80%, which is compliant with SSP regulations; however, SSP Guidelines require that SSP sites should aim to average rent of 80% AMI over time to support operations. Because of the softer rental market post-pandemic, among other factors, MEDA has not been able to rent vacant units at higher AMIs to meaningfully increase the Project's average rent AMI. Instead, the Project's average rent AMI has stayed around 60%, even though individual properties were originally underwritten to achieve closer to an average rent of 70% AMI at 100% occupancy. Though lower rents may be in line with the current rental market, the feasibility of the Project is dependent upon increasing the Project's AMIs, in addition to reducing vacancies and ensuring that rent increases are applied to households annually.

6.12 Marketing & Occupancy Preferences.

The Bundle is subject to MOHCD's marketing procedures and vacant units have been marketed according to multifamily marketing procedures since their acquisition. Though the Project is bundling the properties to support financial feasibility of the sites, all sites will be marketed separately. Vacant units are subject to the Certificate of Preference Program and the Live/Work in San Francisco Preference, and if more than five units in any one building are marketed at the same time, the Displaced Tenant Housing Preference Program. As of this evaluation, 93% of units remain occupied, and the six vacant units are being marketed and filled through DAHLIA.

7. DEVELOPMENT TEAM

7.1 Project Manager.

Name: Daniel Cruz

Percentage Time Spent on Project: .5 FTE

Experience: See **Appendix A**

7.2 Architect.

Firm: Architect will be procured through CMD-approved bidding process, as required.

7.3 Contractor.

Firm: Contractor will be procured through CMD-approved bidding process.

Procurement Requirements: Prevailing wage and LBE.

7.4 Other Consultants.

Other Consultants will be procured through the CMD bidding process, as necessary.

7.5 Construction Manager.

MEDA contracted with Sara Lope to support the construction management scope for the MEDA Bundle. See **Appendix A** for more on Sara Lope's construction management experience. MEDA will work with CMD to procure a Construction Manager for the rehabilitation work.

Cost: SSP Guidelines provide for a maximum construction management fee of $30,000. Given the size of the Project and the number of properties in the rehabilitation bundle, MEDA is requesting to increase the construction management fee to up to $81,600. Please see **Section 4.2** for more on this requested exception.

7.6 Property Manager.

Firm: Propiedades Adelante
Has property manager participated in SSP previously? Propiedades Adelante, MEDA's affiliated property management company, was established in May 2024 and as of September 2024 has taken over management of MEDA's 38 building Small Sites portfolio, including both residential and commercial spaces. Propiedades Adelante onboarded its initial staff in July 2024. As of September 2025, Propiedades Adelante has a vacant Executive Director position, with all other roles filled.

At launch, Propiedades Adelante transitioned their property management system to a Yardi setup designed specifically for SSP properties, acknowledging the operational differences from standard LIHTC portfolios and need for a customized property management system.

Propiedades Adelante's development was the result of over two years of preparation involving MEDA's Board, internal staff with property management experience, and external industry advisors. Prior to the transition of MEDA's SSP portfolio to Propiedades Adelante, MEDA submitted a Property Management Plan to MOHCD and shared a draft Operations Manual outlining the intended framework for roles, responsibilities, reporting cadence, and policy alignment. MOHCD reviewed and approved the Property Management Plan in 2024. MOHCD continues to be in regular communication with Propiedades Adelante to support the transition of the SSP portfolio to the new company.

Internally, MEDA and Propiedades Adelante have established regular touchpoints to ensure oversight and accountability, such as:

1. Meetings between MEDA's Asset Management and Finance teams and Propiedades Adelante 1) weekly to track financial operations and 2) monthly to review finances and track performance.
2. Weekly check-ins between MEDA's Community Real Estate Preservation team and Propiedades Adelante to coordinate active rehabilitation projects.
3. Monthly meetings between MEDA's Asset Management and Propiedades Adelante to align capital improvements planning.

8. FINANCING PLAN

8.1 Sources and Uses. See **Exhibit A**

8.2 Loan Terms

Program	Small Sites Program (SSP)
Term	40 years
Note Type	Soft debt Loan
Loan Amount	$37,820,766
Per unit	$385,926
Rate	3% simple
Repayment type	residual receipts
Loan Priority	Subordinate to senior financing & City's Declaration of Restrictions

The existing SSP loans will have unpaid accrued interest of up to $5,430,115.66 through November 30, 2025. The accrued interest is not included in the amount of the consolidated Small Sites Program loan, but it will be noted in the loan documents. While 2024 AMRs have not yet been received, in 2023, 13 properties had losses, one property deposited excess cashflow into reserves, and one property paid towards the MOHCD loan from residual receipts. While all projects are current on their first position financing, only one property made residual receipts payments on their Small Sites loan in 2023.

Under the current Small Sites Guidelines, residual receipts payments to MOHCD are required in years where the replacement reserve balance exceeds 1.5 times the original capitalized replacement reserve amount. In years when the replacement reserve does not exceed 1.5 times the original capitalized replacement reserve amount, the Sponsor may retain 1/3 of the residual receipts and is required to deposit the other 2/3 into the replacement reserve. As of May 16, 2025, MOHCD adopted a new Residual Receipts policy, which modifies the Residual Receipts Policy to allow the sponsor to retain 50% of the Residual Receipts and require 50% to go towards MOHCD loan repayment. To conform with the new policy, the Bundle will conform its SSP Residual Receipts split to the new policy. This means that for years where the replacement reserve balance exceeds 1.5 times the original capitalized replacement reserve amount, 50% of Residual Receipts will be retained by the Sponsor and 50% will be applied towards repayment of the SSP loan, and for years where the replacement reserve balance does not exceed 1.5 times the original capitalized replacement reserve amount, 50% of Residual Receipts will be retained by the Sponsor and 50% will be deposited into the Project's replacement reserve.

Bank of San Francisco Loan

The Project will receive a $13M loan, with a 15-year term and a fixed interest rate of 5.25% for the first 10 years, from the Bank of San Francisco to support the refinancing of the existing first position mortgages. After the first 10 years, the interest rate will adjust based on the five-year Constant Maturity Treasury, plus a one percent margin. The loan terms were provided by the Bank based on the assumption of a 15-site bundle.

Responding to concerns regarding the size of the Bundle, MEDA modeled three scenarios that broke apart the Bundle into smaller "bundles" and evaluated if any of those models offered a lower-risk path forward for refinancing the 15 sites outside of a single bundle model. While one of the scenarios performed well, the Bank of San Francisco confirmed that their underwriting and credit analysis were structured around a single bundled loan and could not be extended to a proposal for smaller bundles, since the Bank's risk appetite was built on the strength of the full 15-property portfolio. The Bank declined to pursue the alternate, smaller bundle scenarios. Instead, the Bank has expressed willingness to support MEDA under a single-loan structure, paired with covenant modifications and structural modifications – including cross-collateralization protections, property-level carve-outs, and reasonable cure provisions.

While such a large grouping of projects does present a level of risk that MOHCD has not yet encountered, the 5.25% interest rate the Bank is offering does provide substantial overall debt service savings. That, combined with improved vacancy loss and rent maximization, positions the Bundle to perform positively through at least the first 10 years of the Bank's loan when the interest rate is fixed at 5.25%.

8.3 <u>Underwriting Requirements & Refinancing Assumptions</u>

The following underwriting requirements and refinancing assumptions have been applied to determine the size of the loan, in accordance with the current Small Sites Program Guidelines.

Residential Vacancy	10% to ensure project stability. Because rental assistance is tenant-based, rental assistance vacancy loss is also calculated at 10%.
Commercial Vacancy	20%. The Project has stable commercial tenants. Commercial tenants have an average tenancy length of over 13 years, with individual lengths of tenancy ranging from 7 to 32 years.
Operating Reserves	Projected to be funded through Year 20 of the Project's lifecycle, with capitalized reserve and operating reserve deposit of $100 PUPA.
Replacement Reserves	Projected to be funded through Year 10 of the Project's lifecycle, when another refinancing event is anticipated to occur. See more on reserves in **Section 8.4.1** below.

8.4 Development Budget

Development Budget Analysis/Comments. All fees are sized based on the current SSP Guidelines.

1. Sufficiency of Reserves

Operating Reserves:

All Bundle properties were acquired within 2-3 years of one another and thus share similar underwriting terms that are not in line with the more conservative post-pandemic underwriting environment or MOHCD's current Small Sites Guidelines. Because of the Project's cash flow issues, the Operating Reserves have been nearly depleted, with the Project only having 6% of the required 25% of the Project's First Year Operating Budget in existing Operating Reserves.

Underwriting Assumptions

Because these are some of the earliest Small Sites, the individual projects' initial underwriting was completed with limited Small Sites operating data. Rents were also set pre-pandemic and were higher than are now achievable. These assumptions resulted in first position mortgages that were not right sized, resulting in higher than supportable debt service payments.

The table below provides the original underwriting assumptions of the combined 15 properties, compared against i) the three-year averages of these assumptions from the properties' AMRs (combined) and the ii) refinance assumptions that are used for this SSP upsize and Bank of San Francisco loan underwriting.

	Original Underwriting	Average of 2021-2023 (from Annual Monitoring Reports (AMRs))	2025 Refinance
Combined Income	$1,777,897 (Effective Gross Income)	$2,133,705**	$2,132,163 (Effective Gross Income)
Combined Operating Expenses	$647,872 ($6,610 PUPA)	$1,248,011 ($12,735 PUPA)	$1,168,941 ($11,928 PUPA)
Combined NOI	$1,130,025	$885,694	$895,522
Combined Debt Service Payments	$918,898	$991,385	$778,238
Surplus Cash	$211,127	($105,691)	$117,284

*Operating expenses from 2021-2023 AMRs included bad debt write off and other accounting reclassifications.

**EGI includes some subsidy income not included in the projects' underwriting at acquisition.

The original underwriting assumed an average of $6,610 per unit per annum operating expense, when in actuality, the average PUPA over the past three years for the combined properties has been $12,735 PUPA, nearly twice as much as the budget assumed (not accounting for escalation). $6,610 escalated for 9 years, at 3.5% per year, is approximately $9K. The resulting deficit due to higher than anticipated operating expenses is approximately $366K per year ($3,735 PUPA).

The Sites were also acquired pre-pandemic and sized their hard debt based on filling unit vacancies at 120% AMI and a 100% occupied stabilized rent at approximately 72% AMI. San Francisco's post-pandemic rental market, coupled with SSP Guidelines that require a unit to be priced no higher than 20% below market, made achieving a 120% Rent AMI for vacant units extremely difficult. Currently, the average Rent AMI across the 15 properties is 62%.

Additionally, as the Sites have progressed further into their loan terms, interest rates and debt service payments have increased. At original underwriting, the Sites assumed a combined debt service payment of $918,898. Over the past three years, the average annual debt service payment for the Bundle has been $991,385, $72K more than originally assumed.

Because of these core challenges, the Project has been re-underwritten based on Project actuals and more conservative rent assumptions. This re-underwriting of the Bundle, assuming a refinance of first position loans with the Bank of San Francisco, reduces the Project's debt service and first position mortgage amount by $340K a year and requires additional MOHCD soft debt of $1.16M towards the repayment of the existing first position debt, along with an additional $5.1M to support the Project's rehabilitation needs, soft costs, and the replenishment of Operating Reserves and Replacement Reserves. This additional investment will support the stability of the Bundle for the term of the Bank of San Francisco loan and well-position the Bundle to implement its future recapitalization plan (see **Section 9.3** below).

Leasing Vacant Units

In addition to underwriting variations and higher than supportable debt service payments, the Bundle's cashflow problems have also been impacted by high vacancies, slow lease up, and irregular rent increases at some sites. The Bundle has experienced a higher than anticipated average vacancy rate of 13.5% from the period between May 2023 and May 2025. These issues have not been contained to the Bundle, as other MEDA SSP properties have also experienced higher than average vacancies (MEDA's SSP portfolio had a 11% vacancy rate in May 2025), longer lease up timelines, and irregular annual rent increases, due to property management challenges and transitions and staff turnover and capacity.

All of these factors have culminated in the Project losing an average of $105K per year over the past three years. Together the 15 Bundle properties were provided with a combined $396K in Operating Reserves at initial closing, requiring capitalization of an Operating Reserve sized at 25% of operating costs, including hard debt service. Because of the deficits at the individual properties, the Bundle has a combined Operating Reserves balance of $30,148, which is 6% of the Project's first year operating budget and less than the 25% requirement.

To respond to leasing and other property management concerns across their portfolio, MEDA established Propiedades Adelante in 2024. While the intent of transitioning to Propiedades Adelante is for MEDA to have more control over the lease up of its units, and in turn a faster lease up timeline, in the short term, the transition to a new property management company further contributed to slower lease up of units as the company was onboarded. To support the lease up of a backlog of vacant units, Propiedades Adelante is regularly meeting with MOHCD to ensure that they are maximizing leasing timelines, including understanding how to efficiently move through waitlists and provide units at competitive prices. As of September 2, 2025, Propiedades Adelante has made good progress on leasing units, with the Bundle's vacancy rate coming down from 13.5% in May 2025 to 7% in September 2025. **To ensure that the Bundle**

has healthy cash flow when the Bank of San Francisco loan closes, 95% occupancy of the Bundle will be a Closing Condition.

To support the Bundle moving forward, MEDA is requesting SSP funds to replenish the Project's Operating Reserve in the amount of $473,572, to bring the total Operating Reserve balance to $503,720, or 25% of the Project's first-year operating budget. MEDA acknowledges that there have been internal challenges including staff capacity and turnover, property management turnover and transitions, and limited documentation of organizational controls and protocols that have impacted the performance of the Bundle and of the SSP portfolio broadly. In an effort to strengthen the capacity and coordination of MEDA's departments, MEDA will develop a comprehensive Operational and Organizational Plan by January 1, 2026, which details actionable steps, controls, and protocols that will ensure effective interdepartmental coordination, the delivery of efficient leasing, and asset management functions, and portfolio stability. An income maximization strategy will be required as a component of the Organizational Plan and will include, but is not limited to, actions to implement consistent yearly rent increases, Key Performance Indicators (KPIs) around financial performance and income maximization, actions to be taken if KPIs are not met, monthly financial reporting to the MEDA Board's Finance Committee (budget vs actuals and updated financial projections) if feasible, and the delivery of copies of those monthly financial reports to MOHCD. The Operational and Organizational Plan, the Long-Term Sustainability Plan (see **Section 2** and **Section 9.3**), and quarterly reporting will help to minimize the risk of cash flow swings at the Project. **With these Loan Conditions, MOHCD staff recommend the replenishment of the Project's Operating Reserve.**

One related concern is that vacancy reporting to MOHCD is generally done once a year through the Project's AMR and AOR. However, this reporting is not a real-time snapshot. It captures data from a whole year six months after year's end, so units can be vacant for months without MOHCD's knowledge. In a Bundle, that is particularly concerning, since this can obscure underperforming properties. **As a condition of this loan, MEDA will commit to providing quarterly building-level vacancy reports to MOHCD.**

Replacement Reserves:
Early versions of the SSP Guidelines required adequate funding of replacement reserves for 10 years and also assumed that additional rehabilitation could be funded through cash out refinancing in outer years. However, rising interest rates and a cooler rental market were prohibitive to this strategy, and subsequent SSP Guidelines recognized that 10 years of replacement reserve needs were inadequate and often put a project at a financial

disadvantage. Current SSP Guidelines require adequate funding of replacement reserves for 20 years.

Because all of the MEDA Bundle projects had replacement reserves sized to pay replacement costs for 10 years, the Replacement Reserves for individual properties are underfunded past Year 10, which will occur around 2026-2027, with many already being underfunded now as a result of unforeseen needs. As of June 2025, the Project's combined existing Replacement Reserves total $1,543,597. This includes the funds from the initial capitalization of the accounts and the yearly required annual Replacement Reserve deposits through 2024, which total $38,000, minus any expenditures since acquisition.

Based on the most recent CNA and updated SSP Guidelines, the Project requires a capitalized Replacement Reserve of approximately $6.3M to be fully funded for the next 20 years, not considering any immediate needs. The proposed capitalized Replacement Reserve of approximately $3.16M ($1.61M in requested additional SSP funds + $1.55M in existing reserves) is approximately half of the $6.3M. While this is short of the SSP requirement, the Replacement Reserve is expected to be adequately sized until Year 10, which will support the properties at least until a long-term sustainability strategy is identified.

If additional SSP funds are not provided, the Sites would be at risk of depleting their Replacement Reserves in as little as 3-4 years, in addition to not being able to refinance their first position loans with the Bank of San Francisco and complete critical rehabilitation work. **MEDA requests Loan Committee approval for an exception to the SSP Guidelines requirement to fund Replacement Reserves through Year 20.** MEDA's Replacement Reserve replenishment strategy will be a component of the Project's long-term sustainability and recapitalization plan, as discussed in Section 2. For Loan Conditions, please see **Section 12**.

2. Developer Fee

It is not practice for SSP refinancings to include a Developer Fee. Developer fee is not requested for this project.

8.5 <u>Disbursement</u>

At loan closing, funds in the amount of approximately $3.3M will be released to pay off existing first position mortgages and cover loan closing costs, legal fees, due diligence reimbursements, and reserve replenishment. Funds for rehabilitation and all other funds will be released on a reimbursement basis through MOHCD's standard draw process. A MOHCD Construction

Representative will monitor the progress of the rehabilitation and provide approval for construction-related draws.

9. PROJECT OPERATIONS

9.1 <u>Annual Operating Budget:</u> see **Exhibit B**

9.2 <u>Annual Operating Budget Analysis/Comments.</u>

The Project's Annual Operating Budget includes the following:

PUPY Operating Expense: (w/out reserves):	$11,928 Operating expenses are based on the actual operating budgets of the 15 sites.
Asset Management and Property Management Fees:	$117 PUPM in 2026 for each the Property Management Fee and the Asset Management Fee, which is in line with SSP Guidelines. The PM and AM fees are expected to cover all costs of managing an SSP property. The Bundle will be managed by Propiedades Adelante, MEDA's property management division. Their team includes a Director of Property Management, a Leasing & Compliance Manager, a Senior Property Manager, and a Leasing Assistant. Back-office functions are outsourced to MEDA, while maintenance work is contracted to a third party. The Asset Management Fee covers the salary and benefits of the Asset Manager for the Bundle.
Annual Reserve Deposits:	$58,800 per year ($600 PUPA) Per SSP Underwriting Guidelines, annual Replacement Reserve deposits are sized as the greater of 1) $300-$400/PUPA depending on building size or 2) the amount needed according to an approved 20-year CNA, which is approximately $4,000/PUPA to address all needs for the next 20 years. This sizing takes into account only the existing Replacement Reserves and no additional capitalized Replacement Reserve deposits. To maximize the amount of the first position loan and maintain a DSCR of 1.15, the most the Project is able to deposit is $600 PUPA or $58,800 above the line and maintain a 1.15 DSCR. To

	ensure the ability to pay off existing mortgages, complete the required rehabilitation, and efficiently replenish the Replacement Reserve, the Project will deposit $58,800 per year in above the line deposits and in addition will deposit at least 1/2 of the residual receipts into the Replacement Reserve in years that the Replacement Reserve is less than 1.5x the fully funded reserve amount (per SSP Guidelines). Even with the replenishment of the replacement reserves with $1.61M in SSP funds, the Project's Replacement Reserve is underfunded. To be fully capitalized for 20 years, the Replacement Reserve would require a total deposit of approximately $6.3M, which is more than the total proposed deposit of approximately $3.1M. In years where it's organizationally feasible, MEDA is strongly encouraged to deposit a portion of its residual receipts split into the Project's replacement reserve, in addition to any required contributions to the account, in years that the replacement reserve is funded at less than 1.5 times the original replacement reserve deposit.
Operating Reserves:	An above-the-line capitalized Operating Reserve deposit of $100 PUPA is requested to ensure the Operating Reserve remains above 25% through 20 years. For any year that the Operating Reserve is funded at less than 25% of the prior year's operating expenses, including debt service, the Sponsor will deposit funds from cashflow into the Operating Reserve to bring the balance up to 25% of the prior year's operating expenses, including debt service.
Property Taxes:	The Project's property tax expenses are $31,878 for the residential units and $57,510 for the commercial units. All Sites have received the welfare tax exemption. The $31,878 covers special assessments and three units that are not welfare tax exempt.
Surplus Cash:	$117,284 in Year 1

The Project's annual operating budget is in line with comparable projects in MOHCD's SSP portfolio. Compared with nine MOHCD portfolio projects, which range from 4-7 units (recognizing that this is bundle of smaller properties) and of which 100% are Small Sites, the Project is below the average per unit per year operating expense and is slightly higher than the median operating cost of the comparable projects. The Project has higher management ($2,808 PUPA vs. $2,110 PUPA), tax/license ($900 PUPA vs. $450 PUPA), and insurance expenses ($1,300 PUPA vs. $900 PUPA) than comparable projects, but it has lower administration costs. The Project has comparable salaries/benefits administration and maintenance/repair expenses to comparable projects. For cost comp charts, please see **Appendix F**.

9.3 20-year Cash Flow & Debt Service Coverage Ratio (DSCR)

The SSP Guidelines require the Project's cash flow to remain positive for 20 years with the following assumptions: annual 2.5% escalation of income and 3.5% escalation of expenses. The Project's cash flow remains positive through Year 10, the last year of 5.25% fixed interest on the Bank of San Francisco loan. Future refinancing terms and Sponsor performance will determine if the Project remains cash flow positive beyond Year 10.

Also required by the SSP Guidelines, the DSCR must be at least 1.15 for 20 years. In the case of this request, the DSCR starts at 1.15 in Year 1 and steadily rises in each year through Year 10. After Year 1, the DSCR is at or above 1.15. The Project's DSCR beyond Year 10 depends on the interest rate assumed at that time or any alternate pathway forward for the Project, as determined by the Long-Term Sustainability Plan.

The Project is cash flow positive throughout the first ten years, when the interest rate is fixed, with a DSCR of 1.15 in Year 1 and a DSCR of at least 1.15 in Years 2 through 10. After 10 years, the interest rate will adjust, the principal on the first position loan will be approximately $11.7M, and the replacement reserves will nearly be depleted, if used in accordance with the CNA. There is significant uncertainty about the viability of the Bundle's financing after ten years, due to uncertainty around future interest rates, appetite for refinancing the Bundle at that time, and identifying a source for Replacement Reserve Replenishment after Year 10. MEDA will develop and implement a Long-Term Sustainability Plan, which will address the Bundle's long-term stabilization and recapitalization strategy, to be approved by MOHCD. The Long-Term Sustainability Plan will include, but is not limited to, i) actions that directly address the Project's historic challenges, prolonged vacancies and underperformance, and ii) actions to implement a future recapitalization strategy, including identifying and building relationships with potential tax credit investors, applying for 4% or 9% tax credits, and presenting an alternate strategy acceptable to MOHCD for long-term stabilization within five years of Loan Closing. For Loan Conditions, see **Section 12.**

10. FULLFILLMENT OF LOAN CONDITIONS

3182 24th Street and 642 Guerrero Street had loan conditions that required action during the SSP loan term. The loan condition and status of these conditions are below.

10.1 3182 24th Street

Loan Condition: Borrower shall refinance the entire Funding Amount under the City's Preservation and Seismic Safety (PASS) loan program by no later than December 21, 2022. Accordingly, Borrower shall submit an application for a PASS loan no later than June 30, 2022. With this refinancing, the PASS loan will reduce the Funding amount to the lowest possible amount.

Status: Borrower applied for PASS, but refinancing was determined to be an ineligible use of PASS funds.

10.2 642 Guerrero Street

Loan Condition: When allowed under applicable law but no later than 10 years following the recordation of the Ellis Act Notices, Borrower must remove the Ellis Act Notices from the Site's title.

Status: The Notices have expired, and the Borrower will confirm that they have been removed from title before loan close.

11. RECOMMENDED CLOSING CONDITIONS

1) MEDA will ensure that the Ellis Act Notices are removed from 642 Guerrero Street's Title.
2) All reserve accounts for the Project will be established in separate FDIC insured, interest-bearing accounts.
3) The Project will close any operating or reserve accounts associated with the individual projects and deposit balances into operating and replacement reserves for the Bundle.
4) MEDA will provide the Bank of San Francisco's signed and executed updated term sheet with the final loan terms by Loan Committee, with documentation of the length of the rate lock, and the Bank of San Francisco's Board and Credit approval by closing.
5) The Project will achieve 95% occupancy.
6) MEDA will submit evidence of rent increase notices consistent with income maximization discussed in the loan evaluation.

7) MEDA shall submit missing data for all 2023 AORs to MOHCD's satisfaction.

12. RECOMMENDED POST-CLOSING LOAN CONDITIONS

1) MEDA will provide quarterly building-level vacancy reports to MOHCD, which will allow MOCHD to more accurately monitor building-level vacancies.
2) No later than January 1, 2026, MEDA will provide a MOHCD-approved Operational and Organizational plan that will detail actionable steps, controls, and protocols that will ensure effective interdepartmental coordination, the delivery of efficient development, leasing, and asset management functions, and portfolio stability. An income maximization strategy will also be required and will include, but is not limited to, actions to implement consistent yearly rent increases, Key Performance Indicators (KPIs) around financial performance and income maximization, actions to be taken if KPIs are not met, monthly financial reporting to the MEDA Board's Finance Committee, if feasible, and the delivery of copies of those monthly financial reports to MOHCD. Disbursements will be paused if the assessment is not received by January 1, 2026 and will resume upon receipt of the Operational and Organizational plan.
3) MEDA will adhere to the Operational and Organizational plan, evaluate organizational and Bundle progress and performance no less than monthly, and meet with MOHCD quarterly to discuss reported findings, including vacancies, budget, rent delinquencies, and other KPIs.
4) MEDA will report monthly, or as approved by MOHCD, to its Board on KPIs and progress on any required AMR and AOR reporting. MEDA will be required to submit these meeting minutes to MOHCD quarterly and made available to MOHCD one week in advance of scheduled quarterly meetings, as referenced above, or at a frequency acceptable to MOHCD.
5) MEDA will be required to present a long-term solution for the Bundle, acceptable to MOHCD, which may include applying for tax credits, within five years of Loan Closing. As a part of the long-term solution for the Bundle, MEDA will be required to identify how they will address the anticipated depletion of Replacement Reserves after Year 10. MEDA will be expected to provide quarterly updates on the progress of identifying a long-term solution post-closing.
6) MEDA will perform a window survey, at sites where window replacements are proposed, and share the results with MOHCD's Construction Representative within 90 days of loan closing.
7) Any excess proceeds will be deposited into the Project's Replacement Reserve.
8) MEDA will apply for grants, rebates and credits for which they are eligible for any relevant rehabilitation scope, including the Multifamily Energy Savings Program

immediately after closing and through the preconstruction and rehabilitation period. MEDA will report on progress in their monthly construction reports and during bimonthly meetings.

9) MEDA will strategically coordinate the weatherization and electrification upgrades around incentives in order to maximize the incentives received.
10) MEDA will meet with a MOHCD Project Manager, and MOHCD Construction Representative as necessary, at least twice a month from the date of loan close through construction completion, to provide updates on Project construction progress, budget, and loan conditions.
11) MEDA will be required to obtain a formal Planning Department determination if the Project requires Planning Department approval of permits.
12) By January 1, 2026, MEDA shall assess its procedures, staffing and systems to identify the causes of late AOR and AMR reporting and share the assessment with MOHCD. Disbursements will be paused if the assessment is not received by January 1, 2026 and will resume upon receipt of the assessment.
13) By April 1, 2026, MEDA shall propose a plan to address the identified causes, which shall include revisions to procedures, tools, systems, staffing responsibilities, etc. The plan shall have an implementation timeline of 2-3 years, with a goal of submitting AMRs timelier each year and on time by the final year of the plan. Disbursements will be paused if the assessment is not received by April 1, 2026 and will resume upon receipt of the implementation plan.
14) MEDA will provide monthly post-closing reports until all Loan Conditions are met.
15) Any outstanding AMRs must be submitted before funds for the first post-closing draw for the Project can be disbursed.

Attachments:

Appendix A	Development and Asset Management Teams
Appendix B	Recent Development Activity
Appendix C	MOHCD Construction Representative Evaluation
Appendix D	Previous Rehab and ADA Compliance
Appendix E	Acquisition Due Diligence
Appendix F	Operating Cost Comp Charts
Exhibit A	Development Sources and Uses
Exhibit B	Annual Operating Budget
Exhibit C	20-Year Cash Flow

LOAN APPROVAL RECOMMENDATION

[ ] APPROVE. [ ] DISAPPROVE.

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Lydia Ely
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Date: 9/19/2025 | 12:10 PM PDT

Lydia Ely, Deputy Director
Mayor's Office of Housing and Community Development

[ ] APPROVE. [ ] DISAPPROVE.

DocuSigned by:
Marc Slutzkin
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Date: 9/19/2025 | 12:31 PM PDT

Marc Slutzkin, Deputy Director
Office of Community Investment and Infrastructure

[ ] APPROVE. [ ] DISAPPROVE.

DocuSigned by:
Kristina Leonoudakis Watts
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Date: 9/23/2025 | 11:31 AM PDT

Kristina Leonoudakis, on behalf of Salvador Menjivar,
Housing Director
Department of Homelessness and Supportive Housing

[ ] APPROVE. [ ] DISAPPROVE.

DocuSigned by:
Vishal Trivedi
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Date: 9/19/2025 | 1:02 PM PDT

Vishal Trivedi, on behalf of Anna Van Degna,
Director
Controller's Office of Public Finance

Appendix A: Development Team, Asset Management Team, and Board of Directors

Jose Garcia, Chief Real Estate Officer. Jose attended Cal Poly San Luis Obispo, receiving a B.A. in Business Administration with a concentration in International Business. He is determined to keep a strong Latino Community in the Mission District. Before joining MEDA, Jose was a Relocation Consultant for Overland, Pacific, and Cutler LLC, where he worked alongside MEDA during the rehabbing of five former public housing developments under the Rental Assistance Demonstration (RAD) program (a total of 439 units for seniors and disabled San Franciscans). Jose has been involved in 29 out of the 39 SSP buildings in different phases. Jose has completed one new construction project: 681 Florida, a 130-unit building for formerly homeless individuals and families, and is currently managing 1979 Mission Street.

Lupe Mercado, Assistant Project Manager, Preservation. Lupe holds an associate's degree in accounting and has been working with MEDA for six years in various roles in MEDAs ABP, ERAP Housing Coordinator during COVID for MEDA under LISC, Financial Capability Coach, HUD Certified Housing Counselor, Leasing Specialist, and now Assistant Project Manager. She also has one year of experience working with title companies. Lupe holds several certifications, including HUD Certified Housing Counselor, NeighborWorks Post Purchase Education Housing Counselor, Advanced Tax Credit Specialist, Foreign Student Tax Certificate, and COA IRS ITIN. She successfully completed the construction for 239 Clayton Street and secured permanent loan financing through MOHCD. Similarly, she led the acquisition of 40 Sycamore Street with permanent financing through MOHCD.

Luis Daniel Cruz, Assistant Project Manager, Preservation. Daniel graduated from the University of California, Los Angeles, with degrees in Sociology and Urban and Regional Planning, focusing on regional economic development and housing. Before joining MEDA, he taught at the Los Angeles Unified School District. At MEDA, Daniel has successfully managed multiple projects, including the 300 Ocean preservation project, which added 8 units to San Francisco's affordable housing pool through collaboration with HAF and MOHCD. He also handled the construction completion and permanent financing of projects at 3225 24th Street and 566 Natoma. Currently, Daniel leads MEDA's largest Small Sites Acquisition, a portfolio project comprising over 100 units across two properties in the Mission District, aimed at addressing the housing needs of San Francisco's most vulnerable population.

Sara Lope, Construction Consultant. Sara was the MEDA Construction Manager for over two years and has now transitioned to Construction Management Consultant. She holds a B.A. in Architecture from Newschool of Architecture and Design in San Diego, and a B.A. in Construction Management from Universidad Politecnica de Burgos, Spain. Her architectural background has helped MEDA with ADUs and commercial ADA improvements, and her construction management expertise has allowed her to assist in over 33 SSP projects.

Leslie Molina, Associate Director of Asset Management. Leslie was hired in November 2021. She is responsible for the overall physical and financial health of MEDA's residential and commercial property portfolio. She is a real estate professional with thirty (30) years of experience in the nonprofit, affordable-housing sector and the San Francisco conventional market. She brings a wealth of knowledge and deep understanding of organizational management, financial management and asset management. She holds industry standard certifications from the National Center for Housing Managers (NCHM) and the San Francisco Apartment Association (SFAA). In addition, Leslie holds a real estate license from the California Department of Real Estate and has been a licensed real estate agent for eighteen(18) years. She specializes in single family residence (SFR), residential and commercial condominiums, mixed-use buildings and multi-family units. Leslie has successfully managed and executed real estate strategies that exceed organizational objectives.

Luis Cruz, Affordable Housing Leasing Admin.
Luis has over two (2) years of office administration experience and is currently using his administrative experience to assist the leasing efforts and income certifications for asset management. Luis' role consists of maintaining a high occupancy rate across the portfolio and responding to potential tenant interest for rental properties in person and via digital platforms. In addition, maintain the building's waitlist, and unit showing, answer questions, and finalize leases. Luis also prepares potential tenant background checks, including reference letters, rental history, income verification, and lease application.

Edgar Garcia Solis, Capital Improvements Manager.
Edgar Garcia Solis brings over 15 years of extensive experience in the construction industry to his role. Before joining MEDA, he served as an Assistant Project Manager in construction management with a prominent general contractor, overseeing projects valued at over $15 million. Currently, Edgar serves as the Capital Improvements Manager, leading the charge in stabilizing MEDA's small sites portfolio spread across over 38 properties throughout the city of San Francisco.

Board of Directors

A 15-person Board of Directors, composed of community members, nonprofit professionals, and corporate leaders with deep expertise, governs MEDA. The Chairperson is Rafael Yaquián, Partner at Goldfarb & Lipman LLP; the Vice Chairperson is M. Teresa García, Family Resource Center Program Associate at First 5 San Francisco; the Secretary is

Marco Chavarín, Senior Vice President Financial Access Partnership Manager at Citi; and the Treasurer is Whitney Jones, Director of Housing Development at Chinatown CDC.

Additional board members include Ed Cabrera, Regional Public Affairs Officer at the U.S. Department of Housing and Urban Development, Region 9; Ysabel Duron, Founder and President of the Latino Cancer Institute; Teddy Vásquez Gray King, Partner at Synergy Public Affairs; Rich Gross, Founding President Emeritus of the Board and member of the Credit Committee for the Housing Accelerator Fund; Dr. Carina Marquez, Associate Professor of Medicine at the University of California, San Francisco (UCSF); Carolina Martínez, CEO of the California Association for Micro Enterprise Opportunity (CAMEO); Manuel Santamaría, Senior Philanthropic Leader; Kevin Stein, Associate Director at the California Reinvestment Coalition; Bianca López, Research Associate at Insights and Evidence; Joyce Slen, Assistant Vice President and Project Manager for Affordable Housing for US Bank; and Antonio Isais, Northern California Deputy Regional Director of External Affairs at the Office of California Governor Gavin Newsom.

Appendix B: Recent Development Activity.

	Name/Location	Status/Year Completed	Total Units
1	2901 16th Street	Acquired 9/18/2024, In Preconstruction	71 Units
2	2059 Mission Street	Acquired 9/6/2024, In Preconstruction	39 Units
3	3661 19th Street	Acquired 1/27/2023, In Construction	12 Units
4	40 Sycamore Street	Acquired 6/23/2023, In Construction	3 Units
5		Acquired 6/15/2020, Construction Completed 11/17/2022, Closed with MOHCD Permanent Financing 11/14/2023	

Appendix C: MOHCD Construction Representative Evaluation

3329 20th Street
No work is planned for this property.

3182-3198 24th Street
Wooden Egress Stair. The building is in need of egress stair replacement and partial siding replacement surrounding the stair. During the site walk, it was noticed the stairs, handrails and landing platforms were indeed in need of repair and likely replacement, as seen by the exposed wood and areas of deterioration.

Roofing. The roofing membrane was used at the siding and landing areas, and it was noted there was at least one water intrusion area. It is recommended these repairs take place soon and that the team consider more contingency on top of their 15% for any unforeseen at the landing and siding transitions.

3353 26th Street
Building Exterior. This site is in need of significant siding replacement in the back lightwells and requires partial window replacement and resetting in units and common spaces. During the walk it was noted some windows looked in better condition than the initial evaluation. It is recommended MEDA & their contractor review all windows prior to work and consider if any windows can stay.

Electrical upgrade. The electrical service is also in need of upgrades from knob-and-tube and requires installation of a new main disconnect and switchgear for 12 meters. MEDA has budgeted $50,000 for this work and should consider holding additional contingencies for engineering work that may be required.

Because of the significant weatherization work on 3353 26th St, MEDA could have an opportunity for a weatherization grant, if it's offered.

1500 Cortland Avenue
Roof replacement. The scope will include replacement of the built-up roof. The roof was not inspected at the time of the site visit.

Intercom replacement. The building gate doorbells currently do not work. Scope will include replacing the intercom system.

Exhaust fans. The exhaust fans in all units will be replaced.

642 Guerrero Street

Electrical upgrade (including service). The existing electrical system is obsolete and not grounded (two prong outlets and missing and/or non-operational GFCIs). The existing service is 200A and it is not enough for 4 units. The scope proposes rewiring all 4 units, repairing exterior lighting, and a new 400 A service.

HVAC systems upgrade.

- Venting: The scope includes installing a Kitchen hood and a Bathroom fan in units 642 and 646. Unit 644 and 646A have already completed this work.
- Heating: The existing gas wall heaters are outdated and not operational. The scope proposes new mini-split systems for all units to allow for decarbonization of the heating system.

Window replacement. Existing windows are original old single-pane windows. Many of these windows do not operate properly and are not energy efficient. The scope proposes to replace all windows.

Fence and stair repair. The original scope includes replacing the south side fence and egress stairs repairs.

Exterior doors. The exterior doors will be replaced.

Patching and painting. The patching and painting for electrical and HVAC work is not included. It is recommended the project sponsors set aside funds for patching and painting after upgrades are completed at each unit.

Because of the significant weatherization and decarbonization work planned on 3353 26th St, MOHCD recommends the project sponsors seek opportunities for energy efficiency incentives.

35 Fair Avenue

Exterior building finishes. The façade siding is worn and needs repair/waterproofing and repainting. The lightwell siding had been only partially repaired during the acquisition rehab, and it will be completed with this rehab. Siding will be repainted and repaired.

Roofing. The flat roof has outlived its remaining useful life. A new 3-layer roof will be installed and the chimney will be removed.

<u>3840 Folsom Street</u>

Building exteriors.

- Garage: At time of the site visit, the garage showed signs of major deterioration. The garage door hardware was not operational and there was a hole in the garage roof, which promoted dry rot of the wooden structure. Scope includes replacing the garage door hardware, replacing the garage built-up roof and re-sloping the roof deck to allow for proper water drainage and installation of scuppers and drains. It was discussed with MEDA to include additional funds to repair the wood dry rot as there does not appear to be fund set aside for this scope.
- Exterior stucco: The scope will include a new acrylic coating, front juliette replacement and back lightwell wood seal.
- Main roof replacement: The scope includes a partial replacement of the roof to include the main gable roof with bay, upper and lower hipped sheds' roofs, and gutters and downspouts replacement.

Windows. The scope includes partial replacement of windows at all the units that are either single pane or showing Signiant signs of deterioration.

<u>63-67 Lapidge Street</u>

Roof. The last reroofing on the building occurred in 1998 (permit #9810885). At the time of the site visit, there was no access to the roof to verify conditions. Scope includes repairing the roof based on inspection report, including sealing behind the façade.
Windows: Existing windows are original old single-pane windows. Many of these windows do not operate properly and are not energy efficient. The scope proposes to replace street facing windows with double pane, wood and replace non-street facing windows with double pane vinyl at all units.

HVAC replacement. The current space conditioning system is a gas, wall heater that is outdated. Additionally, the electric wall heater in the front and back rooms do not appear to be a sufficient heating source. According to the project sponsors, the electric wall heaters have since been repaired, however, the MOHCD CR has not been on site to verify this. Future scope of work includes upgrading the remaining gas wall heater to electric. This work will be deferred in order to pair with solar and electrification measures. MOHCD recommends the project sponsors review energy efficiency incentive programs to ensure project will qualify with remaining planned work.

<u>2217 Mission Street</u>

Exterior egress stairs repairs. During the site visit, there was visible damage to the landing and walls of the wooden egress stairs. The original scope included replacement/repair as needed. According to the project sponsor, the repairs have already been completed. MOHCD verified that the work has been completed via photos.

Window replacement. Existing windows are original old single-pane windows. Many of these windows do not operate properly and are not energy efficient. The scope proposes to replace windows at units 101, 204 and common areas. Windows at unit 103 have since been replaced. Windows at unit 104, 201, 203 will be replaced in the future.

Water leakage at two bathrooms. Original scope included replacing the bathroom flooring, bath tub and exhaust fan at unit 103 and 204. There was a clear visual of water leakage from the ground floor commercial space. The project sponsors states the source of the leak has been identified and fixed. This is no longer in scope.

Exhaust fans. Bathroom exhaust fans in unit 103 and 204 will be replaced with energy efficient fans to improve ventilation.

<u>3800 Mission Street</u>

Window replacement. The majority of the work involves window replacement. Some windows had been replaced previously with acquisition. The remaining original 35 windows are old single-pane double-hung windows, many of which are inoperable, and will all be replaced with double-hung dual pane, wood windows at the front facades and vinyl at the back.

Roofing. The flat roof has outlived its remaining useful life and will be stripped and hot-mopped, with flashing installed at penetrations and edges.

HVAC. The upgrades that were performed in the commercial space at acquisition inadvertently removed the electric wall heaters without a replacement. According to the project sponsors, a heating system has since been installed. The MOHCD CR has not been on site to verify the installation or effectiveness of the heating unit. The original scope at the commercial unit proposed new, electric, energy efficient wall heaters but project sponsors are now proposing to delay the scope of work in order to pair with solar and electrification measures.

In the tenant space at 3800, electric wall heaters were originally planned to be upgraded to a new, energy efficient system. This scope is now proposed to be delayed to pair with solar and electrification measures.

Bathroom exhaust fans at two units will be upgrade for improved ventilation.
It is recommended MEDA reviews energy efficiency incentive programs to ensure project will qualify as planned. Most incentive programs will not provide incentives for any electric-to-electric upgrades (i.e. electric wall heater to heat pump system). Additionally, more incentives may be available if paired with window or other weatherization upgrades.

<u>19- 23 Precita</u>
Window replacement. Some windows had been replaced previously with acquisition. The remaining original 35 windows are old single-pane double-hung windows, many of which are inoperable. All windows will be replaced with double-hung dual pane, wood windows at the front facades and vinyl at the back.

Exterior building finishes. The front stucco façade will be repaired and waterproofed. The side and back façades' siding will be replaced and painted.

Roofing. The flat roof has outlived its remaining useful life. Scope includes a new three-layer shingles roof and chimney removal.

Alley Gate. The wood alley gate will be repaired to ensure it's proper function.

<u>344 – 348 Precita Avenue</u>
Window replacement. Some windows had been replaced previously with acquisition. The remaining original 17 windows are old single-pane double-hung windows, many of which are inoperable, and will all be replaced with double-hung dual pane, wood windows at the front facades and vinyl at the back.

Roofing. The flat roof has outlived its remaining useful life and will be stripped and hot-mopped, with flashing installed at penetrations and edges.

Exterior stairs/deck. The rear exit stairs and landing decking at three stories are sufficiently warn and rotten to warrant replacement.

Electrical/HVAC. The current space conditioning system is a gas, wall heater that appears to be functioning and in fair condition. The original scope of work included upgrading the space conditioning system to an all-electric, energy efficient heat pump system (PTAC or Mini split) with an electric service upgrade to prepare for a future ADU. This has since been removed from scope. The existing wall heater will stay in place.

Plumbing. At the time of the site walk, the building was experiencing leaks at the galvanized domestic water pipes. This has since been repaired and will not be included in the scope of work.

Unit entry doors. Three unit doors appear to be weathered/worn. These doors, along with lever hardware and door framing will be replaced.

<u>269- 271 Richland Avenue</u>

Building exteriors:

- Exterior doors: The door and door hardware will be replaced on unit #271.
- Exterior siding: The siding will be replaced and repaired as needed to maintain the integrity of building.
- Doorbells: The doorbells to units 271 and 271B do not work. Scope includes replacement of doorbells.

Plumbing. The plumbing drainage system was reported to be slow. Scope to include replacement of sewer lines. MEDA has budgeted $20,000 for this work. Depending on route of sewer lines and extent of work, it is recommended to reserve additional funds to complete this work, including site demo and permitting fees (plumbing). If work extends onto the street, additional encroachment permits and minor coordination with MTA will be required.

Electrical. The house meter will be upgraded. MEDA has budgeted $4,000 for the install. PG&E fees have already been paid and are not included in this line item. It was discussed with MEDA that this amount appears to be reasonable but it is recommended to include additional contingencies for any unforeseen electrical work that may be associated with the install.

Windows. A majority of windows in all units were double pane vinyl. Scope includes replacement of 3 single pane windows to double pane.

Carpet replacement. At time of inspection, the tenant in #271 complained about a dip in the floors, causing their elderly parent to trip. The remaining carpet in units 271 and 271B appear to be in fair condition. Scope includes replacing carpet with vinyl plank flooring. MEDA has budgeted $16,350 for both units. It is recommended to set aside additional funds for exploratory work of the subfloor in unit 271 to investigate the cause of the “dip” and fix as needed.

Mold remediation. At the time of the site visit, the tenant in unit 269B reported mold in the closet ceiling closest to the bathroom. This is not addressed in the current scope of work, however, it was discussed with the MOHCD CR that the tenants were asked to file a work order instead.

380 San Jose Avenue

Windows. A large scope of work includes replacing the original single pane, wood windows at all units. During the site visit, it was noted that some windows had previously been upgraded to double pane vinyl, notable in unit #2 and #3. A large portion of the window scope in these two units can be reduced.

Interior finishes.

- Kitchen appliances: Kitchen appliances ranged in age and condition between all 4 units. Scope includes replacement of gas stove/ oven combo and refrigerators.
- Flooring: The kitchen linoleum flooring in all 4 units appeared worn and aged. Scope will include replacement with tile.
- Interior lights: Scope includes maintenance and replacement of light bulbs in unit 2. Depending on quantity and type of bulb, it is recommended to reduce the budget from $1,650.

Interior paint. A fresh coat of paint at all units is included.

Exhaust fans. Exhaust fans at all units will be replaced.

Exterior finishes.

- Wood stair deck: The wooden stair deck in the rear yard appeared to be in moderate condition. Scope includes repairs to the deck to maintain its integrity. Confirm scope. $10k compared to the other projects seems high.
- Metal Rail: Scope includes replacing the metal railing. During the site walk, the railing appeared to be in moderate condition with no major concerns.
- Garage: Scope includes replacing the existing single car garage door with a new metal motorized door.
- Paint: Paint the exterior wood siding for maintenance.

1015 Shotwell Street

1015 Shotwell St is a clean 10 unit building in the Calle 24 neighborhood. The exterior was refinished with plaster by the previous owner and overall, the building is in good condition. There was recent mold and water issues caused by plumbing in an upper floor unit, which is actively being repaired and the lower unit having the bathroom refinished.

Electrical. Currently, the building only has a master electrical meter. Proposed scope includes installing separate tenant meters. MEDA has a budget of $7,800 to support the install. PG&E fees have already been paid and are not part of this budget. It was discussed with MEDA that this amount appears to be reasonable but it is recommended to include additional contingencies for any unforeseen electrical work that might be associated with the install.

Appendix D: Previous Rehab and ADA Compliance

Previous Rehabilitation Work

Address	Previous Completed Rehabilitation Work
3329 20th Street	• Safety improvements • Structural and envelope upgrades • Partial window replacements • Siding repair/replacement, and painting • Full upgrades to its electrical, fire alarm, and HVAC systems • Refurbished all kitchens and bathrooms • Replaced interior finishes
3182 24th Street	• Crucial life safety enhancements • Structural and envelope upgrades, including roof repairs, partial window replacements, siding repair and replacement, and paint • Extensive electrical and HVAC system upgrades • All kitchens refurbished kitchens • Most bathrooms refurbished • Commercial spaces received thorough ADA compliance, HVAC optimization, and finishing upgrades
3353 26th Street	• Comprehensive remodel of residential units • Interior and exterior fixture upgrades • Common area improvements • Roof replacement • Life safety upgrades, including new fire alarm installation
1500 Cortland Avenue	• Seismic reinforcement • Electrical upgrade • Roof repair • Exterior repair and repaint • Window replacement
35 Fair Avenue	• Structural retrofit • Decking system replacement • Electrical system upgrades • Roof repair • Partial siding replacement • 3 bathroom refurbishments with dry rot repairs • Minor interior upgrades • Accessibility, life, and safety upgrades
3840 Folsom Street	• Seismic reinforcement • Electrical upgrades • Unit repair

	• Limited window replacement
642 Guerrero Street	• Interior painting and wall patching • Repainted kitchen cabinetry • Minor bathroom repair • Carpet cleaning
63 Lapidge Street	• Window repair • Roof repair • Laundry installation • Electrical system upgrades
2217 Mission Street	• Soft story retrofit • Replacement of exterior stairs and landings • Siding replacement • Exterior paint • Roof repair • Exterior window replacement • Unit improvements
3800 Mission Street	• Roof repair • Partial window replacement • Siding repair and replacement • Exterior paint • Electrical upgrades • All kitchens refurbished • 1 bathroom refurbishment • Commercial spaces received thorough ADA compliance, HVAC optimization, and finishing upgrades
19 Precita Avenue	• Life safety improvements • Structural and envelope upgrades • Roof repairs • Window repairs • Sunroom repairs that included reframing, siding, and window replacement
344 – 348 Precita Avenue	• Life safety improvements • Back façade window and siding replacement • Full façade repair and repaint • 2 kitchen refurbishments • 1 bathroom refurbishment
269 Richland Avenue	• Roof replacement • Exterior and interior paint • Electrical repair • Plumbing repair • Attic ventilation • Deck and stair repair/replacement

380 San Jose Avenue	• Seismic reinforcement • Roof replacement • Exterior repair and repaint • Unit improvements • Limited window replacement
1015 Shotwell Street	• Life safety improvements • Roof repair • Front door replacement • Electrical upgrade • Fire alarm system upgrade • HVAC system upgrade • 3 kitchen refurbishments • 4 bathroom refurbishments

Site-Specific ADA Compliance

	ADA Compliance	
Site	**Residential**	**Commercial**
3329 20th St	Adaptable Units: units 1, 2, 3, and 4 have an adaptable Kitchen and grab bars.	
3182 24th St	All front doors have new lever hardware.	Full ADA requirements are met in all commercial spaces
3553 26th St	Adaptable and Communication Unit: unit 2 has an adaptable Kitchen, communication unit features, and bathtub and toilet grab bars.	Accessible business entrance requirements are met in the existing commercial space.
1500 Cortland Ave	N/A	
35 Fair Ave	Adaptable and Communication Unit: unit 29 has communication unit features, and bathtub and toilet grab bars.	N/A
3840 Folsom St	N/A	
642 Guerrero St	N/A	N/A
63 Lapidge St	N/A	N/A
2217 Mission St	Adaptable and Communication Unit: unit 104 has communication unit features, and bathtub and toilet grab bars.	Full ADA requirements are met at the existing commercial.
3800 Mission St	Adaptable Unit: unit 98 Richland has an adaptable Kitchen, and bathtub and toilet grab bars.	Full ADA requirements are met in all commercial spaces.

	Communication Unit: unit 3802 Mission St. This unit also has a partial stairs lift	
19 Precita Ave	Communication Unit: unit 23 Precita Ave	N/A
344 Precita Ave	344 and 346 Bathtub grab bars	N/A
269 Richland Ave	Partial Adaptable Unit (ADA Kitchen and Bathroom): 271A Communication Unit: Unit 271C	
380 San Jose Ave	N/A	
1015 Shotwell St	Adaptable Unit: unit 6 has an adaptable Kitchen, and bathtub and toilet grab bars. Communication Unit: unit 1.	N/A

Appendix E: Acquisition Due Diligence

<u>Phase One Results:</u>
3329 20th Street: A Phase I report dated July 21, 2016 was completed by Essel Environmental Consulting. No issues were identified.

3182 24th Street: A Phase I Environmental Site Assessment Report, prepared by Essel Environmental & Consulting on July 2, 2016 identified that dry cleaners were on the Site and within 1/8-mile and upgradient of the Site. No documented spills or releases of chemicals associated with the facilities had been identified; however, based on proximity to the Site, the potential for a vapor encroachment condition (VEC) at the Site couldn't be ruled out. No additional investigation was recommended but MEDA proceeded with soil gas sampling to achieve a greater degree of certainty of a VEC or a potential vapor intrusion risk.
At the request of the Project's first mortgage lender, Enterprise Community Loan Fund, MEDA commissioned Partner Engineering and Science, Inc. ("Partner") to collect and analyze soil gas samples from beneath the basement slab. None of the analyzed gas samples contained detectable concentrations of VOCs above applicable commercial ESLs, and Partner concluded that "since the ground level of the existing building is commercial use only, the detections of VOCs in soil gas do not appear to pose any discernible vapor intrusion concern," and recommended no further investigation.

3353 26th Street: A Phase I Environmental Site Assessment Report, prepared by GEM Group, Inc., on May 12, 2025, identified no RECs, no historical RECs, no controlled RECs, and no deminimis conditions at this time. The potential presence of Asbestos Containing Materials ("ACMs"), Lead-Based Paint ("LBP"), and LIDW are considered a Business Environmental Risk ("BER"). Based on the findings, GEM Group, Inc., did not recommend further investigation at this time.

1500 Cortland Avenue: A Phase I report was completed by Essel Environmental Consulting in 2016. No issues were identified.

35 Fair Avenue: A Phase I Environmental Site Assessment Report, prepared by GEM Group, Inc., on May 12, 2025, identified no RECs, no historical RECs, no controlled RECs, and no deminimis conditions at this time. The potential presence of ACM, LBP, and LIDW are considered a Business Environmental Risk ("BER"). Based on the findings, GEM Group, Inc., did not recommend further investigation at this time.

3840 Folsom Street: A Phase I report was completed by Essel Environmental Consulting in 2016. No issues were identified.

642 Guerrero Street: A Phase I report was not required for this project. A Natural Hazard Disclosure Statement was submitted in lieu of the Phase I report.

63 Lapidge Street: A Phase I Environmental Site Assessment Report, prepared by GEM Group, Inc., on May 7, 2025, identified no RECs, no historical RECs, no controlled RECs, and no deminimis conditions at this time. The potential presence of ACM, LBP, and LIDW are considered a Business Environmental Risk ("BER"). Based on the findings, GEM Group, Inc., did not recommend further investigation at this time.

2217 Mission Street: A Phase I Environmental Site Assessment dated March 17, 2017 was completed by AEI Consultants ("AEI"). AEI did not identify evidence of Recognized Environmental Conditions or Controlled Recognized Environmental Conditions ("Hazards") at the property during the course of its assessment; consequently, AEI recommended no further investigation of the Project.

3800 Mission Street: A Phase I report dated July 21, 2016 was completed by Essel Environmental Consulting. No issues were identified.

19 Precita Avenue: A Phase I Environmental Site Assessment Report, prepared by GEM Group, Inc., on May 11, 2025, identified no RECs, no historical RECs, no controlled RECs, and no deminimis conditions at this time. The potential presence of ACM, LBP, and LIDW are considered a Business Environmental Risk ("BER"). Based on the findings, GEM Group, Inc., did not recommend further investigation at this time.

344 Precita Avenue: Phase I/II Site Assessment Status and Results: A Phase I report dated February 19, 2016 was completed by Phase One, Inc. No issues were identified.

269 Richland Avenue: A Phase I Environmental Site Assessment Report, prepared by GEM Group, Inc., on May 9, 2025, identified no RECs, no historical RECs, no controlled RECs, and no deminimis conditions at this time. The potential presence of Asbestos Containing Materials ("ACMs"), Lead-Based Paint ("LBP"), and LIDW are considered a Business Environmental Risk ("BER"). Based on the findings, GEM Group, Inc., did not recommend further investigation at this time.

380 San Jose Avenue: A Phase I Environmental Site Assessment Report, prepared by GEM Group, Inc., on May 8, 2025, identified no RECs, no historical RECs, no controlled RECs, and no deminimis conditions at this time. The potential presence of ACM, LBP, and LIDW are considered a Business Environmental Risk ("BER"). Based on the findings, GEM Group, Inc., did not recommend further investigation at this time.

1015 Shotwell Street: A Phase I Environmental Site Assessment Report, prepared by GEM Group, Inc., on May 7, 2025, identified no RECs, no historical RECs, no controlled RECs, and no deminimis conditions at this time. The potential presence of ACM, LBP, and LIDW are considered a Business Environmental Risk ("BER"). Based on the findings, GEM Group, Inc., did not recommend further investigation at this time.

Site Control.

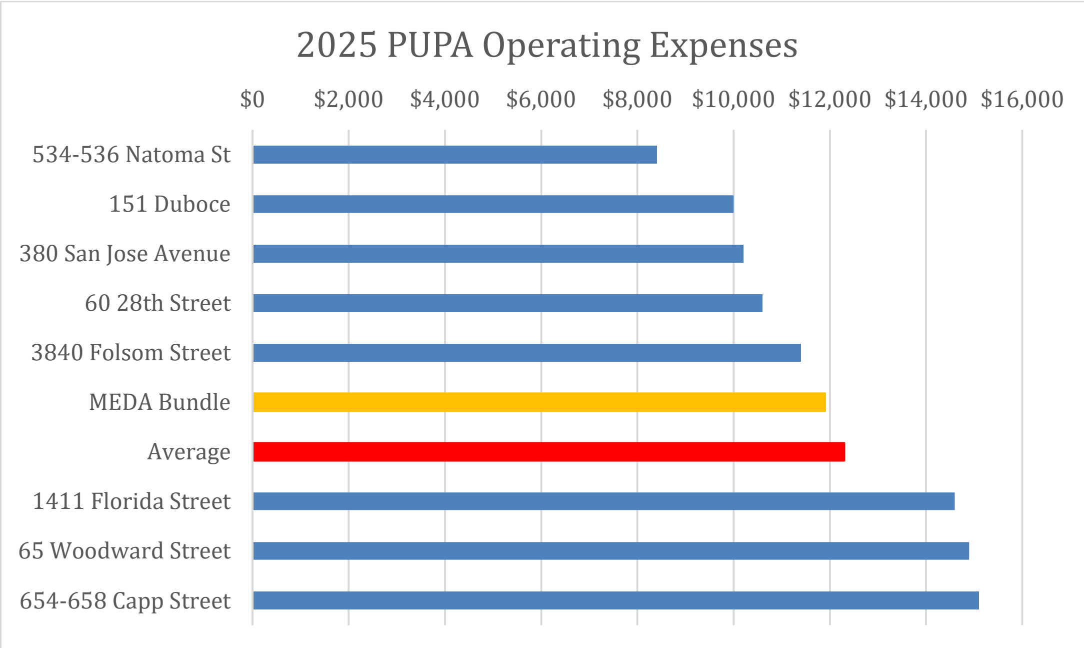
Address:	Acquisition Information
3329 20th Street	● Purchase Price: $900,000 ● Status of Purchase & Sale Contract: Executed ● P & S Contingencies: N/A ● Closing Date: 11/20/2017 ● Boston Private Loan Maturation Date: 11/14/2026
3182 24th Street	● Purchase Price: $2,340,000 ● Status of Purchase & Sale Contract: Executed ● P & S Contingencies: N/A ● Closing Date: 5/16/2017 ● Enterprise Community Loan Maturation Date: 4/28/2027
3353 26th Street	● Purchase Price: $1,550,000 ● Status of Purchase & Sale Contract: Executed ● P & S Contingencies: N/A ● Closing Date: 11/16/2017 ● Mechanics Bank Loan Maturation Date: 11/6/2027
1500 Cortland Avenue	● Purchase Price: $1,400,000

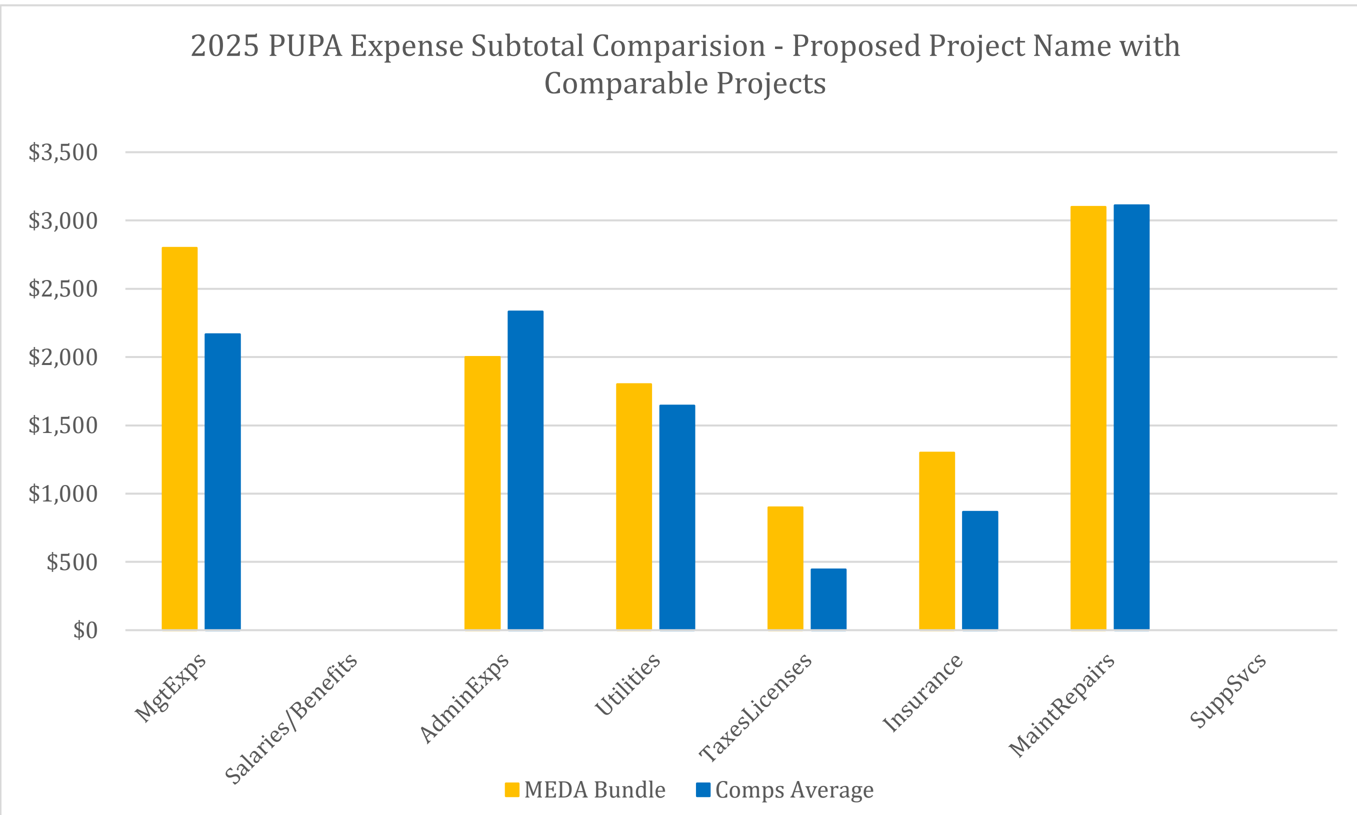
	• Status of Purchase & Sale Contract: Executed • P & S Contingencies: N/A • Closing Date: 7/22/2016 • Northern California Community Loan Fund/Community Vision Loan Maturation Date: 10/22/2026
35 Fair Avenue	• Purchase Price: $700,000 • Status of Purchase & Sale Contract: Executed • P & S Contingencies: N/A • Closing Date: 7/7/2017 • Mechanics Bank Loan Maturation Date: 8/1/2027
3840 Folsom Street	• Purchase Price: $1,192.500 • Status of Purchase & Sale Contract: Executed • P & S Contingencies: N/A • Closing Date: 9/13/2016 • Northern California Community Loan Fund/Community Vision Loan Maturation Date: 12/23/2026
642 Guerrero Street	• Purchase Price: $481,000 • Status of Purchase & Sale Contract: Executed • P & S Contingencies: N/A • Closing Date: 4/14/2017 • First Republic Loan Maturation Date: 2/1/2046
63 Lapidge Street	• Purchase Price: 1,192,000 • Status of Purchase & Sale Contract: Executed • P & S Contingencies: N/A • Closing Date: 4/14/2017 • Bank of San Francisco Loan Maturation Date: 4/12/2027

2217 Mission Street	- Purchase Price: $2,080,000 - Status of Purchase & Sale Contract: Executed - P & S Contingencies: N/A - Closing Date: 5/10/2017 - Boston Private Bank Loan Maturation Date: 5/8/2027
3800 Mission Street	- Purchase Price: $1,020,000 - Status of Purchase & Sale Contract: Executed - P & S Contingencies: N/A - Closing Date: 2/14/2017 - Northern California Community Loan Fund Loan Maturation Date: 2/24/2027
19 Precita Avenue	- Purchase Price: $740,000 - Status of Purchase & Sale Contract: Executed - P & S Contingencies: N/A - Closing Date: 9/29/2017 - Boston Private Bank Loan Maturation Date: 5/26/2027
344 - 348 Precita Avenue	- Purchase Price: $1,002,111 - Status of Purchase & Sale Contract: Executed - P & S Contingencies: N/A - Closing Date: 3/10/2017 - Boston Private Bank Loan Maturation Date: 3/2/2026
269 Richland Avenue	- Purchase Price: $1,300,000 - Status of Purchase & Sale Contract: Executed - P & S Contingencies: N/A - Closing Date: 3/10/2017 - Enterprise Community Loan Fund, Inc. Loan Maturation Date: 3/10/2027

380 San Jose Avenue	• Purchase Price: $1,450,000 • Status of Purchase & Sale Contract: Executed • P & S Contingencies: N/A • Closing Date: 1/22/2016 • First Republic Bank Loan Maturation Date: 2/1/2064
1015 Shotwell Street	• Purchase Price: $2,240,000 • Status of Purchase & Sale Contract: Executed • P & S Contingencies: N/A • Closing Date: 5/12/2017 • Mechanics Bank Loan Maturation Date: 6/1/2032

Appendix F: Operating Cost Comparable Charts





*Note: for SSP projects, Salaries and Benefits are included in the Management Fee.

Exhibit A: Development Sources and Uses

MOHCD Proforma - Permanent Financing Sources Uses of Funds

Application Date:
Project Name: MEDA REFINANCE BUNDLE
Project Address:
Project Sponsor: Mission Economic Development Agency

 # Units: 98
 # Bedrooms:
 # Beds:

Small Sites Project

							Total Sources	Comments	
SOURCES	37,820,766	13,000,000	-	-	-	-	50,820,766	6,240,000	
Name of Sources:	MOHCD/OCII	Bank of San Francisco							
USES Perm loans total:	50,690,766								
								Perm loan amount is more than bridge loan(s) by: 50690766.15	
ACQUISITION									
Acquisition cost or value	32,740,554	12,870,000					45,610,554	0	
Legal / Closing costs / Broker's Fee							0		
Holding Costs							0		
Transfer Tax							0		
TOTAL ACQUISITION	**32,740,554**	**12,870,000**	**0**	**0**	**0**	**0**	**45,610,554**		
CONSTRUCTION (HARD COSTS)									
* Unit Construction/Rehab	1,967,739						1,967,739	Include FF&E	
* Commercial Shell Construction							0		
* Demolition							0		
Environmental Remediation							0		
* Onsight Improvements/Landscaping							0		Construction line item costs as a % of hard costs
* Offsite Improvements							0		
* Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes	59,032						59,032		**2.5%**
GC Overhead & Profit	295,161						295,161		**12.7%**
CG General Conditions							0		**0.0%**
Sub-total Construction Costs	*2,321,932*	*0*	*0*	*0*	*0*	*0*	*2,321,932*		
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**0.0%**
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**0.0%**
Hard Cost Construction Contingency	354,193						354,193	18% (SSP Rehab- 3% hazmat contingency)	**15.3%**
Sub-total Construction Contingencies	*354,193*	*0*	*0*	*0*	*0*	*0*	*354,193*		
TOTAL CONSTRUCTION COSTS	**2,676,125**	**0**	**0**	**0**	**0**	**0**	**2,676,125**		
SOFT COSTS									
Architecture & Design									
Architect design fees							0	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms	
Design Subconsultants to the Architect (incl. Fees)							0		
Architect Construction Admin							0		
Reimbursables							0		
Additional Services							0		
Sub-total Architect Contract	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Other Third Party design consultants (not included under Architect contract)							0	Consultants not covered under architect contract; name consultant type and contract amount	
Total Architecture & Design	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
Engineering & Environmental Studies									
Survey							0		
Geotechnical studies							0		
Phase I & II Reports	0	30,000					30,000		
CEQA / Environmental Review consultants							0		
NEPA / 106 Review							0		
CNA/PNA (rehab only)	37,140						37,140	Zubi Consulting Invoice (Actual)	
Other environmental consultants							0	Name consultants & contract amounts	
Total Engineering & Environmental Studies	**37,140**	**30,000**	**0**	**0**	**0**	**0**	**67,140**		
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee							0		
Construction Loan Interest							0		
Title & Recording							0		
CDLAC & CDIAC fees							0		
Bond Issuer Fees							0		
Other Bond Cost of Issuance							0		
Other Lender Costs (specify)							0		
Sub-total Const. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*		
Permanent Financing Costs									
Permanent Loan Origination Fee	0	32,500					32,500		
Credit Enhance. & Appl. Fee							0		
Title & Recording	37,450						37,450		
Sub-total Perm. Financing Costs	*37,450*	*32,500*	*0*	*0*	*0*	*0*	*69,950*		
Total Financing Costs	**37,450**	**32,500**	**0**	**0**	**0**	**0**	**69,950**		
Legal Costs									
Borrower Legal fees	18,116						18,116	Actuals (Goldfarb Lipman Invoices) + Closing	
Land Use / CEQA Attorney fees							0		
Tax Credit Counsel							0		
Bond Counsel							0		
Construction Lender Counsel							0		
Permanent Lender Counsel	0	30,000					30,000	Bank of SF Counsel	
* MOHCD- City Attorney	15,000						15,000	MOHCD Single SSP Site Cost	
Total Legal Costs	**33,116**	**30,000**	**0**	**0**	**0**	**0**	**63,116**		
Other Development Costs									
Appraisal	0	37,500					37,500	Per Bank of SF Proposal	
Market Study							0		
* Insurance	59,032						59,032	2% base off 2059 Mission U/W + 1% cushion	
* Property Taxes							0		
Accounting / Audit							0		
* Organizational Costs							0		
Entitlement / Permit Fees							0		
* Marketing / Rent-up							0		
* Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines on: http://sfmohcd.org/documents-reports-and-forms	
PGE / Utility Fees							0		
TCAC App / Alloc / Monitor Fees							0		
* Financial Consultant fees							0		
Construction Management fees / Owner's Rep	81,600						81,600	Per MOHCD guidelines, 12 mos. Predev 12 mos. Construction	
Security during Construction							0		
* Relocation	0						0	Moving both ways, and Rent for 8 months Relo 269 Richland Unit for Structural Work	
PASS Program Fees							0		
GPR Fee	5,000						5,000	For Planning Application	Soft Cost Contingency as % of Total Applicable Soft Costs
Other (specify)							0		
Total Other Development Costs	**145,632**	**37,500**	**0**	**0**	**0**	**0**	**183,132**		
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	58,872	0	0	0	0	0	58,872	Should be either 10% or 5% of total soft costs.	**15.4%**
TOTAL SOFT COSTS	**312,210**	**130,000**	**0**	**0**	**0**	**0**	**442,210**		
RESERVES									
* Operating Reserves	473,572						473,572	503719.7436	
Replacement Reserves	1,618,306						1,618,306		
* Tenant Improvements Reserves							0		
* Other (specify)							0		
* Other (specify)							0		
* Other (specify)							0		
TOTAL RESERVES	**2,091,878**	**0**	**0**	**0**	**0**	**0**	**2,091,878**		
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones							0		
Developer Fee - Cash-out At Risk							0		
Commercial Developer Fee							0		
Developer Fee - GP Equity (also show as source)							0		
Developer Fee - Deferred (also show as source)							0		
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects	
Other (specify)							0		
TOTAL DEVELOPER COSTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**		
TOTAL DEVELOPMENT COST	**37,820,766**	**13,000,000**	**0**	**0**	**0**	**0**	**50,820,766**		
Development Cost/Unit by Source	385,926	132,653	0	0	0	0	518,579		
Development Cost/Unit as % of TDC by Source	74.4%	25.6%	0.0%	0.0%	0.0%	0.0%	100.0%		
Acquisition Cost/Unit by Source	334,087	131,327	0	0	0	0	465,414		
Construction Cost (inc Const Contingency)/Unit By Source	27,307	0	0	0	0	0	27,307		
Construction Cost (inc Const Contingency)/SF									
**Possible non-eligible GO Bond/COP Amount:*	*2,515,343*								
City Subsidy/Unit	385,926								
Tax Credit Equity Pricing:	N/A								
Construction Bond Amount:	N/A								
Construction Loan Term (in months):	N/A								
Construction Loan Interest Rate (as %):	N/A								
Small Sites									
Combined Loan to Value Ratio:							**111%**		
% of Acquisition Cost by Source	72%	28%	0%	0%	0%	0%	100%		
Small Sites Maximum Developer Fee	1,060,000								

Exhibit B: Annual Operating Budget

Application Date:		**Project Name:**	**MEDA REFINANCE BUNDLE**
Total # Units:	**98**	**Project Address:**	
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:**	**2025**	**Project Sponsor:**	**Mission Economic Development Agency**
Small Sites Project			***Correct errors noted in Col N!***

INCOME	Total	Comments		PUPA	PUPM
Residential - Tenant Rents	1,776,442	Links from 'Existing Proj - Rent Info' Worksheet		18,127	1,511
Residential - Tenant Assistance Payments (SOS Payments)	0	Comments			
Residential - Tenant Assistance Payments (Other Non-LOSP)	249,600	Links from 'Existing Proj - Rent Info' Worksheet		2,547	212
Commercial Space	356,761	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		3,640	
Residential Parking	18,910	Links from 'Utilities & Other Income' Worksheet		193	
Miscellaneous Rent Income	0	Links from 'Utilities & Other Income' Worksheet		-	
Supportive Services Income				-	
Interest Income - Project Operations	0	Links from 'Utilities & Other Income' Worksheet		-	
Laundry and Vending	4,406	Links from 'Utilities & Other Income' Worksheet		45	
Tenant Charges	0	Links from 'Utilities & Other Income' Worksheet		-	
Miscellaneous Residential Income	0	Links from 'Utilities & Other Income' Worksheet		-	
Other Commercial Income	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		-	
Withdrawal from Capitalized Reserve (deposit to operating account)				-	
Gross Potential Income	**2,406,119**	***Vacancy Formulas use percentages entered in cells G25-26; can be overridden, use negative #s!***			
Vacancy Loss - Residential - Tenant Rents	(177,644)	10%	Vacancy loss is 10% of Tenant Rents.	(1,813)	
Vacancy Loss - Residential - Tenant Assistance Payments	(24,960)	10%	Vacancy loss is 10% of Non-LOSP Tenant Assistance Pmts.	(255)	
Vacancy Loss - Commercial	(71,352)	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		(728)	
EFFECTIVE GROSS INCOME	**2,132,163**	***PUPA: 21,757***			
OPERATING EXPENSES					
Management					
Management Fee	137,592	SSP Schedule (2026)		1,404	117
Asset Management Fee	137,592	SSP Schedule (2026)		1,404	
Sub-total Management Expenses	**275,184**	***PUPA: 2,808***			
Salaries/Benefits					
Office Salaries	0	Links from 'Staffing' Worksheet		-	
Manager's Salary	0	Links from 'Staffing' Worksheet		-	
Health Insurance and Other Benefits	0			-	
Other Salaries/Benefits	0			-	
Administrative Rent-Free Unit	0			-	
Sub-total Salaries/Benefits	**0**	***PUPA: 0***			
Administration					
Advertising and Marketing	43,708			446	
Office Expenses	30,330			309	
Office Rent	0			-	
Legal Expense - Property	7,056			72	
Audit Expense	60,750			620	
Bookkeeping/Accounting Services	47,040			480	
Bad Debts	3,789			39	
Miscellaneous	0			-	
Sub-total Administration Expenses	**192,672**	***PUPA: 1,966***			
Utilities					
Electricity	49,614			506	42
Water	90,718			926	77
Gas	0			-	-
Sewer	37,083			378	32
Sub-total Utilities	**177,415**	***PUPA: 1,810***			
Taxes and Licenses					
Real Estate Taxes	89,388			912	
Payroll Taxes	0			-	
Miscellaneous Taxes, Licenses and Permits	0			-	
Sub-total Taxes and Licenses	**89,388**	***PUPA: 912***			
Insurance					
Property and Liability Insurance	126,969			1,296	
Fidelity Bond Insurance	0			-	
Worker's Compensation	0			-	
Director's & Officers' Liability Insurance	0			-	
Sub-total Insurance	**126,969**	***PUPA: 1,296***			
Maintenance & Repair					
Payroll	0	Links from 'Staffing' Worksheet		-	
Supplies	0			-	
Contracts	54,519			556	
Garbage and Trash Removal	75,584			771	
Security Payroll/Contract	0	Links from 'Staffing' Worksheet		-	
HVAC Repairs and Maintenance	0			-	
Vehicle and Maintenance Equipment Operation and Repairs	0			-	
Miscellaneous Operating and Maintenance Expenses	177,210			1,808	
Sub-total Maintenance & Repair Expenses	**307,313**	***PUPA: 3,136***			
Supportive Services	0	Links from 'Staffing' Worksheet		-	
Commercial Expenses	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		-	
TOTAL OPERATING EXPENSES	***1,168,941***	***PUPA: 11,928***			
Reserves/Ground Lease Base Rent/Bond Fees					
Ground Lease Base Rent	0		Provide additional comments here, if needed.	-	
Bond Monitoring Fee				-	
Replacement Reserve Deposit	58,800			600	
Operating Reserve Deposit	8,900			91	
Other Required Reserve 1 Deposit				-	
Other Required Reserve 2 Deposit				-	
Required Reserve Deposit/s, Commercial	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		-	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**67,700**	***PUPA: 691***	Min DSCR: 1.15		
			Mortgage Rate: 5.00%		
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond	**1,236,641**	***PUPA: 12,619***	Term (Years): 30		
			Supportable 1st Mortgage Pmt: 778,714		
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**895,522**	***PUPA: 9,138***	Supportable 1st Mortgage Amt: $12,088,348		
			Proposed 1st Mortgage Amt: $37,820,766		
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)					
Hard Debt - First Lender	778,238	Bank of San Francisco	Provide additional comments here, if needed.		
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd L	0		Provide additional comments here, if needed.		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0		Provide additional comments here, if needed.		
Hard Debt - Fourth Lender	0		Provide additional comments here, if needed.		
Commercial Hard Debt Service	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			
TOTAL HARD DEBT SERVICE	**778,238**	***PUPA: 7,941***			
CASH FLOW (NOI minus DEBT SERVICE)	**117,284**				
AVAILABLE CASH FLOW	**117,284**				
USES OF CASH FLOW BELOW (This row also shows DSCR.)	***1.15***				
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)					
Other Payments					
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)			Provide additional comments here, if needed.		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			Provide additional comments here, if needed.		
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)		Def. Develop. Fee split: 0%	Provide additional comments here, if needed.		
TOTAL PAYMENTS PRECEDING MOHCD	**0**	***PUPA: 0***			
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS	**117,284**				

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**No**
Will Project Defer Developer Fee?	**No**		
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr	50%		
% of Residual Receipts available for distribution to **soft debt lenders**	50%		

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	$37,820,766	45.33%
MOHCD/OCII - Ground Lease Value or Land Acq Cost	Acquisition Cost	$45,610,554	54.67%
HCD (soft debt loan) - Lender 3			0.00%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
MOHCD Residual Receipts Amount Due	58,642	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	0	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Leas	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS	**58,642**	***Total Resid Receipts due not allocated, please revise F142***
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE		
HCD Residual Receipts Amount Due	0	
Lender 4 Residual Receipts Due	0	
Lender 5 Residual Receipts Due	0	
Total Non-MOHCD Residual Receipts Debt Service	**0**	
REMAINDER (Should be zero unless there are distributions below)	**58,642**	
Owner Distributions/Incentive Management Fee	58,642	100% of Borrower share of 50% of residual receipts
Other Distributions/Uses	0	
Final Balance (should be zero)	**0**	

Exhibit C: 20-Year Cash Flow

MEDA REFINANCE BUNDLE — Small Sites Project

Total # Units: 98

	% annual increase	Year 1 2025 Total	Year 2 2026 Total	Year 3 2027 Total	Year 4 2028 Total	Year 5 2029 Total	Year 6 2030 Total	Year 7 2031 Total	Year 8 2032 Total	Year 9 2033 Total	Year 10 2034 Total
INCOME											
Residential - Tenant Rents	2.5%	1,776,442	1,818,405	1,861,489	1,905,722	1,950,825	1,999,596	2,049,586	2,100,825	2,153,346	2,207,180
Residential - SOS Payments	4.0%	-	-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	1.5%	249,600	253,344	257,144	261,001	264,916	268,890	272,923	277,017	281,173	285,390
Commercial Space	3.0%	356,761	368,712	379,622	391,215	403,084	415,236	427,681	440,428	453,640	467,250
Other Income		-	-	-	-	-	-	-	-	-	-
Gross Potential Income		**2,406,119**	**2,464,360**	**2,522,752**	**2,583,047**	**2,644,562**	**2,710,102**	**2,777,230**	**2,845,986**	**2,916,567**	**2,988,938**
Vacancy Loss - Residential - Tenant Rents	n/a	(177,644)	(181,841)	(186,149)	(190,572)	(195,083)	(199,960)	(204,959)	(210,083)	(215,335)	(220,718)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	(24,960)	(25,334)	(25,714)	(26,100)	(26,492)	(26,889)	(27,292)	(27,702)	(28,117)	(28,539)
Vacancy Loss - Commercial	n/a	(71,352)	(73,742)	(75,924)	(78,243)	(80,617)	(83,047)	(85,536)	(88,086)	(90,728)	(93,450)
EFFECTIVE GROSS INCOME		**2,132,163**	**2,183,443**	**2,234,964**	**2,288,132**	**2,342,371**	**2,400,206**	**2,459,443**	**2,520,116**	**2,582,388**	**2,646,231**
OPERATING EXPENSES											
Management	3.5%	275,184	284,815	294,784	305,101	315,780	326,832	338,271	350,111	362,365	375,048
Salaries/Benefits	3.5%	-	-	-	-	-	-	-	-	-	-
Administration	3.5%	192,672	199,416	206,395	213,619	221,096	228,834	236,843	245,133	253,713	262,592
Utilities	3.5%	177,415	183,625	190,051	196,703	203,588	210,713	218,088	225,721	233,622	241,798
Taxes and Licenses	3.5%	89,388	92,517	95,755	99,106	102,575	106,165	109,881	113,726	117,707	121,827
Insurance	3.5%	126,969	131,413	136,012	140,773	145,700	150,799	156,077	161,540	167,194	173,046
Maintenance & Repair	3.5%	307,313	318,069	329,201	340,723	352,649	364,991	377,766	390,988	404,673	418,836
Supportive Services	3.5%	-	-	-	-	-	-	-	-	-	-
Commercial Expenses		-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES		**1,168,941**	**1,209,854**	**1,252,199**	**1,296,026**	**1,341,387**	**1,388,336**	**1,436,927**	**1,487,220**	**1,539,272**	**1,593,147**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)		***11,928***									
Reserves/Ground Lease Base Rent/Bond Fees											
Ground Lease Base Rent		0	0	0	0	0	0	0	0	0	0
Bond Monitoring Fee		0	0	0	0	0	0	0	0	0	0
Replacement Reserve Deposit		58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800
Operating Reserve Deposit		8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900
Other Required Reserve 1 Deposit		0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit		0	0	0	0	0	0	0	0	0	0
Required Reserve Deposit/s, Commercial		0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees		**67,700**	**67,700**	**67,700**	**67,700**	**67,700**	**67,700**	**67,700**	**67,700**	**67,700**	**67,700**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)		**1,236,641**	**1,277,554**	**1,319,899**	**1,363,726**	**1,409,087**	**1,456,036**	**1,504,627**	**1,554,920**	**1,606,972**	**1,660,847**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)		***12,619***									
NET OPERATING INCOME (INCOME minus OP EXPENSES)		**895,522**	**905,889**	**915,065**	**924,406**	**933,284**	**944,171**	**954,816**	**965,196**	**975,415**	**985,384**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)											
Hard Debt - First Lender		778,238	778,238	778,238	778,238	778,238	778,238	778,238	778,238	778,238	778,238
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)		-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)		-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender		-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service		-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE		**778,238**	**778,238**	**778,238**	**778,238**	**778,238**	**778,238**	**778,238**	**778,238**	**778,238**	**778,238**
CASH FLOW (NOI minus DEBT SERVICE)		**117,284**	**127,651**	**136,827**	**146,168**	**155,046**	**165,933**	**176,578**	**186,959**	**197,177**	**207,147**
USES OF CASH FLOW BELOW (This row also shows DSCR.)	**DSCR:**	***1.151***	***1.164***	***1.176***	***1.188***	***1.199***	***1.213***	***1.227***	***1.24***	***1.253***	***1.266***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL											
Deferred Developer Fee (Enter amt <= Max Fee from row 131)		-	-	-	-	-	-	-	-	-	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.5%	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)		-	-	-	-	-	-	-	-	-	-
Other Payments		-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1		-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2		-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD		-	-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)		**117,284**	**127,651**	**136,827**	**146,168**	**155,046**	**165,933**	**176,578**	**186,959**	**197,177**	**207,147**
Does Project have a MOHCD Residual Receipt Obligation?	**Yes**										
Will Project Defer Developer Fee?	**No**										
Residual Receipts split for all years. - Lender/Owner	**50% / 50%**										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Dist. Soft Debt Loans										
MOHCD Residual Receipts Amount Due	100.00%	58,642	63,825	68,414	73,084	77,523	82,967	88,289	93,479	98,589	103,573
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		-	-	-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve		58,642	63,825	68,414	73,084	77,523	82,967	88,289	93,479	98,589	103,573
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE		**58,642**	**63,825**	**68,414**	**73,084**	**77,523**	**82,967**	**88,289**	**93,479**	**98,589**	**103,573**
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE											
HCD Residual Receipts Amount Due	0.00%	-	-	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	0.00%	-	-	-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%	-	-	-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service		-	-	-	-	-	-	-	-	-	-
REMAINDER (Should be zero unless there are distributions below)		**58,642**	**63,825**	**68,414**	**73,084**	**77,523**	**82,967**	**88,289**	**93,479**	**98,589**	**103,573**
Owner Distributions/Incentive Management Fee		58,642	63,825	68,414	73,084	77,523	82,967	88,289	93,479	98,589	103,573
Other Distributions/Uses		-	-	-	-	-	-	-	-	-	-
Final Balance (should be zero)		-	-	-	-	-	-	-	-	-	-
RR Running Balance		**3,252,323**	**3,331,174**	**2,932,898**	**1,984,049**	**1,542,887**	**1,001,997**	**994,792**	**673,896**	**514,933**	**246,720**
OR Running Balance		**487,208**	**500,980**	**514,890**	**528,938**	**543,128**	**557,459**	**571,934**	**586,553**	**601,319**	**616,232**
Other Required Reserve 1 Running Balance		-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Running Balance		-	-	-	-	-	-	-	-	-	-
DEFERRED DEVELOPER FEE - RUNNING BALANCE											
Developer Fee Starting Balance		-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Earned in Year		-	-	-	-	-	-	-	-	-	-
Developer Fee Remaining Balance		-	-	-	-	-	-	-	-	-	-

	Year 11 2035 Total	Year 12 2036 Total	Year 13 2037 Total	Year 14 2038 Total	Year 15 2039 Total	Year 16 2040 Total	Year 17 2041 Total	Year 18 2042 Total	Year 19 2043 Total	Year 20 2044 Total
INCOME										
Residential - Tenant Rents	2,262,359	2,318,918	2,376,891	2,436,313	2,497,221	2,559,652	2,623,643	2,689,234	2,756,465	2,825,377
Residential - SOS Payments	-	-	-	-	-	-	-	-	-	-
Residential - Tenant Assistance Payments (Other Non-LOSP)	289,671	294,016	298,426	302,903	307,446	312,058	316,739	321,490	326,312	331,207
Commercial Space	481,267	495,705	510,576	525,894	541,670	557,920	574,658	591,898	609,655	627,944
Other Income	-	-	-	-	-	-	-	-	-	-
Gross Potential Income	**3,063,144**	**3,139,232**	**3,217,251**	**3,297,251**	**3,379,283**	**3,463,399**	**3,549,653**	**3,638,100**	**3,728,797**	**3,821,802**
Vacancy Loss - Residential - Tenant Rents	(226,236)	(231,892)	(237,689)	(243,631)	(249,722)	(255,965)	(262,364)	(268,923)	(275,646)	(282,538)
Vacancy Loss - Residential - Tenant Assistance Payments	(28,967)	(29,402)	(29,843)	(30,290)	(30,745)	(31,206)	(31,674)	(32,149)	(32,631)	(33,121)
Vacancy Loss - Commercial	(96,253)	(99,141)	(102,115)	(105,179)	(108,334)	(111,584)	(114,932)	(118,380)	(121,931)	(125,589)
EFFECTIVE GROSS INCOME	**2,711,687**	**2,778,798**	**2,847,604**	**2,918,151**	**2,990,482**	**3,064,644**	**3,140,683**	**3,218,648**	**3,298,589**	**3,380,555**
OPERATING EXPENSES										
Management	388,174	401,760	415,822	430,376	445,439	461,029	477,165	493,866	511,151	529,042
Salaries/Benefits	-	-	-	-	-	-	-	-	-	-
Administration	271,783	281,296	291,141	301,331	311,878	322,793	334,091	345,784	357,887	370,413
Utilities	250,261	259,021	268,086	277,469	287,181	297,232	307,635	318,402	329,546	341,081
Taxes and Licenses	126,091	130,504	135,071	139,799	144,692	149,756	154,998	160,422	166,037	171,849
Insurance	179,102	185,371	191,859	198,574	205,524	212,717	220,162	227,868	235,844	244,098
Maintenance & Repair	433,495	448,668	464,371	480,624	497,446	514,856	532,876	551,527	570,831	590,810
Supportive Services	-	-	-	-	-	-	-	-	-	-
Commercial Expenses	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	**1,648,907**	**1,706,619**	**1,766,350**	**1,828,173**	**1,892,159**	**1,958,384**	**2,026,928**	**2,097,870**	**2,171,296**	**2,247,291**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)										
Reserves/Ground Lease Base Rent/Bond Fees										
Ground Lease Base Rent	0	0	0	0	0	0	0	0	0	0
Bond Monitoring Fee	0	0	0	0	0	0	0	0	0	0
Replacement Reserve Deposit	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800
Operating Reserve Deposit	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900	8,900
Other Required Reserve 1 Deposit	0	0	0	0	0	0	0	0	0	0
Other Required Reserve 2 Deposit	0	0	0	0	0	0	0	0	0	0
Required Reserve Deposit/s, Commercial	0	0	0	0	0	0	0	0	0	0
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**67,700**	**67,700**	**67,700**	**67,700**	**67,700**	**67,700**	**67,700**	**67,700**	**67,700**	**67,700**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**1,716,607**	**1,774,319**	**1,834,050**	**1,895,873**	**1,959,859**	**2,026,084**	**2,094,628**	**2,165,570**	**2,238,996**	**2,314,991**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)										
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**995,080**	**1,004,479**	**1,013,554**	**1,022,278**	**1,030,623**	**1,038,559**	**1,046,055**	**1,053,078**	**1,059,593**	**1,065,564**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)										
Hard Debt - First Lender	778,238	778,238	778,238	778,238	778,238	778,238	778,238	778,238	778,238	778,238
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	-	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service	-	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE	**778,238**	**778,238**	**778,238**	**778,238**	**778,238**	**778,238**	**778,238**	**778,238**	**778,238**	**778,238**
CASH FLOW (NOI minus DEBT SERVICE)	**216,843**	**226,241**	**235,316**	**244,040**	**252,386**	**260,322**	**267,818**	**274,840**	**281,355**	**287,326**
USES OF CASH FLOW BELOW (This row also shows DSCR.)	***1.279***	***1.291***	***1.302***	***1.314***	***1.324***	***1.335***	***1.344***	***1.353***	***1.362***	***1.369***
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL										
Deferred Developer Fee (Enter amt <= Max Fee from row 131)	-	-	-	-	-	-	-	-	-	-
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	-	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	-	-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	-	-	-	-	-	-	-	-	-	-
Other Payments	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2	-	-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD	-	-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**216,843**	**226,241**	**235,316**	**244,040**	**252,386**	**260,322**	**267,818**	**274,840**	**281,355**	**287,326**
MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
MOHCD Residual Receipts Amount Due	108,421	113,121	117,658	122,020	126,193	130,161	133,909	137,420	140,678	143,663
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	-	-	-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Replacement Reserve	108,421	113,121	117,658	122,020	126,193	130,161	133,909	137,420	140,678	143,663
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	**108,421**	**113,121**	**117,658**	**122,020**	**126,193**	**130,161**	**133,909**	**137,420**	**140,678**	**143,663**
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)	**108,421**	**113,121**	**117,658**	**122,020**	**126,193**	**130,161**	**133,909**	**137,420**	**140,678**	**143,663**
Owner Distributions/Incentive Management Fee	108,421	113,121	117,658	122,020	126,193	130,161	133,909	137,420	140,678	143,663
Other Distributions/Uses	-	-	-	-	-	-	-	-	-	-
Final Balance (should be zero)	-	-	-	-	-	-	-	-	-	-
RR Running Balance	**(253,636)**	**(997,316)**	**(1,831,342)**	**(2,166,903)**	**(3,290,079)**	**(4,501,255)**	**(4,532,460)**	**(4,870,170)**	**(4,841,441)**	**(5,120,383)**
OR Running Balance	**631,294**	**646,507**	**661,872**	**677,391**	**693,065**	**708,895**	**724,884**	**741,033**	**757,343**	**773,817**
Other Required Reserve 1 Running Balance	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Running Balance	-	-	-	-	-	-	-	-	-	-
DEFERRED DEVELOPER FEE - RUNNING BALANCE										
Developer Fee Starting Balance	-	-	-	-	-	-	-	-	-	-
Deferred Developer Fee Earned in Year	-	-	-	-	-	-	-	-	-	-
Developer Fee Remaining Balance	-	-	-	-	-	-	-	-	-	-