File No. 260773 **Committee Item No.** 8
Board Item No. ____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee **Date** July 15, 2026
Board of Supervisors Meeting **Date** ____

Cmte Board

- ☒ ☐ **Resolution**
- ☐ ☐ **Budget and Legislative Analyst Report**
- ☐ ☐ **Youth Commission Report**
- ☐ ☐ **Introduction Form**
- ☒ ☐ **Department/Agency Cover Letter and/or Report**
  - **Affordable Housing Loan Committee Memo 5/15/2026**
  - **MYR Memo 6/30/2026**
- ☐ ☐ **MOU**
- ☐ ☐ **Grant Information Form**
- ☐ ☐ **Grant Budget**
- ☐ ☐ **Subcontract Budget**
- ☒ ☐ **Contract/Agreement**
  - **Draft Amendment No. 1**
  - **Draft Promissory Note**
  - **Draft Deed of Trust/Assignment of Rents**
- ☒ ☐ **Form 126 – Ethics Commission**
- ☐ ☐ **Notice of Award/Award Letter**
- ☐ ☐ **Application**
- ☐ ☐ **Public Correspondence**

OTHER **(Use back side if additional space is needed)**

- ☒ ☐ Loan Agreement 12/11/2023
- ☒ ☐ Notice of Funding Availability 1/27/2023
- ☒ ☐ NOFA Notice of Amendment 5/30/2023
- ☒ ☐ PLN General Plan Referral 11/7/2023
- ☐ ☐ ____
- ☐ ☐ ____
- ☐ ☐ ____
- ☐ ☐ ____
- ☐ ☐ ____
- ☐ ☐ ____

Completed by: Brent Jalipa **Date** July 9, 2026
Completed by: Brent Jalipa **Date** ____

[Amended Loan Agreement - 1234 Great Highway LLC - 1234, 1270, and 1280 Great Highway - 100% Affordable Housing - Not to Exceed $27,248,500]

Resolution approving and authorizing the First Amendment to the Loan Agreement between the City, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"), and 1234 Great Highway LLC to finance predevelopment costs associated with the development of an approximately 216-unit multifamily residential project affordable to low-income and formerly homeless seniors, including a commercial shell for community serving space (the "Project") on the property located at 1234, 1270, and 1280 Great Highway in a total amount not to exceed $27,248,500; adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing the Director of MOHCD to make certain modifications to the Loan Agreement, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

WHEREAS, The City, acting through the Mayor's Office of Housing and Community Development ("MOHCD"), administers a variety of housing programs that provide financing for the development of new affordable housing and the rehabilitation of single- and multi-family housing for low- and moderate-income households and resources for homeowners in San Francisco; and

WHEREAS, MOHCD enters into loan agreements with affordable housing developers and operators; administers loan agreements; reviews annual audits and monitoring reports; monitors compliance with affordable housing requirements in accordance with capital funding regulatory agreements; and if necessary, takes appropriate action to enforce compliance; and

WHEREAS, MOHCD published a Notice of Funding Availability for Site Acquisition and Predevelopment Financing for New Affordable Rental Housing on January 27, 2023 ("NOFA"); and

WHEREAS, In response to the NOFA, MOHCD selected Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation ("TNDC"), and Self-Help for the Elderly, a California nonprofit public benefit corporation, as joint developers under the NOFA, and TNDC established 1234 Great Highway LLC, a California limited liability company (the "Borrower"), to acquire the real property located at 1234, 1270, and 1280 Great Highway, San Francisco (the "Property") and conduct predevelopment activities in furtherance of the development and construction of an approximately 216-unit multifamily residential project affordable to low-income and formerly homeless seniors, including a commercial shell for community serving space (collectively, the "Project"); and

WHEREAS, On December 11, 2023, MOHCD provided a $23,348,500 loan to the Borrower ("Acquisition Loan") for the acquisition of the Property, and a $651,500 loan to the Borrower for predevelopment activities related to the Project ("Predevelopment Loan") (collectively, the "Loan Agreement"); and

WHEREAS, The Planning Department, through the General Plan Referral letter dated November 7, 2023, found that the Project would be eligible for ministerial approval under California Government Code, Sections 65650-65656 (Assembly Bill 2162), California Public Resources Code, Section 21080, and the CEQA Guidelines, Sections 15002(i)(1), 15268 and 15369, would therefore not be subject to the California Environmental Quality Act ("CEQA", Pub. Resources Code, Section 21000 et seq.), and is consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; which letter is on file with the Clerk of the Board of Supervisors in File No. 231198 and File No. 260773, and incorporated herein by this reference; and

WHEREAS, The Borrower acquired the Property and initiated predevelopment activities for the development of the Project; and

WHEREAS, On May 15, 2026, the Citywide Affordable Housing Loan Committee, consisting of MOHCD, Department of Homelessness and Supportive Housing, the Office of Community Investment and Infrastructure, and the Controller's Office of Public Finance recommended approval to the Mayor of an increase in the Predevelopment Loan to the Borrower for the Project for a total combined Acquisition Loan and Predevelopment Loan amount not to exceed $27,248,500 in local funds ("Loan") under a First Amendment to the Loan Agreement, a copy of which is in a form substantially approved is on file with the Clerk of the Board of Supervisors in File No. 260728, and is incorporated herein by reference; and

WHEREAS, The material terms of the Loan include the following: (i) under the predevelopment note ("Promissory Note"), a term of 57 years, an interest rate of three percent (3%), and annual repayment through residual receipts after completion of the Project; (ii) under the acquisition note, a term of 5 years, no interest, and repayment in full or through a transfer of the Property to the City; (iii) the Property will be restricted for life of the project as 100% affordable housing to low-income senior households with annual maximum rent and income established by MOHCD; and (iv) the Acquisition Loan and Predevelopment Loan are secured by a Deed of Trust recorded against the Property; copies of the Promissory Note and Deed of Trust are on file with the Board of Supervisors in File No. 260728 and are incorporated herein by this reference; now, therefore, be it

RESOLVED, This Board affirms the Planning Department's determination that the proposed Project and Loan is not subject to CEQA and is consistent, on balance, with the

General Plan and with Planning Code, Section 101.1 for the reasons set forth in the Director of Planning's letter; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby approves the First Amendment to the Loan Agreement, and the transaction contemplated thereby in substantially the form presented to the Board, and authorizes the Mayor and the Director of MOHCD, to execute and deliver the First Amendment and any such other documents that are necessary or advisable to complete the transaction contemplated by the First Amendment and to effectuate the purpose and intent of this Resolution; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of MOHCD, in consultation with the City Attorney, to enter into any additions, amendments, or other modifications to the Loan Agreement, and any other documents or instruments necessary in connection therewith (including, without limitation, preparation and attachment for, or changes to, any of all of the exhibits and ancillary agreements), that the Director of MOHCD determines is in the best interests of the City, do not materially decrease the benefits to the City with respect to the Property, do not materially increase the obligations or liabilities of the City, and are necessary or advisable to complete the transaction contemplated in the First Amendment to the Loan Agreement, and that effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Director of MOHCD of any such additions, amendments, or other modifications; and, be it

FURTHER RESOLVED, That the Board of Supervisors hereby authorizes and delegates to the Director of MOHCD and/or the Director of Property the authority to undertake any actions necessary to protect the City's financial security in the Property and enforce the affordable housing restrictions, which may include, without limitation, acquisition of the Property upon foreclosure and sale at a trustee sale, acceptance of a deed in lieu of foreclosure, or curing the default under a senior loan; and, be it

FURTHER RESOLVED, That all actions authorized and directed by this Resolution and heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors; and, be it

FURTHER RESOLVED, That within thirty (30) days of the Loan Agreement being fully executed by all parties, MOHCD shall provide the final agreements to the Clerk of the Board for inclusion into the official file.

RECOMMENDED:

_____/s/ Daniel Adams______
Daniel Adams, Director
Mayor's Office of Housing and Community Development

Item 8 **File 26-0773**	**Department:** Mayor's Office of Housing and Community Development

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve a first amendment to the loan agreement between the City and 1234 Great Highway, LLC, increasing the not to exceed loan amount by $3,248,500, from $24,000,000 to $27,248,500. The resolution would also approve an amended promissory note and deed of trust, reflecting the new loan amount.

Key Points

- In December 2023, the Board of Supervisors approved a $24.0 million loan to 1234 Great Highway LLC, an affiliate of TNDC, to acquire the properties located at 1225 La Playa, 1270 Great Highway, and 1280 Great Highway and fund predevelopment activities for the proposed affordable housing development. The proposed project is a 216-unit apartment building affordable for low-income and formerly homeless seniors. The building will also contain an adult day health care center to be operated by Self Help for the Elderly.
- Similar to other projects in MOHCD's pipeline, the project is stalled due to lack of state financing. The project sponsor anticipated receiving approximately $35 million from the State's Multifamily Housing Program (MHP), but the project did not receive an award, and applications for the program are on hold pending voter approval of additional state bond funding. MOHCD reports that there are no viable financing alternatives at this time.
- The project has completed the design phase with entitlements pending approval by the Planning Department. The proposed loan would reimburse eligible predevelopment expenditures and allow the sponsor to repay interim debt, thereby reducing interest costs.

Fiscal Impact

- The proposed $3,248,500 in additional predevelopment loan funding would be paid from the Housing Trust Fund, increasing the predevelopment loan from $651,500 to $3,900,000.
- At this time, there is no change to the project's estimated total development cost of $187.2 million or the anticipated City subsidy of $344,000 per unit, pending gap financing.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of $10 million or more, or (3) requires a modification of more than $500,000 is subject to Board of Supervisors approval.

BACKGROUND

In January 2023, the Mayor's Office of Housing and Community Development (MOHCD) issued a Notice of Funding Availability (NOFA) for the acquisition and predevelopment of affordable rental housing in high-resource neighborhoods. Following evaluation of proposals, MOHCD selected Tenderloin Neighborhood Development Corporation (TNDC) and Self-Help for the Elderly (SHE) to develop the property located at 1234 Great Highway into 216 units of affordable senior housing.

In December 2023, the Board of Supervisors approved a $24.0 million loan to 1234 Great Highway LLC, an affiliate of TNDC, to acquire the properties located at 1225 La Playa, 1270 Great Highway, and 1280 Great Highway and fund predevelopment activities for the proposed affordable housing development (File 23-1198). Of the total loan amount, $23.35 million financed property acquisition and $651,500 funded predevelopment costs. Acquisition financing was provided from the City's 2023 Certificates of Participation and Low and Moderate Income Housing Asset Fund.

The acquisition loan enabled the project sponsor to refinance a short-term acquisition loan and acquire the approximately 0.70-acre site for future affordable housing development. At the time of approval, MOHCD anticipated that the project would begin construction in 2026 following receipt of state and federal financing. The property has continued operating as a commercial motel during the interim period to offset holding costs.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would:

- Approve a first amendment to the loan agreement between the City and 1234 Great Highway LLC, increasing the not to exceed loan amount by $3,248,500, from $24,000,000 to $27,248,500;
- Approve an amended and restated secured promissory note increasing the predevelopment loan amount from $651,500 to $3,900,000;
- Approve an amendment to the deed of trust to reflect the increased loan amount and revised funding sources;
- Authorize the Director of the Mayor's Office of Housing and Community Development to execute the amended loan documents and make non-material modifications necessary to implement the resolution.

Project Financing

At the time the Board approved the original acquisition and predevelopment loan in December 2023, MOHCD anticipated the project would seek approximately $35 million in permanent financing for development through the State's Multifamily Housing Program (MHP) and other state and federal funding sources. Since then, available MHP funding has been exhausted, and the program is not currently accepting new applications pending voter approval of additional state bond funding. Proposition 1, which will be before voters in the November 2026 election, would approve $11.25 billion in State general obligation bonds for affordable housing.

According to MOHCD project manager Jenny Collins, the lack of available state financing has delayed construction for nearly all projects in the Department's affordable housing pipeline, including the project at 1234 Great Highway. MOHCD further reports that no viable alternative financing sources are available and cannot estimate when funds could become available, but indicated that additional information may be available following the November 2026 election. Until additional financing opportunities emerge, the project will remain on hold, and the proposed loan amendment is intended to preserve the sponsor's financial capacity and maintain the project's readiness to compete for future funding. The project has completed the design phase with entitlements pending approval by the Planning Department.

Loan Agreement

The proposed resolution would increase the City's not to exceed loan amount from $24,000,000 to $27,248,500. The acquisition loan amount of $23,348,500 and initial predevelopment loan of $651,500 were funded by the City's Low and Moderate Income Housing Asset Fund and 2023 Certificates of Participation. The additional $3,248,500 would be provided from the Housing Trust Fund, increasing the predevelopment loan from $651,500 to $3,900,000.

The acquisition loan would continue to bear no interest and would be repaid upon transfer of the property to the City at the start of construction. The amended predevelopment loan would continue to accrue simple interest at three percent annually, although the Director of the Mayor's Office of Housing and Community Development (MOHCD) may reduce the interest rate to as low as zero percent if necessary to maintain the project's financial feasibility. The predevelopment loan would mature on the fifty-fifth anniversary of the project's conversion date or, if construction does not commence by the outside construction commencement date specified in the loan agreement, upon that date, unless extended by MOHCD.

Extension to Outside Construction Commencement Date and 95% Occupancy Date

The proposed amended loan agreement extends the outside construction commencement date by three years to December 31, 2031 and extends the outside date for achieving a 95 percent occupancy date by five years to December 31, 2034.

According to Section 3.8 of the existing loan agreement, which is unchanged, if the City determines by the outside construction commencement date that the 1234 Great Highway project is unlikely to be developed within a reasonable time period for any reason, including TNDC inability to obtain necessary financing, the City may require either that: (i) TNDC transfer the fee title to the property to another nonprofit corporation, limited partnership or limited liability company designated by the City with the intention that the property be developed for affordable housing; or (ii) that TNDC convey the fee title to City for an amount equal to the outstanding principal balance of the Loan, plus accrued and unpaid interest.

Additional Loan Condition

The proposed amendment to the loan agreement adds an additional condition to the loan, which prohibits the sponsor from seeking additional financing for the project without prior written approval from MOHCD to ensure future financing commitments are coordinated and remain consistent with the project's overall financing plan. Other material terms of the loan agreement would remain substantially unchanged.

Loan Documents

In addition to the Amended and Restated Loan Agreement, the proposed resolution also approves the following associated loan documents:

- The Amended and Restated Secured Promissory Note for the predevelopment loan; and
- The First Amendment to the Deed of Trust, which secures the loan.

FISCAL IMPACT

The proposed legislation would increase the City's existing not to exceed loan amount by $3,248,500 in predevelopment financing from $24.0 million to $27.25 million. As shown in Exhibit 1, the additional funding would be used to repay an outstanding Corporation for Supportive Housing (CSH) predevelopment loan, reimburse TNDC for eligible predevelopment costs previously advanced with organizational funds, and pay a portion of the developer fee earned upon project entitlement. The $3.2 million loan will be funded completely by Housing Trust Fund monies.

Exhibit 1: Sources and Uses

Sources and Uses	Amount	Per Unit
Sources		
Housing Trust Fund	$3,248,500	$16,324
Total Sources	**$3,248,500**	**$16,324**
Uses		
CSH Loan Repayment*	2,410,826	12,114
Sponsor Reimbursement**	672,674	3,380
Developer Fee	165,000	829
Total Uses	**$3,248,500**	**$16,324**

Source: MOHCD

(*) Inclusive of a $38,165 contingency beyond the CSH loan balance of $2,372,661. The CSH loan funded approximately $2.3 million in soft costs for predevelopment (including architect and engineering fees, property taxes, and other costs) and a $88,720 developer fee.

**The Sponsor Reimbursement would reimburse the sponsor for soft costs for predevelopment, including architect and design team costs and other costs

The proposed amendment shifts a portion of the City's anticipated predevelopment financing from the construction financing stage to the current predevelopment period. The Board previously approved $24.0 million in City financing, including $651,500 for predevelopment activities, with the expectation that the sponsor would obtain interim private financing to fund additional predevelopment work until construction financing closes. Because construction financing has been delayed, the proposed loan would allow the City to retire that interim debt, thereby reducing interest costs, and reimburse eligible predevelopment expenditures at this time rather than after construction financing is secured.

The proposed amendment does not revise the project's estimated total development cost of approximately $187.2 million. At the time of the original loan approval, MOHCD estimated that the City would ultimately provide approximately $74.2 million in acquisition, predevelopment, and permanent financing, or approximately $344,000 per affordable unit. Other funding sources are expected to be Low Income Housing Tax Credits, California Department of Housing and Community Development Multi-Family Housing Program loan, Federal Housing Loan Bank Affordable Housing Program grant funds, developer equity, interim use income, and a private loan.[1] According to MOHCD, the proposed amendment advances a portion of anticipated predevelopment funding but does not change the Department's current estimate of the project's total financing needs.

RECOMMENDATION

Approve the proposed resolution.

[1] MOHCD notes that due to the typical sequencing of permanent financing, the sponsor has not yet applied for Low Income Housing Tax Credits (LIHTC) due to the delays in securing state funds.

FIRST AMENDMENT TO THE LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
LOW AND MODERATE INCOME HOUSING ASSET FUNDS, 2023 CERTIFICATES OF PARTICIPATION, AND HOUSING TRUST FUNDS)

THIS FIRST AMENDMENT TO LOAN AGREEMENT ("**First Amendment**") is entered into as of [_________________________, 2026], by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (the "**City**"), represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development (the "**MOHCD**"), and **1234 GREAT HIGHWAY LLC**, a California limited liability company (the "**Borrower**").

RECITALS

A. The City previously loaned $24,000,000 in Low and Moderate Income Housing Asset Funds ("**LMIHAF**") and 2023 Certificates of Participation funds (the "**Loan**") to Borrower for predevelopment activities related to the development of an approximately 216-unit multifamily residential project affordable to low-income and formerly homeless seniors, including a commercial shell for community serving space (collectively, the "**Project**"). The Loan is evidenced by the following documents: (1) a Loan Agreement dated December 11, 2023 (the "**Original Agreement**"), (2) a Secured Promissory Note made by Borrower to the order of the City dated December 11, 2023 (the "**Original Acquisition Note**"), (3) a Secured Promissory Note dated December 11, 2023 (the "**Original Predevelopment Note**," and together with the Original Acquisition Note, the "**Original Notes**"), (4) a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated January 23, 2024 and recorded in the official records of the City and County of San Francisco (the "**Official Records**") on January 24, 2024 as Document No. 2024009445 (the "**Deed of Trust**"), and (5) a Declaration of Restrictions and Affordable Housing Covenants dated as of January 23, 2024 and recorded in the Official Records on January 24, 2024 as Document Number 2024009444 (the "**Declaration**"). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Original Agreement.

B. The Borrower has requested additional funds ("**Additional Loan**") from the City in the total amount not to exceed Three Million Two Hundred Forty-Eight Thousand and No/100 Dollars ($3,248,500.00) (the "**Additional Funding Amount**") to fund certain additional expenses related to the Project. The City has reviewed Borrower's application for the Additional Loan and, in reliance on the accuracy of the statements in that application, has agreed to increase the Loan by the Additional Funding Amount.

C. The City and Borrower now desire to amend the Original Agreement in accordance with this First Amendment to increase the Loan by the Additional Funding Amount for a total principal amount not to exceed Twenty-Seven Million Two Hundred Forty Eight Thousand Five Hundred and No/100 Dollars ($27,248,500.00) (the "**Amended Loan**"). Further, the City and Borrower will: 1) amend and restate the Original Predevelopment Note to increase the Loan amount by the Additional Funding Amount; and 2) enter into a First Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing to secure the Amended Loan.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein and other good and valuable consideration, the City and Borrower agree as follows:

AGREEMENT

1. The Original Agreement is hereby amended as follows:

a) Cover Page, first paragraph, is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~):

LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
2023 CERTIFICATES OF PARTICIPATION, HOUSING TRUST FUND, LOW AND MODERATE INCOME HOUSING ASSET FUND)

b) Cover Page, list of City loan sources of funding and amounts, is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~):

1234 Great Highway, San Francisco, CA 94122
~~24,000,000~~ $27,248,500
Low and Moderate Income Housing Asset Fund: $4,047,507
2023 Certificates of Participation: $19,952,493
Housing Trust Fund: $3,248,500

c) Title on page 1, is hereby amended as follows (additions in double underline; deletions in ~~strikethrough~~):

LOAN AGREEMENT
(City and County of San Francisco
Low and Moderate Income Housing Asset Fund, Housing Trust Fund, and 2023 Certificates of Participation)
1234 Great Highway, San Francisco, CA 94122

d) A new Recital C is hereby added to the Original Agreement as follows, and the subsequent Recitals are hereby renumbered accordingly:

C. In November 2012, the voters of the City approved Proposition C, which established a Housing Trust Fund to provide funds for the creation, acquisition, and rehabilitation of rental and ownership housing affordable to households earning up to 120% of the area median income, including, without limitation, the acquisition of land for such purpose. Under Section 16.110 *et seq.* of the San Francisco City Charter, the City is authorized to provide funds from the Housing Trust Fund under this Agreement to Borrower for the development and construction of affordable housing. The funds provided from the proceeds from the 2023 COP Funds, the Housing Trust Funds and the LMIH Funds under this Agreement will be referred to herein as the "Funds."

e) A New Recital G is hereby added to the Original Agreement as follows:

G. The Citywide Affordable Housing Loan Committee has reviewed Borrower's application for Funds and, in reliance on the accuracy of the statements in that application, has recommended to the Mayor that the City make a loan of Funds to Borrower (the "Loan") in the amount of Twenty-Three Million Three Hundred Forty-Eight Thousand Five Hundred and No/100 Dollars ($23,348,500.00) related to the acquisition of the Site ("Acquisition Amount"), and Three Million Nine Hundred Thousand and No/100 Dollars ($3,900,000.00) for certain costs related to the predevelopment of the Project ("Predevelopment Amount"), for a total amount of Twenty-Seven Million Two Hundred Forty-Eight Thousand and No/100 Dollars ($27,248,500.00) (the "Funding Amount") under this Agreement to fund certain costs related to the Project. The Funding Amount is comprised of (i) LMIH Funds in the amount of $4,047,507.00, (ii) 2023 Certificates of Participation in the amount of $19,952,493.00, and (iii) Housing Trust Funds in the amount of $3,248,500.00.

f) A New Recital H is hereby added to the Original Agreement as follows:

H. On December 11, 2023 and [__________], 2026, the City's Board of Supervisors and the Mayor approved this Agreement by Resolution No. 0551-23 and Resolution No. [_____] for the purpose of developing the Project.

g) Section 2.5(k) is hereby added to the Original Agreement:

(k) Borrower shall not apply for any other financing for the Project without consent from MOHCD.

h) Section 3.1(b) of the Original Agreement is hereby deleted in its entirety and replaced with the following:

(b) Predevelopment Amount. Borrower will repay all amounts owing under the Predevelopment Note on the date that is the fifty-fifth (55th) anniversary of the Conversion Date (the "Predevelopment Maturity Date"); provided, however, subject to **Section 3.8**, if Borrower fails to commence construction of the Project on or before December 31, 2031 (the "Outside Construction Commencement Date"), the Predevelopment Maturity Date will be the Outside Construction Commencement Date. The City may agree to extend the Outside Construction Commencement Date in its sole and absolute discretion.

i) Section 5.6 of the Original Agreement is hereby deleted in its entirety and replaced with the following:

> 5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City, Borrower will: (a) commence demolition and construction by a date no later than December 31, 2031; (b) complete demolition and construction by a date no later than December 31, 2033, in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion (the "Completion Date"); and (c) achieve occupancy of ninety-five percent (95%) of the Units by a date no later than December 31, 2034.

j) Exhibit B-1 of the Original Agreement is hereby deleted in its entirety and replaced with **Exhibit A** attached hereto.

2. Original Predevelopment Note. Concurrently herewith, Borrower will execute an Amended and Restated Secured Promissory Note (Predevelopment) in favor of the City. The Original Predevelopment Note will be cancelled and returned to the Borrower.

3. First Amendment to Deed of Trust. Concurrently herewith, Borrower will execute a First Amendment to the Deed of Trust, which will be recorded in the Official Records.

4. Representations and Warranties.

(a) All of the representations and warranties made by Borrower to the City in the Original Agreement and other City Documents continue to be true and complete as of the date of this First Amendment.

(b) No event has occurred and is continuing that constitutes an event of default or potential event of default under the Original Agreement, Original Notes, or any other City Documents.

5. Miscellaneous.

(a) References. No reference to this First Amendment is necessary in any instrument or document at any time referring to the Original Agreement, the Original Notes or any other City Document. Any reference to such documents shall be deemed a reference to such documents as amended by this First Amendment.

(b) No Other Amendments. Except as amended by this First Amendment, the Original Agreement shall remain unmodified and in full force and effect.

(c) Counterparts. This First Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

(d) Successors and Assigns. The terms, covenants and conditions contained in this First Amendment shall bind and inure to the benefit of Parties and, except as otherwise provided herein, their personal representatives and successors and assigns.

(e) Further Instruments. The parties hereto agree to execute such further instruments and to take such further actions as may be reasonably required to carry out the intent of this First Amendment.

(f) No Third-Party Beneficiaries. Nothing contained in this First Amendment, nor any act of the City, may be interpreted or construed as creating the relationship of third-party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the City and Borrower or Borrower's agents, employees or contractors.

[Signatures on next page]

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment at San Francisco, California as of the Effective Date.

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: ______________________________
Daniel Lurie
Mayor

By: ______________________________
Daniel Adams
Director, Mayor's Office of Housing and Community Development

BORROWER:

1234 GREAT HIGHWAY LLC, a California limited liability company

By: Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation, its sole member and manager

By: ______________________________
Name: ______________________________
Title: ______________________________

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: ______________________________
Jessica Alfaro-Cassella
Deputy City Attorney

EXHIBIT A

TABLE OF SOURCES AND USES OF FUNDS

Exhibit B-1 in the Original Agreement is deleted in its entirety and replaced with the following Predevelopment Financing Sources and Uses of Funds:

AMENDED AND RESTATED SECURED PROMISSORY NOTE
(Low and Moderate Income Housing Asset Fund and
Housing Trust Fund)

Principal Amount: $3,900,000 San Francisco, CA

Date: [_________________, 2026]

FOR VALUE RECEIVED, the undersigned, **1234 GREAT HIGHWAY LLC**, a California limited liability company ("Maker"), hereby promises to pay to the order of the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, or holder (as the case may be, "Holder"), the principal sum of Three Million Nine Hundred Thousand and No/100 Dollars ($3,900,000.00) (the "Predevelopment Amount"), or so much of the Predevelopment Amount as may be disbursed from time to time pursuant to the Agreement described in **Section 1** below, as provided in this Note.

1. Agreement. This Secured Amended and Restated Promissory Note ("Note") amends, restates, and replaces in its entirety that certain Secured Promissory Note between Maker and Holder dated as of December 11, 2023 in the amount of $651,500 (the "Original Note"). This Note is given under the terms of a Loan Agreement by and between Maker and Holder dated as of December 11, 2023, as amended on or about the date hereof (collectively, the "Agreement"), which Agreement is incorporated herein by reference. Maker's obligations under this Note and the Agreement are secured by that certain Deed of Trust, Assignment of Rents, Security Agreement And Fixture Filing dated as of January 23, 2024, made by Maker for the benefit of Holder and recorded in the official records of the City and County of San Francisco (the "Official Records") on January 24, 2023 as Document Number 2024009445, as amended by a First Amendment to Deed of Trust, Assignment of Rents, Security Agreement And Fixture Filing dated as on or about the date hereof and recorded in the Official Records concurrently herewith (collectively, the "Deed of Trust"). Definitions and rules of interpretation set forth in the Agreement apply to this Note. In the event of any inconsistency between the Agreement and this Note, this Note will control. Upon execution of this Note, the Original Note will be cancelled and returned to Maker.

2. Interest. Except as provided in **Section 3**, the outstanding principal balance of the Note will bear simple interest at a rate of three percent (3%) per annum, provided, however, that prior to the Outside Construction Commencement Date, the Director of MOHCD will have the right, in his or her reasonable discretion, to reduce the interest rate to as low as zero percent (0%) upon receipt of adequate documentation supporting the need for such reduction in order to make the Project financially feasible.

3. Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, interest will be deemed to have accrued on the outstanding principal balance of the Loan at a compounded annual rate equal to the lesser of: (a) ten percent (10%); or (b) the maximum lawful rate of interest, commencing on the date of the Event of Default through the earlier of: (x) the date on which the Event of Default is cured; or (y) the date on which all amounts due under the City Documents are paid to Holder. Maker acknowledges and agrees that the default interest that must be paid in the event of an Event of Default pursuant to this Section represents a reasonable sum considering all the circumstances existing on the date of this Note and represents a fair and reasonable estimate of the costs that will be sustained by Holder if Maker defaults. Maker further agrees that proof of actual damages would be costly and inconvenient and that default interest will be paid without prejudice to Holder's right to collect any other amounts to be paid or to exercise any of its other rights or remedies under any City Document.

4. Repayment of Predevelopment Amount. The entire principal balance of the Note, together with all accrued and unpaid interest and other unpaid fees and costs incurred (all together, the "Payment"), will be due and payable on the date that is the fifty-fifth (55th) anniversary of the Conversion Date (the "Predevelopment Maturity Date"); provided, however, subject to **Section 3.8** of the Agreement, if Borrower fails to commence construction of the Project on or before the Outside Construction Commencement Date, the Predevelopment Maturity Date will be the Outside Construction Commencement Date. The City may agree to extend the Outside Construction Commencement Date in its sole and absolute discretion. If the Predevelopment Maturity Date falls on a weekend or holiday, it will be deemed to fall on the next succeeding business day.

5. Security. Maker's obligations under this Note are secured by the Deed of Trust.

6. Terms of Payment.

6.1 All Payments must be made in currency of the United States of America then lawful for payment of public and private debts.

6.2 All Payments must be made payable to Holder and mailed or delivered in person to Holder's office at One South Van Ness Avenue, 5th Floor, San Francisco, CA 94103, or to any other place Holder from time to time designates.

6.3 In no event will Maker be obligated under the terms of this Note to pay interest exceeding the lawful rate. Accordingly, if the Payment of any sum by Maker pursuant to the terms of this Note would result in the Payment of interest exceeding the amount that Holder may charge legally under applicable state and/or federal law, the amount by which the Payment exceeds the amount payable at the lawful interest rate will be deducted automatically from the principal balance owing under this Note.

6.4 Maker waives the right to designate how Payments will be applied pursuant to California Civil Code Sections 1479 and 2822. Holder will have the right in its sole discretion to determine the order and method of application of Payments to obligations under this Note.

6.5 Except as otherwise set forth herein or in the Agreement, no prepayment of this Note will be permitted without Holder’s prior written consent.

7. Default.

7.1 Any of the following will constitute an Event of Default under this Note:

(a) Maker fails to make any Payment required under this Note within ten (10) days of the date it is due; or

(b) the occurrence of any other Event of Default under the Agreement or other instrument securing the obligations of Maker under this Note or under any other agreement between Maker and Holder with respect to the Project.

7.2 Upon the occurrence of any Event of Default, without notice to or demand upon Maker, which are expressly waived by Maker (except for notices or demands otherwise required by applicable laws to the extent not effectively waived by Maker and any notices or demands specified in the City Documents), Holder may exercise all rights and remedies available under this Note, the Agreement or otherwise available to Holder at law or in equity. Maker acknowledges and agrees that Holder's remedies include the right to accelerate the Maturity Date by declaring the outstanding principal balance of the Loan, together with all accrued and unpaid interest and unpaid fees and costs incurred, due and payable immediately, in which case, the Maturity Date will be superseded and replaced by the date established by Holder.

7.3 Subject to this Section, Holder will not seek or obtain judgment against Maker for the Payment of any amounts due under this Note following a judicial or nonjudicial foreclosure of the Deed of Trust, and Holder's sole recourse against Maker for any default under this Note will be limited to the collateral for the Loan, *provided, however*, that this Section will be deemed void and of no effect if Maker challenges Holder's right to foreclose following an Event of Default in any legal proceeding on the grounds that the City Documents are not valid and enforceable under California law. This provision does not limit in any way Holder's right to recover sums arising under any obligation of Maker to indemnify Holder of sums incurred by Holder as a result of Maker's fraud, willful misrepresentation, misapplication of funds (including Loan Funds and Rents (as defined in the Deed of Trust)), waste or negligent or intentional damage to the collateral for the Loan.

8. Waivers.

8.1 Maker expressly agrees that the term of this Note or the date of any Payment due hereunder may be extended from time to time with Holder's consent, and that Holder may accept further security or release any security for this Note, all without in any way affecting the liability of Maker.

8.2 No extension of time for any Payment made by agreement by Holder with any person now or hereafter liable for the Payment of this Note will operate to release, discharge, modify, change or affect the original liability of Maker under this Note, either in whole or in part.

8.3 The obligations of Maker under this Note are absolute, and Maker waives any and all rights to offset, deduct or withhold any Payments or charges due under this Note for any reason whatsoever.

9. Miscellaneous Provisions.

9.1 All notices to Holder or Maker must be given in the manner and at the addresses set forth in the Agreement, or to the addresses Holder and/or Maker hereafter designate in accordance with the Agreement.

9.2 In the event of any legal proceedings arising from the enforcement of or a default under this Note or in any bankruptcy proceeding of Maker, the non-prevailing party promises to pay all reasonable costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the proceeding, as provided in the Agreement.

9.3 This Note may be amended only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

9.4 This Note is governed by and must be construed in accordance with the laws of the State of California, without regard to the choice of law rules of the State.

9.5 Time is of the essence in the performance of any obligations hereunder.

[***SIGNATURES ON THE NEXT PAGE***]

"MAKER"

1234 Great Highway LLC,
a California limited liability company

By: Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation, its sole member and manager

By: ______________________________
Name: ____________________________
Title: ____________________________

Free Recording Requested Pursuant to
Government Code Section 27383 and 27388.1

When recorded, mail to:
Mayor's Office of Housing and Community Development
City and County of San Francisco
1 South Van Ness Ave., 5th Floor
San Francisco, California 94103
Attn: Agnes Defiesta

APN: APN: Block 1701 – Lot 007 (formerly APN: Block 1701 – Lot 001A, APN: Block 1701 – Lot 002, and APN: Block 1701 – Lot 006)

Site Address: 1225 La Playa Street, 1234, 1270, and 1280 Great Highway

---------------------Space Above This Line for Recorder's Use---------------------

FIRST AMENDMENT TO DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING

(Property Address: 1225 La Playa Street, 1234, 1270, and 1280 Great Highway)

This First Amendment to Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing ("First Amendment to Deed of Trust") dated as of [______________________, 2026], is attached to and made a part of that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated January 23, 2024, and recorded in the official records of the City and County of San Francisco (the "Official Records") on January 24, 2024, as Document Number 2024009445 (the "Deed of Trust"). The Deed of Trust secures a loan in the total amount of Twenty Four Million and No/100 Dollars ($24,000,000) (the "Original Loan") made by the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development ("City" or "Beneficiary"), to **1234 GREAT HIGHWAY LLC**, a California limited liability company ("Borrower" or "Trustor"), whose address is 201 Eddy Street, San Francisco, CA 94102, for development expenses associated with the real property described in the attached **Exhibit A**.

The Original Loan was evidenced by that certain Loan Agreement dated December 11, 2023, by and between Trustor and Beneficiary (the "Loan Agreement"), the Secured Promissory Note dated December 11, 2023 (the "Original Acquisition Note"), the Secured Promissory Note dated December 11, 2023 (the "Original Predevelopment Note," and together with the Original Acquisition Note, the "Original Notes"), the Declaration of Restrictions and Affordable Housing Covenants dated as of January 23, 2024 and recorded in the Official Records on January 24, 2024 as Document Number 2024009444 (the "Declaration"), and the Deed of Trust.

Pursuant to that certain First Amendment to the Loan Agreement dated on or about the date hereof, Beneficiary agreed to increase the Original Loan by Three Million Two Hundred

Forty-Eight Thousand and No/100 Dollars ($3,248,500.00) (the “Additional Funding Amount”), as evidenced by that certain Amended and Restated Secured Promissory Note (“Predevelopment Note”) executed by Borrower to the order of Beneficiary, dated on or about the date set forth above. The new amount of the Predevelopment Note is comprised of $651,500 of the Original Loan and the Additional Funding Amount, for a total predevelopment loan amount of Three Million Nine Hundred Thousand and No/100 Dollars ($3,900,000.00) (“Funding Amount”).

The Trustor agrees that the following covenants, terms, and conditions shall be part of and shall modify or supplement the Deed of Trust and that in the event of any inconsistency or conflict between the covenants, terms, and conditions of the Deed of Trust, as amended by this First Amendment to Deed of Trust, the following covenants, terms, and conditions shall control and prevail:

1. Amendments. The parties agree that the Deed of Trust is hereby amended as follows:

1.1 Section 2 is hereby deleted in its entirety and replaced with the following:

2. Obligations Secured. This Deed of Trust is given for the purpose of securing the following (collectively, the "Secured Obligations"):

(a) performance of all present and future obligations of Trustor set forth in the Agreement, as it may be amended from time to time, specifically compliance with certain restrictions on the use of the Property recited in that certain Declaration of Restrictions executed by Trustor, dated as of January 23, 2024, as it may be amended from time to time, that certain Amended and Restated Secured Promissory Note (Predevelopment Amount) dated on or about the date hereof, made by Trustor to the order of Beneficiary (as it may be further amended from time to time, the “Predevelopment Note”), and the Secured Promissory Note (Acquisition Amount) dated as of December 11, 2023, made by Trustor to the order of Beneficiary (as it may be amended from time to time, the “Acquisition Note,” and together with the Predevelopment Note, the “Notes”), and performance of each agreement incorporated by reference, contained therein, or entered into in connection with the Agreement, as amended;

(b) payment of the indebtedness evidenced by the Agreement and the Predevelopment Note in the original principal amount of Three Million Nine Hundred Thousand and No/100 Dollars ($3,900,000.00), with interest, according to the terms of the Agreement and the Predevelopment Note; and

(c) payment of the indebtedness evidenced by the Agreement and the Acquisition Note in the original principal amount of Twenty-Three Million Three Hundred Forty-Eight Thousand Five Hundred and No/100 Dollars ($23,348,500.00), with interest (if applicable), according to the terms of the Agreement and the Acquisition Note; and

(d) payment of any additional sums Trustor may borrow or receive from Beneficiary, when evidenced by another note (or any other instrument) reciting that payment is secured by this Deed of Trust.

2. No Other Change. Except as specifically modified or amended by this First Amendment to Deed of Trust, all other terms and conditions of the Deed of Trust remain the same.

Remainder of Page Intentionally Left Blank; Signatures Appear on Following Page

BENEFICIARY:

CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development

By: ______________________________
Daniel Adams
Director, Mayor's Office of Housing and Community Development

SIGNATURE ABOVE MUST BE NOTARIZED

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: ______________________________
Jessica Alfaro-Cassella
Deputy City Attorney

[signatures follow]

TRUSTOR:

1234 Great Highway LLC, a California limited liability company

By: Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation, its sole member and manager

By: ___________________________
Name: __________________________
Its: __________________________

ALL SIGNATURES MUST BE NOTARIZED

EXHIBIT A
Legal Description of the Land

THE FOLLOWING LAND SITUATED IN THE CITY OF SAN FRANCISCO, COUNTY OF SAN FRANCISCO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

Beginning at the intersection of the Southerly line of Lincoln Way (80 feet wide) and Westerly line of La Playa (70’ wide); thence Southerly along the Westerly line of La Playa, 600.07 feet to the Northerly line of Irving Street (80’ wide); thence Westerly along said Northerly line of Irving Street, 38.05 feet to the Easterly line of Great Highway (width varies); thence Northerly along said Easterly line of Great Highway, 600.62 feet to the Southerly line of Lincoln Way; thence along said Southerly line of Lincoln Way, 63.72 feet to the point of beginning.

Per Certificate of Compliance recorded June 5, 2025 in Official Records under Recorder’s Serial Number 2025041316.

APN: Block 1701 – Lot 007 (formerly APN: Block 1701 – Lot 001A, APN: Block 1701 – Lot 002, and APN: Block 1701 – Lot 006)

Street Address:
1225 La Playa Street, 1234, 1270, and 1280 Great Highway, San Francisco, CA 94122

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF __________________)

On ____________________, before me, ___________________________, Notary Public, personally appeared ______________________________________, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

____
Name: ______________________________
Notary Public

LOAN AGREEMENT
(CITY AND COUNTY OF SAN FRANCISCO
LOW AND MODERATE INCOME AFFORDABLE HOUSING ASSET FUND; AND
2023 CERTIFICATES OF PARTICIPATION)

By and Between

THE CITY AND COUNTY OF SAN FRANCISCO,
a municipal corporation, represented by the Mayor,
acting by and through the Mayor's Office of Housing and Community Development,

and

1234 GREAT HIGHWAY LLC, a California limited liability company

for

1234 Great Highway, San Francisco, CA 94122
$24,000,000
Low and Moderate Income Housing Asset Fund: $4,047,507
2023 Certificates of Participation: $19,952,493

Dated as of December 11, 2023

TABLE OF CONTENTS

EXHIBITS

LOAN AGREEMENT
(City and County of San Francisco
Low and Moderate Income Housing Asset Fund and 2023 Certificates of Participation)
1234 Great Highway, San Francisco, CA 94122

THIS LOAN AGREEMENT ("Agreement") is entered into as of December 11, 2023, by and between the **CITY AND COUNTY OF SAN FRANCISCO**, a municipal corporation (the "City"), represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"), and **1234 GREAT HIGHWAY LLC, a** California limited liability company ("Borrower").

RECITALS

A. The San Francisco Board of Supervisors designated the Mayor's Office of Housing and Community Development the Successor Housing Agency of the San Francisco Redevelopment Agency, effective February 1, 2012, upon dissolution of state redevelopment agencies. Pursuant to California Assembly Bill 1484, the Successor Housing Agency was required to create a fund called the Low and Moderate Income Housing Asset Fund ("LMIH Asset Fund") to collect proceeds from former redevelopment agency housing assets transferred to the City and County of San Francisco. Monies in the LMIH Asset Fund are derived from loan repayments and other housing asset program income and will be used in accordance with California Redevelopment Law. The funds provided from the LMIH Asset Fund under this Agreement will be referred to herein as the "LMIH Funds."

B. On June 2, 2023, the City enacted Ordinance 102-23, which provided for the issuance of up to $146,800,000 in Certificates of Participation to finance and refinance certain capital improvement, affordable housing and community facilities development projects within the City and County of San Francisco, including site acquisition, demolition and site preparation, design work, construction, repairs, renovations, improvements and the equipment of such facilities, including through the retirement of certain commercial paper notes of the City issued for such purposes (the "2023 Certificates of Participation"). To the extent permitted by law, the City intends to reimburse with proceeds of the 2023 Certificates of Participation amounts disbursed under this Agreement to Borrower for the development and construction of affordable housing. The proceeds from the 2023 Certificates of Participation provided under this Agreement will be referred to herein as the "2023 COP Funds," and together with the LMIH Funds, collectively, the "Funds."

C. MOHCD issued a Notice of Funding Availability on January 7, 2023, to solicit qualified affordable housing developers for Site Acquisition and Predevelopment Financing for New Affordable Rental Housing ("NOFA"). In response to the NOFA, MOHCD selected Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation ("TNDC") and Self-Help for the Elderly, a California nonprofit public benefit corporation ("SHE") as co-developers to acquire, develop, and construct new affordable housing on the Site (defined below). TNDC, as the current sole member, formed the Borrower for the purpose of undertaking the activities described in the NOFA.

D. Borrower owns a fee interest in the real property located at 1234, 1270 and 1280 Great Highway, San Francisco, CA 94122, which includes a 59-unit commercial motel (the "Site"). Borrower desires to demolish the existing improvements and construct on the Site a new approximately 216-unit multifamily residential project affordable to low-income and formerly homeless seniors, including a commercial shell for community serving space (the “Commercial Space,” and collectively, the “Project”).

E. Borrower obtained a loan from the San Francisco Housing Accelerator Fund in the amount of $24,000,000 for acquisition of the Site and predevelopment activities related to the Project (“SFHAF Loan”). Borrower desires to use approximately $23,348,500 of the Funds to refinance the outstanding balance of the SFHAF Loan.

F. The Citywide Affordable Housing Loan Committee has reviewed Borrower's application for Funds and, in reliance on the accuracy of the statements in that application, has recommended to the Mayor that the City make a loan of Funds to Borrower (the "Loan") in the amount of Twenty-Three Million Three Hundred Forty-Eight Thousand Five Hundred and No/100 Dollars ($23,348,500.00) related to the acquisition of the Site (“Acquisition Amount”), and Six Hundred Fifty-One Thousand Five Hundred and No/100 Dollars ($651,500.00) for certain costs related to the predevelopment of the Project (“Predevelopment Amount”), for a total amount of Twenty Four Million and No/100 Dollars ($24,000,000.00) (the "Funding Amount") under this Agreement to fund certain costs related to the Project. The Funding Amount is comprised of (i) LMIH Funds in the amount of $4,047,507.00 and (ii) 2023 Certificates of Participation in the amount of $19,952,493.00.

G. On December 11, 2023, the City’s Board of Supervisors and the Mayor approved this Agreement by Resolution No. 0551-23 for the purpose of developing the Project.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth in this Agreement, the parties agree as follows:

ARTICLE 1 DEFINITIONS.

1.1 Defined Terms. As used in this Agreement, the following words and phrases have the following meanings:

"Accounts" means all depository accounts, including reserve and trust accounts, required or authorized under this Agreement or otherwise by the City in writing. All Accounts will be maintained in accordance with **Section 2.3**.

"Agreement" means this Loan Agreement.

"Agreement Date" means the date first written above.

"Annual Monitoring Report" has the meaning set forth in **Section 10.3**.

“Annual Operating Budget” means an annual operating budget for the Project attached hereto as **Exhibit B-2**, which may not be adjusted without the City's prior written approval.

“Approved Plans” has the meaning set forth in **Section 5.2**.

“Approved Specifications” has the meaning set forth in **Section 5.2**.

“Acquisition Amount” has the meaning set forth in **Recital F**.

"Acquisition Maturity Date" has the meaning set forth in Section 3.1(a).

“Acquisition Note” means the promissory note executed by Borrower in favor of the City in the original principal amount of the Acquisition Amount.

"Authorizing Resolutions" means: (a) in the case of a corporation, a certified copy of resolutions adopted by its board of directors; (b) in the case of a partnership (whether general or limited), a certificate signed by all of its general partners; and (c) in the case of a limited liability company, a certified copy of resolutions adopted by its board of directors or members, satisfactory to the City and evidencing Borrower's authority to execute, deliver and perform the obligations under the City Documents to which Borrower is a party or by which it is bound.

"Borrower" means 1234 Great Highway LLC, a California limited liability company, whose sole member/manager is Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation, and its authorized successors and assigns.

“Cash Out Policy” means the MOHCD Cash Out Acquisition/Rehabilitation, Resyndication, And Refinancing Policy dated June 19, 2020, as it may be amended from time to time.

"CFR" means the Code of Federal Regulations.

"Charter Documents" means: (a) in the case of a corporation, its articles of incorporation and bylaws; (b) in the case of a partnership, its partnership agreement and any certificate or statement of partnership; and (c) in the case of a limited liability company, its operating agreement and any LLC certificate or statement.

"City" means the City and County of San Francisco, a municipal corporation, represented by the Mayor, acting by and through MOHCD. Whenever this Agreement provides for a submission to the City or an approval or action by the City, this Agreement refers to submission to or approval or action by MOHCD unless otherwise indicated.

"City Documents" means this Agreement, the Notes, the Deed of Trust, the Declaration of Restrictions, and any other documents executed or, delivered in connection with this Agreement.

"City Project" has the meaning set forth in **Exhibit E, Section 13(c)**.

"CNA" means a 20-year capital needs assessment or analysis of replacement reserve requirements, as further described under the CNA Policy.

“CNA Policy” means MOHCD’s Policy For Capital Needs Assessments dated November 5, 2013, as it may be amended from time to time.

“Commercial Income” means all receipts received by Borrower from the operation of the Commercial Space, including rents, fees, deposits (other than security deposits), any accrued interest disbursed from any reserve account authorized under this Agreement for a purpose other than that for which the reserve account was established, reimbursements and other charges paid to Borrower in connection with the Commercial Space.

“Commercial Shell” means all components of an unfinished Commercial Space as further defined by MOHCD’s commercial space policy, as it may be amended from time to time.

"Commercial Space" has the meaning set forth in **Recital D** and further defined in MOHCD’s commercial space policy as it may be amended from time to time. As used in this Agreement, the term excludes non-residential space in the Project to be used primarily for the benefit of the Tenants.

“Commercial Surplus Cash” means Commercial Income remaining after payment of the sum of commercial debt service, operating expenses for the Commercial Space and reserve deposits for the Commercial Space but excludes depreciation, amortization, depletion, other non-cash expenses or expenditures from reserve accounts.

“Community-Serving Purposes” means a non-residential use, approved by MOHCD in writing, that provides a direct benefit to the residents of the Project and the community in which the Project is located, including, but not limited to, family resource center, early childhood education center, community bicycle workspace, or other community serving commercial use under MOHCD’s Commercial Space Underwriting Guidelines.

"Completion Date" has the meaning set forth in **Section 5.6**.

"Compliance Term" has the meaning set forth in **Section 3.2**.

“Construction Contract” has the meaning set forth in **Section 5.2**.

“Conversion Date” means the date on which construction financing for the Project is converted into permanent financing, if applicable.

"Declaration of Restrictions" means a recorded declaration of restrictions in form and substance acceptable to the City that requires Borrower and the Project to comply with the use restrictions in this Agreement for the Compliance Term, even if the Loan is repaid or otherwise satisfied, this Agreement terminates or the Deed of Trust is reconveyed.

"Deed of Trust" means the deed of trust executed by Borrower granting the City a lien on the Site and the Project to secure Borrower's performance under this Agreement and the Notes, in form and substance acceptable to the City.

“Department of Building Inspection” has the meaning set forth in **Section 5.2**.

"Developer" means TNDC and SHE, and their authorized successors and assigns.

“Developer Fee Policy” means the MOHCD Policy on Development Fees for Tax Credit Projects dated October 16, 2020, as amended from time to time, attached hereto as **Exhibit J**.

"Developer Fees" has the meaning set forth in **Section 15.1**.

"Development Expenses" means all costs incurred by Borrower and approved by the City in connection with the development of the Project, including: (a) hard and soft development costs; (b) deposits into required capitalized reserve accounts; (c) costs of converting Project financing, including bonds, into permanent financing; (d) the expense of a cost audit; and (e) allowed Developer Fees.

"Development Proceeds" means the sum of: (a) funds contributed or to be contributed to Borrower by Borrower's limited partner as capital contributions, equity or for any other purpose under Borrower's limited partnership agreement; and (b) the proceeds of all other financing for the Project.

"Disbursement" means the disbursement of all or a portion of the Funding Amount by the City as described in **Article 4**.

"Distributions" has the meaning set forth in **Section 13.1**.

“Early Retention Release Contractors” means contractors who will receive retention payments upon satisfaction of requirements set forth in **Section 4.7.**

"Environmental Activity" means any actual, proposed or threatened spill, leak, pumping, discharge, leaching, storage, existence, release, generation, abatement, removal, disposal, handling or transportation of any Hazardous Substance from, under, into or on the Site.

"Environmental Laws" means all present and future federal, state, local and administrative laws, ordinances, statutes, rules and regulations, orders, judgments, decrees, agreements, authorizations, consents, licenses, permits and other governmental restrictions and requirements relating to health and safety, industrial hygiene or the environment or to any Hazardous Substance or Environmental Activity, including the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (commonly known as the "Superfund" law) (42 U.S.C. §§ 9601 *et seq*.), the Resource Conservation and Recovery Act of 1976, as amended by the Solid Waste and Disposal Act of 1984 (42 U.S.C. §§ 6901 *et seq*.); the National Environmental Policy Act of 1969 (“NEPA”) (24 CFR §§ 92 and 24 CFR §§ 58); the California

Hazardous Substance Account Act (also known as the Carpenter-Presley-Tanner Hazardous Substance Account Law and commonly known as the "California Superfund" law) (Cal. Health & Safety Code §§ 25300 *et seq*.); and the Safe Drinking Water and Toxic Enforcement Act of 1986 (commonly known as "Proposition 65") (Cal. Health & Safety Code §§ 25249.2 *et seq*.); and Sections 25117 and 25140 of the California Health & Safety Code.

"Escrow Agent" has the meaning set forth in **Section 4.2**.

"Event of Default" has the meaning set forth in **Section 19.1**.

"Excess Proceeds" means Development Proceeds remaining after payment of Development Expenses. For the purposes of determining Excess Proceeds, no allowed Project Expenses may be included in Development Expenses.

"Expenditure Request" means a written request by Borrower for a Disbursement from the Funding Amount, which will certify that the Project costs covered by the Expenditure Request have been paid or incurred by Borrower.

"Funding Amount" has the meaning set forth in **Recital F**.

"Funds" has the meaning set forth in **Recital A**.

"GAAP" means generally accepted accounting principles in effect on the date of this Agreement and at the time of any required performance.

"Governmental Agency" means: (a) any government or municipality or political subdivision of any government or municipality; (b) any assessment, improvement, community facility or other special taxing district; (c) any governmental or quasi-governmental agency, authority, board, bureau, commission, corporation, department, instrumentality or public body; or (d) any court, administrative tribunal, arbitrator, public utility or regulatory body.

"Hazardous Substance" means any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any Governmental Agency to pose a present or potential hazard to human health or safety or to the environment. Hazardous Substance includes any material or substance listed, defined or otherwise identified as a "hazardous substance," "hazardous waste," "hazardous material," "pollutant," "contaminant," "pesticide" or is listed as a chemical known to cause cancer or reproductive toxicity or is otherwise identified as "hazardous" or "toxic" under any Environmental Law, as well as any asbestos, radioactive materials, polychlorinated biphenyls and any materials containing any of them, and petroleum, including crude oil or any fraction, and natural gas or natural gas liquids. Materials of a type and quantity normally used in the demolition, construction, operation or maintenance of developments similar to the Project will not be deemed "Hazardous Substances" for the purposes of this Agreement if used in compliance with applicable Environmental Laws.

“HCD” means the California Department of Housing and Community Development.

“Hold Harmless Policy” means the Hold Harmless Policy for MOHCD’s Income Limits & Maximum Rents dated May 3, 2019, as amended from time to time, attached hereto as **Exhibit K**.

“Homeless” means an individual or a family who lacks a fixed, regular, and adequate nighttime residence and who has a primary nighttime residence in one or more of the following categories: (a) Anyone staying in a mission or homeless or domestic violence shelter, i.e., a supervised public or private facility that provides temporary living accommodations; (b) Anyone displaced from housing due to a disaster situation; (c) Anyone staying outdoors; for example, street, sidewalk, doorway, park, freeway underpass; (d) Anyone staying in a car, van, bus, truck, RV, or similar vehicle; (e) Anyone staying in an enclosure or structure that is not authorized or fit for human habitation by building or housing codes, including abandoned buildings ("squats") or sub-standard apartments and dwellings; (f) Anyone staying with friends and/or extended family members (excluding parents and children) because they are otherwise unable to obtain housing; (g) Any family with children staying in a Single Room Occupancy (SRO) hotel room (whether or not they have tenancy rights); (h)Anyone staying in temporary housing for less than 6 months where the accommodations provided to the person are substandard or inadequate (for example, in a garage a very small room, or an overly crowded space); (i) Anyone staying in a Single Room Occupancy (SRO) hotel room without tenancy rights; (j)Anyone formerly homeless (formerly in one of the above categories (a) through (i)) who is now incarcerated, hospitalized, or living in a treatment program, half-way house, transitional housing; or (k) Anyone formerly homeless (formerly in one of the above categories (a) through (i)) who has obtained and resided in supportive housing or permanent housing for less than 30 days.

“Homeless Household” means a household that meets the referring agency’s definition of Homeless Household for initial occupancy and upon available vacancies thereafter, as per the Local Operating Subsidy contract.

“HSH” means the San Francisco Department of Homelessness and Supportive Housing, or other successor agency.

"HUD" means the United States Department of Housing and Urban Development acting by and through the Secretary of Housing and Urban Development and any authorized agents.

"In Balance" means that the sum of undisbursed Funds and any other sources of funds that Borrower has closed or for which Borrower has firm commitments will be sufficient to complete acquisition/construction/rehabilitation of the Project, as determined by the City in its sole discretion.

"Income Restrictions" means the maximum household income limits for Qualified Tenants, as set forth in **Exhibit A**.

"Indemnitee" means, individually or collectively, (i) City, including MOHCD and all commissions, departments, agencies and other subdivisions of City; (ii) City's elected officials, directors, officers, employees, agents, successors and assigns; and (iii) all persons or entities acting on behalf of any of the foregoing.

"Laws" means all statutes, laws, ordinances, regulations, orders, writs, judgments, injunctions, decrees or awards of the United States or any state, county, municipality or Governmental Agency.

“Life of the Project” means the period of time in which the Project continues to operate as a multi-family apartment project substantially similar to its current condition in terms of square footage and number of units, and in the event the Project is substantially damaged or destroyed by fire, the elements, an act of any public authority or other casualty, and is subsequently replaced by a multi-family residential project substantially similar to its current condition in terms of square footage and number of units, the life of such replacement project will be deemed to be a continuation of the life of the Project.

"Loan" has the meaning set forth in **Recital F**.

“Local Operating Subsidy” means an operating subsidy provided by the City to Borrower for the operation of the Project, the amount of which is sufficient to permit Borrower to operate the Project in accordance with the terms of this Agreement with Qualified Tenants at income levels specified by MOHCD in writing which are below those set forth in **Exhibit A**.

"Local Operating Subsidy Program" or “LOSP” means the program administered by MOHCD that regulates the distribution of Local Operating Subsidy.

"Loss" or "Losses" includes any and all loss, liability, damage, obligation, penalty, claim, action, suits, judgment, fee, cost, expense or charge and reasonable attorneys' fees and costs, including those incurred in an investigation or a proceeding in court or by mediation or arbitration, on appeal or in the enforcement of the City's rights or in defense of any action in a bankruptcy proceeding.

"Manager" means TNDC.

“Marketing and Tenant Selection Plan” has the meaning set forth in **Section 6.1**.

"Median Income" means median income as published annually by MOHCD for the City and County of San Francisco, adjusted solely for household size, and derived in part from the income limits and area median income determined by HUD for the San Francisco area, but not adjusted for a high housing cost area (also referred to as unadjusted median income)

"MOHCD" means the Mayor’s Office of Housing and Community Development or its successor.

“MOHCD Monthly Project Update” has the meaning set forth in **Section 10.2**.

"Notes" means, collectively, the Predevelopment Note and the Acquisition Note.

“Official Records” means the official records of San Francisco County.

"Operating Reserve Account" has the meaning set forth in **Section 12.2**.

"Opinion" means an opinion of Borrower's California legal counsel, satisfactory to the City and its legal counsel, that Borrower is a duly formed, validly existing California limited liability company in good standing under the laws of the State of California, has the power and authority to enter into the City Documents and will be bound by their terms when executed and delivered, and that addresses any other matters the City reasonably requests.

"Out of Balance" means that the sum of undisbursed Funds and any other sources of funds that Borrower has closed or for which Borrower has firm commitments will not be sufficient to complete acquisition/construction/rehabilitation of the Project, as determined by the City in its sole discretion.

"Partnership Fees" means annual partnership management fees in the amounts approved by the City in the Annual Operating Budget and limited partner fees in amounts approved by the City in the Annual Operating Budget.

"Payment Date" means the first June 30th following the Completion Date and each succeeding June 30th until the Predevelopment Maturity Date or Acquisition Maturity Date, as applicable.

"Permitted Exceptions" means liens in favor of the City, real property taxes and assessments that are not delinquent, and any other liens and encumbrances the City expressly approves in writing in its escrow instructions.

“Predevelopment Amount” has the meaning set forth in **Recital F**.

"Predevelopment Maturity Date" has the meaning set forth in Section 3.1(b).

"Predevelopment Note” means the promissory note executed by Borrower in favor of the City in the original principal amount of the Predevelopment Amount.

“Preferences and Lottery Manual” means MOHCD’s Marketing, Housing Preferences and Lottery Procedures Manual dated October 19, 2020, as amended from time to time.

“Preferences Ordinance” means Chapter 47 of the San Francisco Administrative Code, as amended from time to time.

"Project" means the development described in **Recital D**. If indicated by the context, "Project" means the Site and the improvements developed on the Site.

"Project Expenses" means the following costs, which may be paid from Project Income in the following order of priority to the extent of available Project Income: (a) all charges incurred in the operation of the Project for utilities, real estate taxes and assessments and premiums for insurance required under this Agreement or by other lenders providing secured financing for the Project; (b) salaries, wages and any other compensation due and payable to the employees or agents of Borrower employed in connection with the Project, including all related withholding taxes, insurance premiums, Social Security payments and other payroll taxes or payments; (c) required payments of interest and principal, if any, on any junior or senior financing secured by the Site and used to finance the Project that has been approved by the City; (d) all other expenses actually incurred to cover operating costs of the Project, including maintenance and repairs and the fee of any managing agent as indicated in the Annual Operating Budget; (e) annual base rent under the ground lease; f required deposits to the Replacement Reserve Account, Operating Reserve Account and any other reserve account required under this Agreement; (g) the approved annual asset management fees indicated in the Annual Operating Budget and approved by the City; and (h) any extraordinary expenses approved in advance by the City (other than expenses paid from any reserve account); and (i) Supportive Services as defined below. Partnership Fees are not Project Expenses.

"Project Income" means all income and receipts in any form received by Borrower from the operation of the Project, including, but not limited to, the following: (a) rents, fees, charges, and deposits (other than tenant's refundable security deposits); (b) Section 8 or other rental subsidy payments received for the Project, supportive services funding (if applicable); (c) price index adjustments and any other rental adjustments to leases or rental agreements; (d) proceeds from vending and laundry room machines; (e) the proceeds of business interruption or similar insurance; (f) any accrued interest disbursed from any reserve account required under this Agreement for a purpose other than that for which the reserve account was established; (g) reimbursements and other charges paid to Borrower in connection with the Project; and (h) other consideration actually received from the operation of the Project, including non-residential uses of the Site. Project Income does not include interest accruing on any portion of the Funding Amount or tenant's refundable security deposits, or Commercial Income.

"Project Operating Account" has the meaning set forth in **Section 11.1**.

"Public Benefit Purposes" means activities or programs that primarily benefit low-income persons, are implemented by one or more nonprofit 501(c)(3) public benefit organizations, or have been identified by a City agency or a community planning process as a priority need in the neighborhood in which the Project is located.

"Publication" means any report, article, educational material, handbook, brochure, pamphlet, press release, public service announcement, webpage, audio or visual material or other communication for public dissemination, which relates to all or any portion of the Project or is paid for in whole or in part using the Funding Amount.

"Qualified Tenant" means a Tenant household composed only of Seniors and earning no more than the maximum permissible annual income level allowed under this Agreement as set forth in **Exhibit A**. The term "Qualified Tenant" includes each category of Tenant designated in **Exhibit A**.

"Rent" means the aggregate annual sum charged to Tenants for rent and utilities in compliance with **Article 7**, with utility charges to Qualified Tenants limited to an allowance determined by the SFHA.

"Replacement Cost" means all hard construction costs of the Project, not including the cost of site work and foundations but including construction contingency, for the purpose of establishing the amount of the Replacement Reserve Account. This defined term is not intended to affect any other calculation of replacement cost for any other purpose.

"Replacement Reserve Account" has the meaning set forth in **Section 12.1**.

"Residual Receipts" means Project Income remaining after payment of Project Expenses and Partnership Fees. The amount of Residual Receipts will be based on figures contained in audited financial statements.

“Residual Receipts Policy” means the Mayor’s Office of Housing and Community Development Residual Receipts Policy effective April 1, 2016, as amended from time to time, attached hereto as **Exhibit P**.

"Retention" has the meaning set forth in **Section 4.7**.

"Section 8" means rental assistance provided under Section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. § 1437f) or any successor or similar rent subsidy programs.

“Senior” means an individual aged 62 or older (except as permitted by applicable Law), or as defined by the requirements of funding from a government agency, approved by the City for the Project.

"Senior Lien" has the meaning set forth in **Section 22.1**.

“Senior Operating Subsidy” means an operating subsidy provided to Borrower by the City, the amount of which is sufficient to permit Borrower to operate the Project in accordance with the terms of this Agreement with Qualified Tenants at income levels specified by MOHCD in writing which are below those set forth in **Exhibit A**.

"SFHA" means the San Francisco Housing Authority.

"Site" means the real property described in **Recital D** of this Agreement.

"Supportive Services" means Services provided to the Tenants, including, not limited to, case management provided by social workers, healthy aging activities, employment services, urban agriculture/food distribution, social events and activities, assistance with public benefits applications, technology assistance, and services to address other community-identified needs in the amount shown in the approved 20-Year Cash Flow Proforma., see also **Section 3.9**."Table" means: (a) the Table of Sources and Uses, (b) the Annual Operating Budget, and (c) the 20-Year Cash Flow Proforma.

"Table of Sources and Uses" means a table of sources and uses of funds attached hereto as **Exhibit B-1**, including a line item budget for the use of the Funding Amount, which table may not be adjusted without the City's prior written approval.

"TCAC" means the California Tax Credit Allocation Committee.

"Tenant" means any residential household in the Project, whether or not a Qualified Tenant.

"Tenant Screening Criteria Policy" has the meaning set forth in **Section 6.3**.

"Title Policy" means an ALTA extended coverage lender's policy of title insurance in form and substance satisfactory to the City, issued by an insurer selected by Borrower and satisfactory to the City, together with any endorsements and policies of coinsurance and/or reinsurance required by the City, in a policy amount equal to the Funding Amount, insuring the Deed of Trust and indicating the Declaration of Restrictions as valid liens on the Site, each subject only to the Permitted Exceptions.

"20-Year Cash Flow Proforma" means the 20-year cash flow proforma for the Project attached as **Exhibit B-3**.

"Unit" means a residential rental unit within the Project.

"Waiting List" has the meaning set forth in **Section 6.5**.

1.2 Interpretation. The following rules of construction will apply to this Agreement and the other City Documents.

(a) The masculine, feminine or neutral gender and the singular and plural forms include the others whenever the context requires. The word "include(s)" means "include(s) without limitation" and "include(s) but not limited to," and the word "including" means "including without limitation" and "including but not limited to" as the case may be. No listing of specific instances, items or examples in any way limits the scope or generality of any language in this Agreement. References to days, months and years mean calendar days, months and years unless otherwise specified. References to a party mean the named party and its successors and assigns.

(b) Headings are for convenience only and do not define or limit any terms. References to a specific City Document or other document or exhibit mean the document, together with all exhibits and schedules, as supplemented, modified, amended or extended from time to time in accordance with this Agreement. References to Articles, Sections and Exhibits refer to this Agreement unless otherwise stated.

(c) Accounting terms and financial covenants will be determined, and financial information will be prepared, in compliance with GAAP as in effect on the date of performance. References to any Law, specifically or generally, will mean the Law as amended, supplemented or superseded from time to time.

(d) The terms and conditions of this Agreement and the other City Documents are the result of arms'-length negotiations between and among sophisticated parties who were represented by counsel, and the rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not apply to the construction and interpretation of the City Documents. The language of this Agreement will be construed as a whole according to its fair meaning.

ARTICLE 2 FUNDING.

2.1 Funding Amount. The City agrees to lend to Borrower a maximum principal amount equal to the Funding Amount in order to refinance the SFHAF Loan and finance predevelopment activities for the Project, as further described in the Table of Sources and Uses. The Funding Amount will be disbursed according to the terms and subject to the conditions set forth in this Agreement.

2.2 Use of Funds. Borrower acknowledges that the City's agreement to make the Loan is based in part on Borrower's agreement to use the Funds solely for the purpose set forth in **Section 2.1** and agrees to use the Funds solely for that purpose in accordance with the approved Table of Sources and Uses. Notwithstanding anything to the contrary contained herein, City will not approve expenditure of Funds for expenses incurred by Borrower prior to the Agreement Date, except for certain closing costs and predevelopment expenses incurred by the Borrower and approved by MOHCD after June 22, 2023. Notwithstanding the foregoing, City will not approve any expenditure of 2023 COP Funds for expenses incurred by Borrower earlier than sixty (60) days prior to the City's declaration of its official intent to reimburse such expenses with proceeds of the 2023 COP Funds, unless otherwise authorized by the Internal Revenue Code.

2.3 Accounts; Interest. Each Account to be maintained by Borrower under this Agreement will be held in a bank or savings and loan institution acceptable to the City as a segregated account that is insured by the Federal Deposit Insurance Corporation or other comparable federal insurance program. With the exception of tenant security deposit trust accounts, Borrower will use any interest earned on funds in any Account for the benefit of the Project.

2.4 Records. Borrower will maintain and provide to the City upon request records that accurately and fully show the date, amount, purpose and payee of all expenditures from each Account authorized under this Agreement or by the City in writing and keep all estimates, invoices, receipts and other documents related to expenditures from each Account. In addition, Borrower will provide to the City promptly following Borrower's receipt, complete copies of all monthly bank statements, together with a reconciliation, for each Account until all funds (including accrued interest) in each Account have been disbursed for eligible uses.

2.5 Conditions to Additional Financing. The City may grant or deny any application by Borrower for additional financing for the Project in its sole discretion. Borrower will satisfy the following conditions before applying to the City for additional financing:

(a) Borrower will explore ways to leverage an additional approximately $15.8 million in state tax credit equity, which would significantly lower the City's construction/permanent financing. Borrower will report back to MOHCD on a quarterly basis on possible leveraging options;

(b) The proposed Project is not showing the commercial build out as a community facility, which could garner more tax credits, and thereby reduce MOHCD's construction/permanent financing. Borrower will submit to MOHCD an evaluation of such community facility prior to MOHCD issuing a preliminary commitment for construction/permanent financing;

(c) Borrower will provide more information to MOHCD on a quarterly basis on the feasibility of funding for Community Resilient Centers;

(d) Borrower will work with MOHCD staff and Project's General Contractor to value engineer the construction budget with the goal of continually reducing construction costs inclusive of contractor contingency, bid contingency and escalation to start of construction;

(e) Borrower will provide an interim use financial report dated as of December 2023;

(f) Borrower will deliver to MOHCD a revised annual operating budget to bring the Project's debt service and operating budget in compliance with MOHCD underwriting guidelines;
(g) In consultation with MOHCD, Borrower will bring the Project's service provider Full Time Equivalent staff and budgets in compliance with both HSH and MOHCD standards for LOSP units;
(h) Borrower will provide MOHCD and HSH with a services plan and budget with proposed staffing levels that meet MOHCD underwriting standards and HSH guidelines. Any changes to the current proposed plan and budget will need to be represented to MOHCD and HSH at least 90 days prior to preliminary construction/permanent loan commitment approval (estimated May 2025);
(i) Borrower will provide a detailed commercial budget to MOHCD and research alternative sources to offset the construction costs of the Commercial Space;

and

(j) Borrower will apply for an AHP loan for permanent financing of the Project to the Federal Home Loan Bank of San Francisco in 2025, pending SF Planning approval of an entitlements application.If Borrower's application for the AHP loan is denied, Borrower will continue to apply for an AHP loan to the Federal Home Loan Bank of San Francisco until Borrower is no longer eligible for AHP funding. If awarded AHP funds, and subject to any requirements of the San Francisco Federal Home Loan Bank Affordable Housing Program, Borrower will use the AHP loan to repay any bridge loan provided by the City for construction of the Project. Borrower will submit to MOHCD a preliminary AHP application with a self-score prior to submission to the Federal Home Loan Bank.

ARTICLE 3 TERMS. Borrower's repayment obligations with respect to the Funding Amount will be evidenced and governed by the Note, which will govern in the event of any conflicting provision in this Agreement.

3.1 Maturity Dates.

(a) Acquisition Amount. Borrower will repay all amounts owing under the Acquisition Note on the date that is the earlier of (i) Borrower's closing of construction financing for the Project, or (ii) the Outside Construction Commencement Date (the "Acquisition Maturity Date"), in accordance with Section 3.5 and 3.8 herein.

(b) Predevelopment Amount. Borrower will repay all amounts owing under the Predevelopment Note on the date that is the fifty-fifth (55th) anniversary of the Conversion Date (the "Predevelopment Maturity Date"); provided, however, subject to **Section 3.8**, if Borrower fails to commence construction of the Project on or before December 31, 2028 (the "Outside Construction Commencement Date"), the Predevelopment Maturity Date will be the Outside Construction Commencement Date. The City may agree to extend the Outside Construction Commencement Date in its sole and absolute discretion.

3.2 Compliance Term; Declaration of Restrictions. Borrower will comply with all provisions of the City Documents relating to the use of the Site and the Project as set forth in the Declaration of Restrictions to be recorded in the Official Records, for the period commencing on the date the Deed of Trust is recorded in the Official Records and continuing for the Life of the Project (the "Compliance Term"), even if the Loan is repaid or otherwise satisfied or the Deed of Trust is reconveyed before the end of the Compliance Term. Notwithstanding the foregoing, upon closing of Project construction financing and transfer of the Site to the City, the Deed of Trust and the Declaration of Restrictions will each be either amended and restated or will each be terminated and replaced by a new Deed of Trust and a new Declaration of Restrictions recorded on the Borrower's leasehold interest in the Site.

3.3 Interest. Except as provided in **Section 3.4**, no interest will be charged on the Acquisition Amount. Except as provided in **Section 3.4**, the outstanding principal balance of the Predevelopment Amount will bear simple interest at a rate of three percent (3%) per annum, as provided in the Predevelopment Note; provided, however, that prior to the Outside Construction Commencement Date, the Director of MOHCD will have the right, in his or her reasonable discretion, to reduce the Predevelopment Note interest rate to as low as zero percent (0%) upon receipt of adequate documentation supporting the need for such reduction in order to make the Project financially feasible.

3.4 Default Interest Rate. Upon the occurrence of an Event of Default under any City Document, the principal balance of the Loan will bear interest at the default interest rate set forth in the Note, with such default interest rate commencing as of the date an Event of Default occurs and continuing until such Event of Default is fully cured. In addition, the default interest rate will apply to any amounts to be reimbursed to the City under any City Document if not paid when due or as otherwise provided in any City Document.

3.5 Repayment of Principal and Interest. The outstanding principal balance of the Predevelopment Amount, together with all accrued and unpaid interest, if any, will be due and payable on the Predevelopment Maturity Date according to the terms set forth in full in the Predevelopment Note. The outstanding principal balance of the Acquisition Amount, together with all accrued and unpaid interest, if any, will be due and payable on the Acquisition Maturity Date according to the terms set forth in full in the Acquisition Note. The Acquisition Note will be deemed repaid in full upon Borrower's transfer of the Site to the City on or before the closing of construction financing for the Project, or a transfer of the Site under Section 3.8 herein. Except as set forth in the Notes, no prepayment of the Loan will be permitted without the prior written consent of the City in its sole and absolute discretion.

3.6 Changes in Funding Streams. The City's agreement to make the Loan on the terms set forth in this Agreement and the Note is based in part on Borrower's projected sources and uses of all funds for the Project, as set forth in the Table of Sources and Uses. Borrower covenants to give written notice to the City within thirty (30) days of any significant changes in budgeted funding or income set forth in documents previously provided to the City. Examples of significant changes include loss or adjustments (other than regular annual adjustments) in funding under Continuum of Care, Section 8 or similar programs.

3.7 Additional City Approvals. Borrower understands and agrees that City is entering into this Agreement in its proprietary capacity and not as a regulatory agency with certain police powers. Borrower understands and agrees that neither entry by City into this Agreement nor any approvals given by City under this Agreement will be deemed to imply that Borrower will obtain any required approvals from City departments, boards or commissions which have jurisdiction over the Property. By entering into this Agreement, City is in no way modifying or limiting the obligations of Borrower to develop the Property in accordance with all local laws. Borrower understands that any development of the Property will require approvals, authorizations and permits from governmental agencies with jurisdiction over the Property, which may include, without limitation, the San Francisco City Planning Commission and the San Francisco Board of Supervisors. Notwithstanding anything to the contrary in this Agreement, no party is in any way limiting its discretion or the discretion of any department, board or commission with jurisdiction over the Project, including but not limited to a party hereto, from exercising any discretion available to such department, board or commission with respect thereto, including but not limited to the discretion to (i) make such modifications deemed necessary to mitigate significant environmental impacts, (ii) select other feasible alternatives to avoid such impacts, including the "No Project" alternative; (iii) balance the benefits against unavoidable significant impacts prior to taking final action if such significant impacts cannot otherwise be avoided, or (iv) determine not to proceed with the proposed Project.

3.8 Land Banking Provisions.

(a) Borrower acknowledges that the City's willingness to provide financing is contingent upon Borrower's identification of sources of funding acceptable to the City sufficient to construct and complete the Project. In the event the City determines in its sole discretion by the Outside Construction Commencement Date that the Project is unlikely to be developed within a reasonable time period for any reason, including Borrower's inability to obtain necessary financing for the Project, upon thirty (30) days' prior written notice to Borrower, the City may require Borrower to transfer the fee title to the Site to either: (i) another nonprofit corporation, limited partnership or limited liability company designated by the City with the intention that the transferee develop the Site as affordable housing under a new loan agreement acceptable to the City; or (ii) to the City for an amount equal to the outstanding principal balance of the Loan, plus accrued and unpaid interest, and City will cancel and return the Notes to the Borrower.

(b) In the event Borrower realizes income from the use of the Site before the initiation of the construction or sale, the income will be used solely for costs associated with maintenance of the Site, with any excess placed in an interest-bearing account to be applied towards Project costs or to be turned over to the City with the proceeds of sale. Borrower will obtain the City's prior written approval to use the Site for any purpose other than the Project at any time during the Compliance Term.

3.9 Failure to Provide Budgeted Supportive Services. If Borrower fails to provide Supportive Services in the amount shown in the approved 20-Year Cash Flow Proforma, Borrower will provide notice to the City within ten (10) business days of the date the Supportive Services were terminated, which notice will include, at a minimum, a proposed plan to restore the Supportive Services within a reasonable period of time. If at the time such notice is provided, Borrower is unable to propose a feasible plan for restoring the Supportive Service, Borrower will include in the notice a detailed explanation as to the cause of the termination of Supportive Services and the reasons why it would not be feasible to restore the Supportive Services within a reasonable period of time.

ARTICLE 4 CLOSING; DISBURSEMENTS.

4.1 Generally. Subject to the terms of this Agreement, the City will make Disbursements in an aggregate sum not to exceed the Funding Amount to or for the account of Borrower in accordance with this Agreement and the approved line item budget contained in the Table of Sources and Uses.

4.2 Closing. Unless otherwise agreed by the City and Borrower in writing, Borrower will establish an escrow account with the title company issuing the Title Policy, or any other escrow agent Borrower chooses, subject to the City's approval (the "Escrow Agent"). The parties will execute and deliver to the Escrow Agent written instructions consistent with the terms of this Agreement. In the event the escrow does not close on or before the expiration date of escrow instructions signed by the City, or any other mutually agreed date, the City may declare this Agreement to be null and void.

4.3 Conditions Precedent to Closing. The City will authorize the close of the Loan only upon satisfaction of all conditions precedent in this Section as follows:

(a) Borrower will have delivered to the City fully executed (and for documents to be recorded, acknowledged) originals of the following documents, in form and substance satisfactory to the City: (i) the Acquisition Note; (ii) the Predevelopment Note; (iii) this Agreement (in duplicate); (iv) the Deed of Trust; (v) the Declaration of Restrictions; (vi) the Authorizing Resolutions; and (vii) subordination, nondisturbance and attornment agreements from each commercial tenant in possession, or holding any right of possession, of any portion of the Site; and (viii) any other City Documents reasonably requested by the City;

(b) Borrower will have delivered to the City: (i) Borrower's Charter Documents. The Charter Documents will be delivered to the City in their original form and as amended from time to time and be accompanied by a certificate of good standing for Borrower issued by the California Secretary of State and, if Borrower is organized under the laws of a state other than California, a certificate of good standing issued by the Secretary of State of the state of organization, issued no more than ninety (90) days before the Agreement Date;

(c) Borrower will have delivered to the City evidence of all insurance policies and endorsements required under **Exhibit L** of this Agreement and, if requested by the City, copies of such policies;

(d) Borrower will have delivered to the City a preliminary report on title for the Site dated no earlier than thirty (30) days before the Agreement Date;

(e) Borrower will provide the commercial lease with the motel operator and any other documents related to the use of the Site as a commercial motel;

(f) Borrower will provide to MOHCD updated operating and development budgets that meet MOHCD Underwriting Guidelines, including the budget for Public Art;

(g) Borrower will have delivered to the City a "Phase I" environmental report for the Site, or any other report reasonably requested by the City, prepared by a professional hazardous materials consultant acceptable to the City;

(h) The Escrow Agent will have received and is prepared to record the Declaration of Restrictions and Deed of Trust as valid liens in the Official Records, subject only to the Permitted Exceptions.

(i) Borrower will obtain the City’s prior written approval of Borrower’s predevelopment expenses that will reimbursed through a disbursement of Funds in escrow; and

(j) The Escrow Agent will have committed to provide to the City the Title Policy in form and substance satisfactory to the City.

4.4 <u>Disbursement of Funds</u>. Following satisfaction of the conditions in **Section 4.3**, the City will authorize the Escrow Agent to disburse Funds as provided in the joint City/Borrower escrow instructions and the Escrow Agent’s closing statement. The Borrower will be responsible for providing a copy of the Escrow Agent’s closing statement to the City for approval prior to the Escrow Agent disbursing the Funds.

ARTICLE 5 DEMOLITION, REHABILITATION OR CONSTRUCTION.

5.1 Labor Requirements. Borrower's procurement procedures, contracts, and subcontracts will comply, and where applicable, require its contractors and subcontractors to comply, with the applicable labor requirements under **Exhibit E** of this Agreement, including, but not limited to, the selection of all contractors and professional consultants for the Project and payment of prevailing wage.

5.2 Plans and Specifications. Before starting any demolition, rehabilitation or construction on the Site, Borrower will deliver to the City, and the City will have reviewed and approved, plans and specifications and the construction contract for the Project entered into between Borrower and Borrower's general contractor and approved by the City (the "**Construction Contract**"). The plans approved by the City will also be approved by the City and County of San Francisco's Department of Building Inspection (the "**Department of Building Inspection**") (collectively, the "Approved Plans") prior to the start of any demolition, rehabilitation or construction on the Site. The Approved Plans will be explicitly identified in the Construction Contract. The specifications approved by the City, including the funder requirements and the technical specifications (the "Approved Specifications") will also be explicitly identified in the Construction Contract. The Construction Contract may include funder requirements not otherwise addressed in the Approved Specifications. After completion of the Project, Borrower will retain the Approved Plans as well as "as-built" plans for the Project, the Approved Specifications and the Construction Contract, all of which Borrower will make available to the City upon request.

5.3 Change Orders. Borrower may not approve or permit any change orders to the plans and specifications approved by the City without the City's prior written consent. Borrower will provide adequate and complete justification for analysis of any change order request to the City. The City will provide any questions, comments or requests for additional information to Borrower within five (5) business days of receipt of a change order request. City will review and approve or disapprove of a change order request within ten (10) business days of a complete submission by Borrower. In the event the City fails to approve or disapprove the change order request within such ten (10) business day period, the change order will be deemed approved. Borrower acknowledges that the City's approval of any change order will not constitute an agreement to amend the Table of Sources and Uses or to provide additional Funds for the Project, unless the City agrees in its sole discretion to amend the Table of Sources and Uses or provide additional Funds for that purpose.

5.4 Insurance, Bonds and Security. Before starting any demolition, rehabilitation or construction on the Site, Borrower will deliver to the City insurance endorsements and bonds as described in **Exhibit L**. At all times, Borrower will take prudent measures to ensure the security of the Site.

5.5 Notice to Proceed. No demolition, rehabilitation or construction may commence until Borrower has issued a written notice to proceed with the City's approval.

5.6 Commencement and Completion of Project. Unless otherwise extended in writing by the City, Borrower will: (a) commence demolition and construction by a date no later than December 31, 2026; (b) complete demolition and construction by a date no later than December 31, 2028, in accordance with the plans and specifications approved by the City, as evidenced by a certificate of occupancy or equivalent certification provided by the City's Department of Building Inspection, and an architect's or engineer's certificate of completion (the "Completion Date"); and (c) achieve occupancy of ninety-five percent (95%) of the Units by a date no later than December 31, 2029.

5.7 Rehabilitation/Construction Standards. All rehabilitation or construction will be performed in a first-class manner, substantially in accordance with final plans and specifications approved by the City and in accordance with all applicable codes.

ARTICLE 6 MARKETING.

6.1 Marketing and Tenant Selection Plan. No later than twelve (12) months before the Completion Date, Borrower will deliver to the City for the City's review and approval an affirmative plan for initial and ongoing marketing of the Units and a written Tenant selection procedure for initial and ongoing renting of the Units based on MOHCD’s then-current form of marketing and tenant selection plan (the “Marketing and Tenant Selection Plan”), all in compliance with the restrictions set forth in **Exhibit A** and in form and substance acceptable to the City. Borrower will obtain the City's approval of reasonable alterations to the Marketing and Tenant Selection Plan. Borrower will market and rent the Units in the manner set forth in the Marketing and Tenant Selection Plan, as approved by the City.

6.2 Affirmative Marketing and Tenant Selection Plan Requirements. Borrower's Marketing and Tenant Selection Plan will address how Borrower intends to market vacant Units and any opportunity for placement on the Waiting List, as defined in 6.5. The Marketing and Tenant Selection Plan will include as many of the following elements as are appropriate to the Project, as determined by the City.

(a) A reasonable accommodations policy that indicates how Borrower intends to market Units to disabled individuals, including an indication of the types of accessible Units in the Project, the procedure for applying, and a policy giving disabled individuals a priority in the occupancy of accessible Units.

(b) A plan that satisfies the requirement to give preference in occupying units in accordance with the Preferences and Lottery Manual and the Preferences Ordinance.

(c) Advertising in local neighborhood newspapers, community-oriented radio stations, on the internet and in other media that are likely to reach low-income households. All advertising will display the Equal Housing Opportunity logo.

(d) Notices to neighborhood-based, nonprofit housing corporations and other low-income housing advocacy organizations that maintain waiting lists or make referrals for below-market-rate housing.

(e) Notices to SFHA.

(f) Notices to MOHCD

(g) To the extent practicable, without holding Units off the market, the community outreach efforts listed above will take place before advertising vacant Units or open spots on the Waiting List to the general public.

(h) An acknowledgement that, with respect to vacant Units, the marketing elements listed above will only be implemented if there are no qualified applicants interested or available from the Waiting List.

(i) Borrower will use access points and accept referrals from HSH, or its successor agencies.

6.3 Marketing and Tenant Selection Plan & Tenant Screening Criteria Requirements:

(a) Borrower's Marketing and Tenant Selection Plan will comply with the requirements of the Tenant Selection Plan Policy as set forth in the attached Exhibit H. The Marketing and Tenant Selection Plan will be kept on file at the Project at all times.

(b) Borrower's tenant screening criteria will comply with the Tenant Screening Criteria Policy set forth in the attached Exhibit I.

6.4 Marketing Records. Borrower will keep records of: (a) activities implementing the Marketing and Tenant Selection Plan; (b) advertisements; and (c) other community outreach efforts.

6.5 Waiting List. Borrower's Marketing and Tenant Selection Plan will contain, at a minimum, policies and criteria that provide for the selection of tenants from a written waiting list that complies with the Marketing and Tenant Selection Plan (the "Waiting List"). The Marketing and Tenant Selection Plan may allow an applicant to refuse an available Unit for good cause without losing standing on the Waiting List but will limit the number of refusals without cause as approved by the City. Borrower will at all times maintain the Waiting List. Upon the vacancy of any Unit, Borrower will first attempt to select the new Tenant for such Unit from the Waiting List, and will only market the Unit to the general public after determining that no applicants from the Waiting List qualify for such Unit. The Waiting List will be kept on file at the Project at all times.

ARTICLE 7 AFFORDABILITY AND OTHER LEASING RESTRICTIONS.

7.1 Term of Leasing Restrictions. Borrower acknowledges and agrees that the covenants and other leasing restrictions set forth in this Article 7 will remain in full force and effect: (a) for the Compliance Term and survive the prior repayment or other satisfaction of the

Loan, termination of this Agreement or reconveyance of the Deed of Trust; (b) for any Unit that has been subject to a regulatory agreement with TCAC, for a period ending three (3) years after the date of any transfer of the Project by foreclosure or deed-in-lieu of foreclosure; and (c) with respect to any Unit occupied by a Qualified Tenant at expiration of either the Compliance Term or the 3-year period referred to in **Subsection (b)** above, until the Qualified Tenant voluntarily vacates his/her Unit or is evicted lawfully for just cause. The requirements to comply with the provisions of Internal Revenue Code Section 42, including Section 42(h)(6)(E)(ii), are hereby acknowledged.

7.2 Borrower's Covenant.

(a) Borrower covenants to rent all Units (except two (2) Units reserved for the managers of the Project) at all times to Senior households certified as Qualified Tenants at initial occupancy, as set forth in **Exhibit A**. In addition, Fifty Percent (50%) of the Units will be rented to the chronically Senior Homeless Households and those Seniors at-risk of homelessness during the period in which the City's Local Operating Subsidy Program is in operation and the City provides the Local Operating Subsidy to the Project

(b) A Tenant who is a Qualified Tenant at initial occupancy will not be required to vacate the Unit due to subsequent rises in household income, except as provided in **Section 7.3**. After the over-income Tenant vacates the Unit, the vacant Unit will be rented only to Qualified Tenants as provided in this **Article 7**.

7.3 Rent Restrictions.

(a) Rent charged to each Qualified Tenant may not exceed the amounts set forth in **Exhibit A**, *provided that* Rents may be adjusted annually, subject to the limitations below.

(b) Subject to the Hold Harmless Policy, rents for all Units may be increased once annually up to the maximum monthly rent by unit type as published by MOHCD.

(c) With the City's prior written approval, Rent increases for Units exceeding the amounts permitted under **Section 7.3(b)** may be permitted once annually in order to recover increases in approved Project Expenses, provided that: (i) in no event may single or aggregate increases exceed ten percent (10%) per year unless such an increase is contemplated in a City-approved temporary relocation plan or is necessary due to the expiration of Section 8 or other rental subsidies; and (ii) Rents for each Unit may in no event exceed the maximum Rent permitted under **Section 7.3(a)**. City approval for such Rent increases that are necessary to meet all approved Project Expenses will not be unreasonably withheld.

(d) For any Qualified Tenant participating in a Rent or operating subsidy program where the Rent charged is calculated as a percentage of household income, adjustments to Rent charged may be made according to the rules of the relevant subsidy program. There is no limit on the increase/decrease in Rent charged under this provision, as long as it does not exceed the maximum Rent permitted under **Section 7.3(a)**. There is no limit on the number of Rent adjustments that can be made in a year under this provision.

(e) For any Qualified Tenant that becomes ineligible to continue participating in a rent or operating subsidy program, there is no limit on the increase in Rent charged as long as it does not exceed the maximum Rent permitted under **Section 7.3(a)**.

(f) Unless prohibited under any applicable Laws, including without limitation Section 42 of the Internal Revenue Code of 1986, as amended, if the household income of a Qualified Tenant exceeds the maximum permissible income during occupancy of a Unit, then, upon no less than thirty (30) days' prior written notice to the Tenant or as otherwise required under the Tenant's lease or occupancy agreement, Borrower may adjust the charges for Rent for the previously Qualified Tenant to be equal to thirty percent (30%) of the Tenant's adjusted household income. Rents charged under this provision may exceed the Maximum Rent permitted under **Section 7.3(a)**.

7.4 Certification.

(a) As a condition to initial occupancy, each person who desires to be a Qualified Tenant in the Project will be required to sign and deliver to Borrower a certification in the form shown in **Exhibit C** in which the prospective Qualified Tenant certifies that he/she or his/her household qualifies as a Qualified Tenant. In addition, each person will be required to provide any other information, documents or certifications deemed necessary by the City to substantiate the prospective Tenant's income. Certifications provided to and accepted by the SFHA will satisfy this requirement.

(b) Borrower will require each Qualified Tenant in the Project to recertify to Borrower on an annual basis the Qualified Tenant’s household income and in accordance with applicable tax credit requirements.

(c) Income certifications with respect to each Qualified Tenant who resides in a Unit or resided therein during the immediately preceding calendar year will be maintained on file at Borrower's principal office, and Borrower will file or cause to be filed copies thereof with the City promptly upon request by the City.

7.5 Form of Lease. The form of lease for Tenants will provide for termination of the lease and consent to immediate eviction for failure to: (i) qualify as a Qualified Tenant if the Tenant has made any material misrepresentation in the initial income certification, or (ii) submit to Borrower an annual recertification of income. The initial term of the lease will be for a period of not less than one (1) year. Borrower will not terminate the tenancy or refuse to renew any lease of a Unit except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Laws or other good cause. Any termination or refusal to renew the lease for a Unit will be preceded by not less than thirty (30) days' written notice to the Tenant specifying the grounds for the action.

7.6 Nondiscrimination. Borrower agrees not to discriminate against or permit discrimination against any person or group of persons because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability, gender identity, height, weight, source of income or acquired immune deficiency syndrome (AIDS) or AIDS related condition (ARC) in the operation and use of the Project except to the extent permitted by law or required by any other funding source for the Project. Borrower agrees not to discriminate against or permit discrimination against Tenants using Section 8 certificates or vouchers or assistance through other rental subsidy programs.

7.7 Security Deposits. Security deposits may be required of Tenants only in accordance with applicable state law and this Agreement. Borrower will segregate any security deposits collected from all other funds of the Project in an Account held in trust for the benefit of the Tenants and disbursed in accordance with California law. The balance in the trust Account will at all times equal or exceed the aggregate of all security deposits collected plus accrued interest thereon, less any security deposits returned to Tenants.

7.8 Commercial Space. At least sixty (60) days prior to the date that build-out of the Commercial Space begins, Borrower will obtain MOHCD’s review and approval of proposed leases and development plans for the Commercial Space. All leases of Commercial Space will be to bona fide third-party tenants capable of performing their financial obligations under their leases, which will reflect arms'-length transactions at the then-current market rental rate for comparable space, *provided that*, leases for Public Benefit Purposes may be at below-market rates so long as the sum of Project Income and Commercial Income meets approved cash flow requirements for the Project. Allowed uses of Commercial Space will be consistent with all applicable local planning and building codes and be reasonably compatible with the design and purpose of the Project. Each lease of Commercial Space will restrict its use to Public Benefit Purposes or Community-Serving Purposes or all Surplus Cash generated as a result of a market-rate lease of the Commercial Space will be directed toward repayment of the Loan or used for a Public Benefit Purpose. All surplus cash will be subject to the MOHCD Policy on the Use of Residual Receipts. Each lease of Commercial Space will comply with the MOHCD Commercial Underwriting Guidelines as set forth in **Exhibit O** herein.

ARTICLE 8 MAINTENANCE AND MANAGEMENT OF THE PROJECT.

8.1 Borrower's Responsibilities.

(a) Subject to the rights set forth in **Section 8.2**, Borrower will be specifically and solely responsible for causing all maintenance, repair and management functions performed in connection with the Project, including selection of tenants, recertification of income and household size, evictions, collection of rents, routine and extraordinary repairs and replacement of capital items. Borrower will maintain or cause to be maintained the Project, including the Units and common areas, in a safe and sanitary manner in accordance with local health, building and housing codes, California Health and Safety Code 17920.10 and the applicable provisions of 24 CFR Part 35.

(b) Borrower will take prudent measures to ensure the security of the Site. Measures may include erecting a fence; covering and securing all openings in any vacant building and hiring security guards, as appropriate for the circumstances.

8.2 Contracting With Management Agent.

(a) Borrower may contract or permit contracting with a management agent for the performance of the services or duties required in **Section 8.1(a)**, subject to the City's prior written approval of both the management agent and, at the City's discretion, the management contract between Borrower and the management agent, *provided, however,* that the arrangement will not relieve Borrower of responsibility for performance of those duties. Any management contract will contain a provision allowing Borrower to terminate the contract without penalty upon no more than thirty (30) days' notice.

(b) The City will provide written notice to Borrower of any determination that the contractor performing the functions required in **Section 8.1(a)** has failed to operate and manage the Project in accordance with this Agreement. If the contractor has not cured the failure within a reasonable time period, as determined by the City, Borrower will exercise its right of termination immediately and make immediate arrangements for continuous and continuing performance of the functions required in **Section 8.1(a)**, subject to the City's approval.

8.3 Borrower Management. Borrower may manage the Project itself only with the City's prior written approval. The City will provide written notice to Borrower of any determination that Borrower has failed to operate and manage the Project in accordance with this Agreement, in which case, the City may require Borrower to contract or cause contracting with a management agent to operate the Project, or to make other arrangements the City deems necessary to ensure performance of the functions required in **Section 8.1(a**).

ARTICLE 9 GOVERNMENTAL APPROVALS AND REQUIREMENTS .

9.1 Approvals. Borrower covenants that it has obtained or will obtain in a timely manner and comply with all federal, state and local governmental approvals required by Law to be obtained for the Project. Subject to **Section 17.2**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings.

9.2 Borrower Compliance. Borrower will comply, and where applicable, require its contractors to comply, with all applicable Laws governing the use of Funds for the construction, rehabilitation and/or operation of the Project, including those set forth in **Exhibit E** and **Exhibit L**. Borrower acknowledges that its failure to comply with any of these requirements will constitute an Event of Default under this Agreement. Subject to **Section 17.2**, this Section does not prohibit Borrower from contesting any interpretation or application of Laws in good faith and by appropriate proceedings. Construction-related requirements will apply to the Project whether or not the City approves and provides additional financing for the Project.

ARTICLE 10 PROJECT MONITORING, REPORTS, BOOKS AND RECORDS.

10.1 Generally.

(a) Borrower understands and agrees that it will be monitored by the City from time to time to assure compliance with all terms and conditions in this Agreement and all Laws. Borrower acknowledges that the City may also conduct periodic on-site inspections of the Project. Borrower will cooperate with the monitoring by the City and ensure full access to the Project and all information related to the Project as reasonably required by the City.

(b) Borrower will keep and maintain books, records and other documents relating to the receipt and use of all Funds, including all documents evidencing any Project Income and Project Expenses. Borrower will maintain records of all income, expenditures, assets, liabilities, contracts, operations, tenant eligibility and condition of the Project. All financial reports will be prepared and maintained in accordance with GAAP as in effect at the time of performance.

(c) Borrower will provide written notice of the replacement of its executive director, director of housing development, director of property management and/or any equivalent position within thirty (30) days after the effective date of such replacement.

10.2 Monthly Reporting. Borrower will submit monthly reports (the "MOHCD Monthly Project Update") describing progress toward developing the Project with respect to obtaining necessary approvals from other City departments, procuring architects, consultants and contractors, changes in scope, cost or schedule and significant milestones achieved in the past month and expected to be achieved in the coming month. The MOHCD Monthly Project Update will be submitted by email in substantially the form requested by MOHCD until such time as the Project Completion Report is submitted to the City pursuant to **Section 10.5** below.

10.3 Annual Reporting. From and after the Completion Date, Borrower will file with the City annual report forms (the "Annual Monitoring Report") that include audited financial statements with an income and expense statement for the Project covering the applicable reporting period, a statement of balances, deposits and withdrawals from all Accounts, line item statements of Project Expenses, Project Income, Partnership Fees (if any), Residual Receipts and any Distributions made, evidence of required insurance, a description of marketing activities and a rent roll, no later than one hundred fifty (150) days after the end of Borrower's fiscal year. The Annual Monitoring Report will be in substantially the form attached as **Exhibit G** or as later modified during the Compliance Term.

10.4 Capital Needs Assessment. In accordance with the CNA Policy, Borrower will deliver to MOHCD an updated CNA every five (5) years after the Completion Date for approval.

10.5 Project Completion Report. Within the specific time periods set forth below after the completion of rehabilitation or construction, the lease-up and/or permanent financing of the Project, as applicable, Borrower will provide to the City the reports listed below certified by Borrower to be complete and accurate. Subsequent to the required submission of the reports listed below, Borrower will provide to the City information or documents reasonably requested by the City to assist in the City's review and analysis of the submitted reports:

(a) within ninety (90) days after the Completion Date, a draft cost certification (or other similar project audit performed by an independent certified public accountant) identifying the sources and uses of all Project funds including the Funds;

(b) within one hundred-eighty (180) days after the Completion Date, a report on compliance with the applicable requirements under **Section 5.1** of this Agreement, including the type of work and the dollar value of such work; and

(c) within ninety (90) days after the Completion Date, a report demonstrating compliance with all requirements regarding relocation, including the names of all individuals or businesses occupying the Site on the date of the submission of the application for Funds, those moving in after that date, and those occupying the Site upon completion of the Project.

10.6 Response to Inquiries. At the request of the City, its agents, employees or attorneys, Borrower will respond promptly and specifically to questions relating to the income, expenditures, assets, liabilities, contracts, operations and condition of the Project, the status of any mortgage encumbering the Project and any other requested information with respect to Borrower or the Project.

10.7 Delivery of Records. At the request of the City, made through its agents, employees, officers or attorneys, Borrower will provide the City with copies of each of the following documents, certified in writing by Borrower to be complete and accurate:

(a) all tax returns filed with the United States Internal Revenue Service, the California Franchise Tax Board and/or the California State Board of Equalization on behalf of Borrower and any general partner or manager of Borrower;

(b) all certified financial statements of Borrower and, if applicable, its general partner or manager, the accuracy of which will be certified by an auditor satisfactory to the City; and

(c) any other records related to Borrower's ownership structure and the use and occupancy of the Site.

10.8 Access to the Project and Other Project Books and Records. In addition to Borrower's obligations under **Sections 2.4, 10.1, 10.2, 10.3, 10.4, 10.5**, **10.6** and **10.7** and any other obligations to provide reports or maintain records in any City Document, Borrower agrees that duly authorized representatives of the City will have: (a) access to the Project throughout the Compliance Term to monitor the progress of work on the Project and compliance by Borrower with the terms of this Agreement; and (b) access to and the right to inspect, copy, audit and examine all books, records and other documents Borrower is required to keep at all reasonable times, following reasonable notice, for the retention period required under **Section 10.9.**

10.9 Records Retention. Borrower will retain all records required for the periods required under applicable Laws.

ARTICLE 11 USE OF INCOME FROM OPERATIONS.

11.1 Project Operating Account.

(a) Borrower will deposit all Project Income promptly after receipt into a segregated depository account (the "Project Operating Account") established exclusively for the Project. Withdrawals from the Project Operating Account may be made only in accordance with the provisions of this Agreement and the approved Annual Operating Budget, as it may be revised from time to time with the City's approval. Borrower may make withdrawals from the Project Operating Account solely for the payment of Project Expenses and Partnership Fees. Withdrawals from the Project Operating Account (including accrued interest) for other purposes may be made only with the City's express prior written approval.

(b) Borrower will keep accurate records indicating the amount of Project Income deposited into and withdrawn from the Project Operating Account and the use of Project Income. Borrower will provide copies of the records to the City upon request.

ARTICLE 12 REQUIRED RESERVES.

12.1 Replacement Reserve Account.

(a) Commencing no later than sixty (60) days after the Completion Date, or any other date the City designates in writing, Borrower will establish or cause to be established a segregated interest-bearing replacement reserve depository account (the "Replacement Reserve Account"). On or before the 15th day of each month following establishment of the Replacement Reserve Account, Borrower will make monthly deposits from Project Income into the Replacement Reserve Account in the amount necessary to meet the requirements of this Section. The City may review the adequacy of deposits to the Replacement Reserve Account periodically and require adjustments as it deems necessary.

(b) Monthly deposits will equal the lesser of: (i) 1/12th of 0.6% of Replacement Cost; or (ii) 1/12th of the following amount: $108,500.

After the Project's first five (5) years of operation, Borrower may request adjustments every five (5) years based on its most recently approved CNA.

Borrower may request adjustments every five (5) years based on its most recently approved CNA. If the Project is unable to make a required replacement reserve deposit due to unavailable cash flow, Borrower will submit a plan for review and approval to MOHCD that addresses the cash flow shortfall.

(c) Borrower may withdraw funds from the Replacement Reserve Account solely to fund capital improvements for the Project, such as replacing or repairing structural elements, furniture, fixtures or equipment of the Project that are reasonably required to preserve the Project. Borrower may not withdraw funds (including any accrued interest) from the Replacement Reserve Account for any other purpose without the City's prior written approval.

12.2 Operating Reserve Account.

(a) Commencing no later than sixty (60) days after the Completion Date, or any other date the City designates in writing, Borrower will establish or cause to be established a segregated interest-bearing operating reserve depository account (the "Operating Reserve Account") by depositing funds in an amount equal to twenty-five percent (25%) of the approved budget for Project Expenses for the first full year of operation of the Project. The City may review the adequacy of deposits to the Operating Reserve Account periodically and require adjustments as it deems necessary.

(b) No less than annually after establishing the Operating Reserve Account and continuing until the Compliance Term has expired, Borrower will make additional deposits, if necessary, to bring the balance in the Operating Reserve Account to an amount equal to twenty-five percent (25%) of the prior year's actual Project Expenses.

(c) Borrower may withdraw funds from the Operating Reserve Account solely to alleviate cash shortages resulting from unanticipated and unusually high maintenance expenses, seasonal fluctuations in utility costs, abnormally high vacancies and other expenses that vary seasonally or from month to month in the Project. Borrower may not withdraw funds (including any accrued interest) from the Operating Reserve Account for any other purpose without the City's prior written approval.

ARTICLE 13 DISTRIBUTIONS.

13.1 Definition. "Distributions" refers to cash or other benefits received as Project Income from the operation of the Project and available to be distributed to Borrower or any party having a beneficial interest in the Project, but does not include reasonable payments for property management, asset management and approved deferred Developer Fees or other services performed in connection with the Project.

13.2 Conditions to Distributions. The 20-Year Cash Flow Proforma attached hereto as Exhibit B-2 includes projections of annual Distributions. Exhibit B-2 is not intended to impose limits on the amounts to be annually distributed. Distributions for a particular fiscal year may be made only following: (a) City approval of the Annual Monitoring Report submitted for that year; (b) the City's determination that Borrower is not in default under this Agreement or any other agreement entered into with the City and County of San Francisco or the City for the Project; and (c) the City's determination that the amount of the proposed Distribution satisfies the conditions of this Agreement. The City will be deemed to have approved Borrower's written request for approval of a proposed Distribution unless the City delivers its disapproval or request for more information to Borrower within thirty (30) business days after the City's receipt of the request for approval.

13.3 Prohibited Distributions. No Distribution may be made in the following circumstances:

(a) when a written notice of default has been issued by any entity with an equitable or beneficial interest in the Project and the default is not cured within the applicable cure periods; or

(b) when the City determines that Borrower or Borrower's management agent has failed to comply with this Agreement; or

(c) if required debt service on all loans secured by the Project and all operating expenses have not been paid current; or

(d) if the Replacement Reserve Account, Operating Reserve Account or any other reserve account required for the Project is not fully funded under this Agreement; or

(e) if the Loan is to be repaid from Residual Receipts, Borrower failed to make a payment when due on a Payment Date and the sum remains unpaid; or

(f) during the pendency of an uncured Event of Default (including Borrower's failure to provide its own funds at any time from and after the closing date of Borrower's financing for construction of the Project that the City determines the Loan is out of balance) under any City Document.

13.4 Borrower's Use of Residual Receipts for Development. To the extent that making a Distribution is not inconsistent with any other financing agreement for the Project, and subject to the limitations in this Article, with the City's prior written approval Borrower may retain a portion of Residual Receipts in lieu of using them to repay the Loan in an amount consistent with the Residual Receipts Policy attached hereto as **Exhibit P**. Borrower acknowledges that the City may withhold its consent to a Distribution in any year in which Residual Receipts are insufficient to meet Borrower's payment obligations under the Note.

ARTICLE 14 SYNDICATION PROCEEDS.

14.1 Distribution and Use. If Borrower is a limited partnership or limited liability company, and unless otherwise approved by the City in writing, Borrower will allocate, distribute and pay or cause to be allocated, distributed and paid all net syndication proceeds and all loan and grant funds as specified in the Table. Borrower will notify the City of the receipt and disposition of any net syndication proceeds received by Borrower during the term of this Agreement.

ARTICLE 15 DEVELOPER FEES.

15.1 Amount. The City has approved the payment of development fees from the Loan in an amount not to exceed Five Hundred Fifty Thousand and No/100 Dollars ($550,000.00) for predevelopment of the Project prior to the closing date of Borrower's financing for construction or rehabilitation of the Project and may be entitled to receive additional fees for developing the Project (collectively, "Developer Fees"), subject to the Developer Fee Policy. Borrower agrees that any additional predevelopment loans secured for the Project will not be used for payment of fees paid to the Developer related to predevelopment activities, unless approved in writing by the City in its sole and absolute discretion. Borrower agrees to limit the Developer's use of Developer Fee to pay only for eligible activities including, but not limited to, the following:

(a) Developer's organizational capacity building and maintenance programs; working capital; housing development production and related programs; physical improvements to existing housing owned or sponsored by Developer; increasing housing operations and asset management activities; improving tenant improvements or commercial space in existing housing owned or sponsored by Developer; funding community facilities associated with existing housing owned or sponsored by Developer providing supplemental tenant rental assistance for existing housing owned or sponsored by Developer; or programs supporting the welfare of residents residing in existing housing owned or sponsored by Developer; and

(b) Predevelopment, preconstruction and construction costs, including reasonable administrative expenses, of future affordable housing development sponsored by Developer in San Francisco.

15.2 Fee Payment Schedule. Developer will receive payment of the Developer Fees for predevelopment pursuant to pay out below.

Acquisition/Predevelopment Closing	$165,000	15%
Entitlement Approval	$165,000	15%
Submission of HCD Funding Application	$110,000	10%
Submission of CDLAC and TCAC Application	$110,000	10%
	$550,000	

ARTICLE 16 TRANSFERS.

16.1 Permitted Transfers/Consent. Borrower will not cause or permit any voluntary transfer, assignment or encumbrance of its interest in the Site or Project or of any ownership interests in Borrower, or lease or permit a sublease on all or any part of the Project, other than: (a) leases, subleases or occupancy agreements to occupants of Units and/or Commercial Space in the Project; or (b) security interests for the benefit of lenders securing loans for the Project as approved by the City on terms and in amounts as approved by City in its reasonable discretion; or (c) transfers from Borrower to a limited partnership or limited liability company formed for the tax credit syndication of the Project, where Borrower or an affiliated nonprofit public benefit corporation is the sole general partner or manager of that entity or is the manager of a limited liability company that is the sole general partner or manager of that entity; (d) transfers of the general partnership or manager's interest in Borrower to a nonprofit public benefit corporation approved in advance by the City; (e) transfers of any limited partnership or membership interest in Borrower to an investor pursuant to the tax credit syndication of the Project; (f) the grant or exercise of an option agreement between Borrower and Borrower's general partner or manager or any of its affiliates in connection with the tax credit syndication of the Project where such agreement has been previously approved in writing by the City; or (g) to remove or replace the General Partner in accordance with the terms of the Partnership Agreement, a transfer of any general partnership interest to a new general partner approved in advance by the City. Any other transfer, assignment, encumbrance or lease without the City's prior written consent will be voidable and, at the City's election, constitute an Event of Default under this Agreement. The City's consent to any specific assignment, encumbrance, lease or other transfer will not constitute its consent to any subsequent transfer or a waiver of any of the City's rights under this Agreement.

ARTICLE 17 INSURANCE AND BONDS; INDEMNITY.

17.1 Borrower's Insurance. Subject to approval by the City's Risk Manager of the insurers and policy forms, Borrower will procure and keep in effect, and cause its contractors and subcontractors to obtain and maintain at all times during any work or construction activities on the Property, the insurance and bonds as set forth in **Exhibit L** from the date the Deed of Trust is recorded in the Official Records until the expiration of the Compliance Term at no expense to the City.

17.2 Borrower's Indemnity Obligations. Borrower will indemnify, protect, defend and hold harmless each of the Indemnitees from and against any and all Losses arising out of: (a) any default by Borrower in the observance or performance of any of Borrower's obligations under the City Documents (including those covenants set forth in **Article 18** below); (b) any failure of any representation by Borrower to be correct in all respects when made; (c) injury or death to persons or damage to property or other loss occurring on or in connection with the Site or the Project, whether caused by the negligence or any other act or omission of Borrower or any other person or by negligent, faulty, inadequate or defective design, building, construction, rehabilitation or maintenance or any other condition or otherwise; (d) any claim of any surety in connection with any bond relating to the construction or rehabilitation of any improvements or offsite improvements; (e) any claim, demand or cause of action, or any action or other proceeding, whether meritorious or not, brought or asserted against any Indemnitee that relates to or arises out of the City Documents, the Loan, the Site or the Project or any transaction contemplated by, or the relationship between Borrower and the City or any action or inaction by the City under, the City Documents; (f) the occurrence, until the expiration of the Compliance Term, of any Environmental Activity or any failure of Borrower or any other person to comply with all applicable Environmental Laws relating to the Project or the Site; (g) the occurrence, after the Compliance Term, of any Environmental Activity resulting directly or indirectly from any Environmental Activity occurring [from and after the date Borrower acquires Control of the Site and] before the expiration of the Compliance Term; (h) any liability of any nature arising from Borrower's contest of or relating to the application of any Law, including any contest permitted under **Sections 9.1, 9.2** and **18.2**; or (i) any claim, demand or cause of action, or any investigation, inquiry, order, hearing, action or other proceeding by or before any Governmental

Agency, whether meritorious or not, that directly or indirectly relates to, arises from or is based on the occurrence or allegation of any of the matters described in clauses (a) through (h) above, *provided that* no Indemnitee will be entitled to indemnification under this Section for matters caused solely by its own gross negligence or willful misconduct.

17.2 Duty to Defend. Borrower acknowledges and agrees that its obligation to defend the Indemnitees under **Section 17.2**: (a) is an immediate obligation, independent of its other obligations hereunder; (b) applies to any Loss which actually or potentially falls within the scope of **Section 17.2**, regardless of whether the allegations asserted in connection with such Loss are or may be groundless, false or fraudulent; and (c) arises at the time the Loss is tendered to Borrower by the Indemnitee and continues at all times thereafter. In the event any action or proceeding is brought against an Indemnitee by reason of a claim arising out of any Loss for which Borrower has indemnified the Indemnitees, upon written notice, Borrower will answer and otherwise defend the action or proceeding using counsel approved in writing by the Indemnitee at Borrower's sole expense. Each Indemnitee will have the right, exercised in its sole discretion, but without being required to do so, to defend, adjust, settle or compromise any claim, obligation, debt, demand, suit or judgment against the Indemnitee in connection with the matters covered by this Agreement. The Indemnitee will give Borrower prompt notice of any Loss and Borrower has the right to defend, settle and compromise any such Loss; provided, however, that the Indemnitee has the right to retain its own counsel at the expense of Borrower if representation of such Indemnitee by the counsel retained by Borrower would be inappropriate due to conflicts of interest between such Indemnitee and Borrower. An Indemnitee's failure to notify Borrower promptly of any Loss does not relieve Borrower of any liability to such Indemnity under **Section 17.2**, unless such failure materially impairs Borrower's ability to defend such Loss. Borrower will seek the Indemnified Party's prior written consent to settle or compromise any Loss if Borrower contends that such Indemnitee shares in liability with respect thereto.

17.3 No Limitation. Borrower's obligations under **Section 17.2** are not limited by the insurance requirements under this Agreement.

17.4 Survival. The provisions of this Section will survive the repayment of the Loan and/or termination of this Agreement.

ARTICLE 18 HAZARDOUS SUBSTANCES.

18.1 Borrower's Representations. Borrower represents and warrants to the City that, to the best of Borrower's actual knowledge, without independent investigation or inquiry as of the Agreement Date, the following statements are true and correct except as disclosed in the Phase I Report dated April 5, 2023 and Phase II Report dated April 13, 2023 prepared by Path Forward Partners, Inc. or otherwise in writing: (a) the Site is not in violation of any Environmental Laws; (b) the Site is not now, nor has it been, used for the manufacture, use, storage, discharge, deposit, transportation or disposal of any Hazardous Substances, except in limited quantities customarily used in residences and offices and in compliance with Environmental Laws; (c) the Site does not consist of any landfill or contain any underground storage tanks; (d) the improvements on the Site do not consist of any asbestos-containing materials or building materials that contain any other Hazardous Substances; (e) no release of any Hazardous Substances in the improvements on the Site has occurred or in, on, under or about the Site; and (f) the Site is not subject to any claim by any Governmental Agency or third party related to any Environmental Activity or any inquiry by any Governmental Agency (including the California Department of Toxic Substances Control and the Regional Water Quality Control Board) with respect to the presence of Hazardous Substances in the improvements on the Site or in, on, under or about the Site, or the migration of Hazardous Substances from or to other real property.

18.2 Covenant. Unless the City otherwise consents in writing, at all times from and after the date of this Agreement, at its sole expense, Borrower will: (a) comply with all applicable Environmental Laws relating to the Site and the Project, and not engage in or otherwise permit the occurrence of any Environmental Activity in violation of any applicable Environmental Laws or that is not customary and incidental to the intended use of the Site, *provided that* nothing contained in this Section will prevent Borrower from contesting, in good faith and by appropriate proceedings, any interpretation or application of Environmental Laws; and (b) deliver to the City notice of the discovery by Borrower of any event rendering any representation contained in this Section incorrect in any respect promptly following Borrower's discovery.

18.3 Survival . Borrower and City agree that this Article 18 is intended as City's written request for information (and Borrower's response) concerning the environmental condition of the Site as security as required by California Code of Civil Procedure § 726.5; and each provision in this Article (together with any indemnity applicable to a breach of any such provision) with respect to the environmental condition of the Site as security is intended by City and Borrower to be an "environmental provision" for purposes of California Code of Civil Procedure § 736, and as such it is expressly understood that Borrower's duty to indemnify City hereunder will survive: (a) any judicial or non-judicial foreclosure under the Deed of Trust, or transfer of the Property in lieu thereof, (b) the release and reconveyance or cancellation of the Deed of Trust; and (c) the satisfaction of all of Borrower's obligation under the City Documents.

ARTICLE 19 DEFAULT.

19.1 Event of Default. Any material breach by Borrower of any covenant, agreement, provision or warranty contained in this Agreement or in any of the City Documents that remains uncured upon the expiration of any applicable notice and cure periods contained in any City Document will constitute an "Event of Default," including the following:

(a) Borrower fails to make any payment required under this Agreement within ten (10) days after the date when due; or

(b) Any lien is recorded against all or any part of the Site or the Project without the City's prior written consent, whether prior or subordinate to the lien of the Deed of Trust or Declaration of Restrictions, and the lien is not removed from title or otherwise remedied to the City's satisfaction within thirty (30) days after Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(c) Borrower fails to perform or observe any other term, covenant or agreement contained in any City Document, and the failure continues for thirty (30) days after Borrower's receipt of written notice from the City to cure the default, or, if the default cannot be cured within a 30-day period, Borrower will have sixty (60) days to cure the default, or any longer period of time deemed necessary by the City, *provided that* Borrower commences to cure the default within the 30-day period and diligently pursues the cure to completion; or

(d) Any representation or warranty made by Borrower in any City Document proves to have been incorrect in any material respect when made; or

(e) All or a substantial or material portion of the improvements on the Site is damaged or destroyed by fire or other casualty, and the City has determined upon restoration or repair that the security of the Deed of Trust has been impaired or that the repair, restoration or replacement of the improvements in accordance with the requirements of the Deed of Trust is not economically practicable or is not completed within two (2) years of the receipt of insurance proceeds; or all or a substantial or material portion of the improvements is condemned, seized or appropriated by any non-City Governmental Agency or subject to any action or other proceeding instituted by any non-City Governmental Agency for any purpose with the result that the improvements cannot be operated for their intended purpose; or

(f) Borrower is dissolved or liquidated or merged with or into any other entity; or, if Borrower is a corporation, partnership, limited liability company or trust, Borrower ceases to exist in its present form and (where applicable) in good standing and duly qualified under the laws of the jurisdiction of formation and California for any period of more than ten (10) days; or, if Borrower is an individual, Borrower dies or becomes incapacitated; or all or substantially all of the assets of Borrower are sold or otherwise transferred except as permitted under **Section 16.1**; or

(g) Without the City's prior written consent, Borrower assigns or attempts to assign any rights or interest under any City Document, whether voluntarily or involuntarily, except as permitted under **Section 16.1**; or

(h) Without the City's prior written consent, Borrower voluntarily or involuntarily assigns or attempts to sell, lease, assign, encumber or otherwise transfer all or any portion of the ownership interests in Borrower or of its right, title or interest in the Project or the Site except as permitted under **Article 16**; or

(i) Without the City's prior written consent, Borrower transfers, or authorizes the transfer of, funds in any Account required or authorized under this Agreement; or

(j) Either the Deed of Trust or the Declaration of Restrictions ceases to constitute a valid and indefeasible perfected lien on the Site and improvements, subject only to Permitted Exceptions; or

(k) Borrower is subject to an order for relief by the bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or Borrower applies for or consents to the appointment of any receiver, trustee or similar official for Borrower or for all or any part of its property (or an appointment is made without its consent and the appointment continues undischarged and unstayed for sixty (60) days); or Borrower institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceeding relating to Borrower or to all or any part of its property under the laws of any jurisdiction (or a proceeding is instituted without its consent and continues undismissed and unstayed for more than sixty (60) days); or any judgment, writ, warrant of attachment or execution or similar process is issued or levied against the Site, the improvements or any other property of Borrower and is not released, vacated or fully bonded within sixty (60) days after its issue or levy; or

(l) Any material adverse change occurs in the financial condition or operations of Borrower, such as a loss of services funding or rental subsidies, that has a material adverse impact on the Project; or

(m) After commencement of construction of the Project, Borrower fails to make any payments or disbursements required to bring the Loan in balance after the City determines that the Loan is out of balance; or

(n) After commencement of construction of the Project, and before a certificate of occupancy or equivalent certification is issued for the Project, Borrower ceases rehabilitation or construction of the Project for a period of twenty-five (25) consecutive calendar days, and the cessation is not excused under **Section 19.3**; or

(o) Borrower is in default of its obligations with respect to the Ground Lease (but only after the Ground Lease has been executed) or any funding obligation (other than the Loan) for the Project, and the default remains uncured following the expiration of any applicable cure periods; or

(p) Borrower is in default of its obligations under any other agreement related to the Project entered into with the City and County of San Francisco, and the default remains uncured following the expiration of any applicable cure periods.

19.2 Remedies. During the pendency of an uncured Event of Default, the City may exercise any right or remedy available under this Agreement or any other City Document or at law or in equity. All of the City's rights and remedies following an Event of Default are cumulative, including:

(a) The City at its option may declare the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other City Documents, immediately due and payable without protest, presentment, notice of dishonor, demand or further notice of any kind, all of which Borrower expressly waives.

(b) The City at its option may terminate all commitments to make Disbursements or to release the Site from the Deed of Trust or Declaration of Restrictions, or, without waiving the Event of Default, the City may determine to make further Disbursements or to release all or any part of the Site from the Deed of Trust or Declaration of Restrictions upon terms and conditions satisfactory to the City in its sole discretion.

(c) The City may perform any of Borrower's obligations in any manner, in the City's reasonable discretion.

(d) The City, either directly or through an agent or court-appointed receiver, may take possession of the Project and enter into contracts and take any other action the City deems appropriate to complete or construct all or any part of the improvements, subject to modifications and changes in the Project the City deems appropriate.

(e) The City may apply to any court of competent jurisdiction for specific performance, or an injunction against any violation, of this Agreement or for any other remedies or actions necessary or desirable to correct Borrower's noncompliance with this Agreement.

(f) Upon the occurrence of an Event of Default described in **Section 19.1(k)**, the unpaid principal balance of the Note, together with default interest as provided in the Note and any other charges due under the Note and the other City Documents, will become due and payable automatically.

(g) All costs, expenses, charges and advances of the City in exercising its remedies or to protect the Project will be deemed to constitute a portion of the principal balance of the Note, even if it causes the principal balance to exceed the face amount of the Note, unless Borrower reimburses the City within ten (10) days of the City's demand for reimbursement.

19.3 Force Majeure. The occurrence of any of the following events will excuse performance of any obligations of the City or Borrower rendered impossible to perform while the event continues: strikes; lockouts; labor disputes; acts of God; inability to obtain labor, materials or reasonable substitutes for either; governmental restrictions, regulations or controls, including, but not limited to, government health orders related to a pandemic or epidemic; judicial orders; enemy or hostile governmental actions; civil commotion; fire or other casualty and other causes beyond the control of the party obligated to perform. The occurrence of a force majeure event will excuse Borrower's performance only in the event that Borrower has provided notice to the City within thirty (30) days after the occurrence or commencement of the event or events, and Borrower's performance will be excused for a period ending thirty (30) days after the termination of the event giving rise to the delay.

19.4 City's Recourse. The City's recourse against Borrower following an Event of Default is limited as set forth more specifically in the Note.

ARTICLE 20 REPRESENTATIONS AND WARRANTIES.

20.1 Borrower Representations and Warranties. As a further inducement for the City to enter into this Agreement, Borrower represents and warrants as follows:

(a) The execution, delivery and performance of the City Documents will not contravene or constitute a default under or result in a lien upon assets of Borrower under any applicable Law, any Charter Document of Borrower or any instrument binding upon or affecting Borrower, or any contract, agreement, judgment, order, decree or other instrument binding upon or affecting Borrower.

(b) When duly executed, the City Documents will constitute the legal, valid and binding obligations of Borrower. Borrower hereby waives any defense to the enforcement of the City Documents related to alleged invalidity of the City Documents.

(c) No action, suit or proceeding is pending or threatened that might affect Borrower or the Project adversely in any material respect.

(d) Borrower is not in default under any agreement to which it is a party, including any lease of real property.

(e) None of Borrower, Borrower's principals or Borrower's general contractor, if applicable, has been suspended or debarred by the City, the Department of Industrial Relations, or any Governmental Agency, nor has Borrower, any of its principals or its general contractor, if applicable, been suspended, disciplined or prohibited from contracting with the City or any Governmental Agency. Further, Borrower certifies that neither it nor any of its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. In addition, Borrower will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of $100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities in addition to obtaining the certification of each contractor or subcontractor whose bid is accepted.

(f) All statements and representations made by Borrower in connection with the Loan remain true and correct as of the date of this Agreement.

(g) The Borrower is duly organized and in good standing under applicable laws of the State of California and is qualified to do business in the City and County of San Francisco.

ARTICLE 21 NOTICES.

21.1 Written Notice. All notices required by this Agreement will be made in writing and may be communicated by personal delivery, by a nationally recognized courier that obtains receipts, facsimile (if followed within one (1) business day by first class mail) or by United States certified mail, postage prepaid, return receipt requested. Delivery will be deemed complete as of the earlier of actual receipt (or refusal to accept proper delivery) or five (5) days after mailing, *provided that* any notice that is received after 5 p.m. on any day or on any weekend or holiday will be deemed to have been received on the next succeeding business day. Notices will be addressed as follows:

To the City:	City and County of San Francisco Mayor's Office of Housing and Community Development 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103 Attn: Director
To Borrower:	1234 Great Highway LLC Attn: Tenderloin Neighborhood Development Corporation 201 Eddy Street San Francisco, CA 94102 Attn: CEO

or any other address a party designates from time to time by written notice sent to the other party in manner set forth in this Section.

21.2 Required Notices. Borrower agrees to provide notice to the City in accordance with **Section 21.1** of the occurrence of any change or circumstance that: (a) will have an adverse effect on the physical condition or intended use of the Project; (b) from and after the closing date of Borrower's financing for construction or rehabilitation of the Project,] causes the Loan to be Out of Balance; or (c) will have a material adverse effect on Borrower's operation of the Property or ability to repay the Loan.

ARTICLE 22 GENERAL PROVISIONS.

22.1 Subordination. The Deed of Trust may be subordinated to other financing secured by and used for development of the Project (in each case, a "**Senior Lien**"), but only if MOHCD determines in its sole discretion that subordination is necessary to secure adequate acquisition, construction, rehabilitation and/or permanent financing to ensure the viability of the Project. Following review and approval by MOHCD and approval as to form by the City Attorney's Office, the Director of MOHCD or his/her successor or designee will be authorized to execute any approved subordination agreement without the necessity of any further action or approval. The Declaration of Restrictions will not be subordinated to any financing secured by and used for the Project, except as permitted under San Francisco Administrative Code Chapter 120.

22.2 No Third Party Beneficiaries. Nothing contained in this Agreement, nor any act of the City, may be interpreted or construed as creating the relationship of third party beneficiary, limited or general partnership, joint venture, employer and employee, or principal and agent between the City and Borrower or Borrower's agents, employees or contractors.

22.3 No Claims by Third Parties. Nothing contained in this Agreement creates or justifies any claim against the City by any person or entity with respect to the purchase of materials, supplies or equipment, or the furnishing or the performance of any work or services with respect to the Project. Borrower will include this requirement as a provision in any contracts for the development of the Project.

22.4 Entire Agreement. This Agreement and its Exhibits incorporate the terms of all agreements made by the City and Borrower with regard to the subject matter of this Agreement. No alteration or variation of the terms of this Agreement will be valid unless made in writing and signed by the parties hereto. No oral understandings or agreements not incorporated herein will be binding on the City or Borrower.

22.5 City Obligations. The City's sole obligation under this Agreement is limited to providing the Funds as described in this Agreement, up to the Funding Amount. Under no circumstances, including breach of this Agreement, will the City be liable to Borrower for any special or consequential damages arising out of actions or failure to act by the City in connection with any of the City Documents.

22.6 Borrower Solely Responsible. Borrower is an independent contractor with the right to exercise full control of employment, direction, compensation and discharge of all persons assisting in the performance contemplated under this Agreement. Borrower is solely responsible for: (a) its own acts and those of its agents, employees and contractors and all matters relating to their performance, including compliance with Social Security, withholding and all other Laws governing these matters and requiring that contractors include in each contract that they will be solely responsible for similar matters relating to their employees; (b) any losses or damages incurred by Borrower, any of its contractors or subcontractors and the City and its officers, representatives, agents and employees on account of any act, error or omission of Borrower in the performance of this Agreement or any other City Document and the development and operation of the Project; and (c) all costs and expenses relating to Borrower's performance of obligations under the City Documents, the delivery to the City of documents, information or items under or in connection with any of the City Documents and taxes, fees, costs or other charges payable in connection with the execution, delivery, filing and/or recording of any City Document or document required under any City Document.

22.7 No Inconsistent Agreements. Borrower warrants that it has not executed and will not execute any other agreement(s) with provisions materially contradictory or in opposition to the provisions of this Agreement.

22.8 Inconsistencies in City Documents. In the event of any conflict between the terms of this Agreement and any other City Document, the terms of this Agreement control unless otherwise stated; *provided, however,* that any provision in this Agreement in conflict with any Law will be interpreted subject to that Law.

22.9 Governing Law; Venue. This Agreement is governed by California law and the City's Charter and Municipal Code without regard to its choice of law rules. Any legal suit, action, or proceeding arising out of or relating to this Agreement shall be instituted in the Superior Court for the City and County of San Francisco, and each party agrees to the exclusive jurisdiction of such court in any such suit, action, or proceeding (excluding bankruptcy matters). The parties irrevocably and unconditionally waive any objection to the laying of venue of any suit, action, or proceeding in such court and irrevocably waive and agree not to plead or claim that any suit, action, or proceeding brought in San Francisco Superior Court relating to this Agreement has been brought in an inconvenient forum. The Parties also unconditionally and irrevocably waive any right to remove any such suit, action, or proceeding to Federal Court.

22.10 Joint and Several Liability. If Borrower consists of more than one person or entity, each is jointly and severally liable to the City for the faithful performance of this Agreement.

22.11 Successors. Except as otherwise limited herein, the provisions of this Agreement bind and inure to the benefit of the undersigned parties and their heirs, executors, administrators, legal representatives, successors and assigns. This provision does not relieve Borrower of its obligation under the City Documents to obtain the City's prior written consent to any assignment or other transfer of Borrower's interests in the Loan, the Site or the ownership interests in Borrower.

22.12 Reserved.

22.13 Severability. The invalidity or unenforceability of any one or more provisions of this Agreement will in no way affect any other provision.

22.14 Time. Time is of the essence in this Agreement. Whenever the date on which an action will be performed falls on a Saturday, Sunday or federal holiday, the date for performance will be deemed to be the next succeeding business day.

22.15 Further Assurances. Borrower agrees to: (a) pursue in an effective and continuous manner; (b) use best efforts to achieve; and (c) take all actions reasonably required by the City from time to time to confirm or otherwise carry out the purpose of this Agreement.

22.16 Binding Covenants. The provisions of the City Documents constitute covenants running with the land and will be binding upon Borrower and Borrower's successors and assigns, and all parties having or acquiring any right, title or interest in whatever form, including leasehold interests (other than Tenants and approved commercial tenants), in or to any part of the Property, except that the same will terminate and become void automatically at the expiration of the Compliance Term of this Agreement. Any attempt to transfer any right, title or interest in the Property in violation of these covenants will be void.

22.17 Consent. Except as expressly provided otherwise, whenever consent or approval of a party is required in any City Document, that party agrees not to withhold or delay its consent or approval unreasonably.

22.18 Counterparts. This Agreement may be executed in any number of counterparts, all of which will constitute but one agreement.

22.19 Borrower's Personnel. The Project will be implemented only by competent personnel under the direction and supervision of Borrower.

22.20 Borrower's Board of Directors. Borrower, or Borrower's manager or general partner, as applicable, will at all times be governed by a legally constituted and fiscally responsible board of directors. Such board of directors will meet regularly and maintain appropriate membership, as established in the bylaws and other governing documents of Borrower, Borrower's manager or Borrower's general partner, as applicable, and will adhere to applicable provisions of federal, state and local laws governing nonprofit corporations. Such board of directors will exercise such oversight responsibility with regard to this Agreement as is necessary to ensure full and prompt performance by Borrower of its obligations under this Agreement.

22.21 Ownership of Results. Any interest of Borrower or any sub-borrower, in drawings, plans, specifications, studies, reports, memoranda, computation sheets, the contents of computer diskettes, or other documents or Publications prepared by or on behalf of Borrower or any sub-borrower in connection with this Agreement, the implementation of the Project, the services to be performed under this Agreement, or acquired through the use of any Loan proceeds ("Work Product"), is hereby pledged to City as security for Borrower's obligations under this Agreement and the Note, and upon an Event of Default, will become the property of and be promptly transmitted by Borrower to the City. Notwithstanding the foregoing, Borrower may retain and use copies for reference and as documentation of its experience and capabilities.

This Agreement constitutes a security agreement under the California Uniform Commercial Code, as it may be amended from time to time, and Borrower authorizes City to file any financing statements City elects and deems necessary to perfect its security interest in the Work Product.

22.22 Works for Hire. If, in connection with this Agreement or the implementation of the Project, Borrower or any sub-borrower creates artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, source codes or any other original works of authorship or Publications, such creations will be works for hire as defined under Title 17 of the United States Code, and all copyrights in such creations will be the property of the City. If it is ever determined that any such creations are not works for hire under applicable law, Borrower hereby assigns all copyrights thereto to the City, and agrees to provide any material, execute such documents and take such other actions as may be necessary or desirable to effect such assignment. With the prior written approval of the City, Borrower may retain and use copies of such creations for reference and as documentation of its experience and capabilities. Borrower will obtain all releases, assignments or other agreements from sub-borrowers or other persons or entities implementing the Project to ensure that the City obtains the rights set forth in this Section.

22.23 Exhibits. The following exhibits are attached to this Agreement and incorporated by reference:

EXHIBITS

A	Schedules of Income and Rent Restrictions
B-1	Table of Sources and Uses of Funds
B-2	Annual Operating Budget
B-3	20-Year Cash Flow Proforma
C	Form of Tenant Income Certification
D	First Source Hiring Requirements and Numerical Goals
E	Governmental Requirements
F	Lobbying/Debarment Certification Form
G	Form of Annual Monitoring Report
H	Tenant Selection Plan Policy
I	MOHCD Tenant Screening Criteria Policy
J	Developer Fee Policy
K	Hold Harmless Policy
L	Insurance Requirements
M	Reserved
N	Reserved
O	MOHCD Commercial Underwriting Guidelines
P	MOHCD Residual Receipts Policy

IN WITNESS WHEREOF, the parties hereto have executed this Agreement at San Francisco, California as of the date first written above.

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: ______________________________
London N. Breed
Mayor

By: ______________________________
Eric D. Shaw
Director, Mayor's Office of Housing and Community Development

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: ______________________________
Deputy City Attorney

BORROWER:

1234 Great Highway LLC, a California limited liability company

By: Tenderloin Neighborhood Development Corporation. a California nonprofit public benefit corporation
Its: sole member and manager

By: ______________________________
Name: Maurilio Leon
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties hereto have executed this Agreement at San Francisco, California as of the date first written above.

THE CITY:

CITY AND COUNTY OF SAN FRANCISCO, a municipal corporation

By: ______________________________
London N. Breed
Mayor

By: ______________________________
Eric D. Shaw
Director, Mayor's Office of Housing and Community Development

APPROVED AS TO FORM:

DAVID CHIU
City Attorney

By: ______________________________
Deputy City Attorney

BORROWER:

1234 Great Highway LLC, a California limited liability company

By: Tenderloin Neighborhood Development Corporation. a California nonprofit public benefit corporation
Its: sole member and manager

By: ______________________________
Name: Maria Leon
Title: Chief Executive Officer

EXHIBIT A

Schedules of Income and Rent Restrictions

1. Income and Rent Restrictions. Maximum rent is 30% of maximum income level. As used in this Agreement, the term "Qualified Tenant" includes each category of Tenant included below, which may be subject to change upon Project construction finance closing:

Unit Size	**Maximum Income Level (MOHCD Income Level)**					
	15%	**20%**	**55%**	**60%**	**Manager Units**	**Total**
0 BR	23	24	5	37		89
1 BR	31	32	6	50	2	121
2 BR			3	3		6
						216

All Units (except 2 managers units) will be rented at all times to tenants who are Seniors. In addition, Fifty Percent (50%) of the Units will be made available to the chronically Senior Homeless Households or those Seniors at risk of homelessness during the period in which the City's Local Operating Subsidy program is in operation and the City provides such subsidy to the Project under the LOSP Agreement. If the LOSP is terminated, discontinued or reduced at no fault of Borrower with respect to the Project, then the rent restrictions above may be altered but only to the extent necessary for the Project to remain financially feasible, as determined in City's reasonable discretion; provided that:

(a) Borrower diligently pursues an additional or alternative source of income or subsidy acceptable to the City to replace the rental subsidies.

(b) One hundred percent (100%) of the Units formerly under the LOSP will at all times be occupied by Qualified Tenants whose Adjusted Income does not exceed sixty percent (60%) of Median Income and the monthly rent paid by the Qualified Tenants may not exceed (a) thirty percent (30%) of sixty percent (60%) of Median Income, (b) less utility allowance. The maximum initial occupancy income level restrictions when averaged for all Residential Units in the Project may not exceed sixty percent (60%) of Median Income and subject to any applicable regulatory agreement, restrictive covenant, or other encumbrance. To the extent financially feasible, as mutually determined by the Parties, any such rent increase will be limited to (or will be first implemented with) any vacant units.

In such event, the City will use good faith efforts to meet with Borrower within fifteen (15) days after Borrower's request to meet. The relief provided by the foregoing will not be construed as authorizing Borrower to exceed any income or rent restriction imposed on the Project by CDLAC, CTCAC, or under any other agreement. Borrower covenants and warrants that it will obtain all necessary approvals or relief from any other applicable income or rent limitations before implementing the relief provided in this paragraph.

2. Rent and Utilities. The total amount for rent and utilities (with the maximum allowance for utilities determined by the San Francisco Housing Authority) charged to a Qualified Tenant may not exceed the greater of:

(i) thirty percent (30%) of the applicable maximum income level, adjusted for household size; or

(ii) the tenant paid portion of the contract rent as determined by the San Francisco Housing Authority for Qualified Tenants holding Section 8 vouchers or certificates.

Rents may be increased as permitted pursuant to Section 7.3 of the Agreement.

EXHIBIT B-1

Table of Sources and Uses of Funds

Application Date: 4/7/23
Project Name: 1234 Great Highway
Project Address: 1234 Great Highway
Project Sponsor: Tenderloin Neighborhood Development Corporation

 # Units: 216
 # Bedrooms: 222
 # Beds:

LOSP Project

Don't forget to fill in D135:D138!

								Total Sources	**Comments**
SOURCES	**24,000,000**	**2,240,000**	**720,000**	**-**	**-**	**-**	**-**	**26,960,000**	
Name of Sources:	MOHCD/OCII	HAF Loan	Income from Operations						

USES

ACQUISITION

	MOHCD/OCII	HAF Loan	Income from Operations					Total Sources	Comments
Acquisition cost or value	21,700,000							21,700,000	
Legal / Closing costs / Broker's Fee	30,000							30,000	
Holding Costs	254,576		177,500					432,076	
Transfer Tax	1,302,000							1,302,000	
TOTAL ACQUISITION	**23,286,576**	**0**	**177,500**	**0**	**0**	**0**	**0**	**23,464,076**	

CONSTRUCTION (HARD COSTS)

	MOHCD/OCII	HAF Loan	Income from Operations					Total Sources	Comments
Unit Construction/Rehab								0	Include FF&E
Commercial Shell Construction								0	
Demolition								0	
Environmental Remediation								0	
Onsight Improvements/Landscaping								0	
Offsite Improvements								0	
Infrastructure Improvements								0	HOPE SF/OCII costs for streets etc.
Parking								0	
GC Bond Premium/GC Insurance/GC Taxes								0	
GC Overhead & Profit								0	
CG General Conditions								0	
Sub-total Construction Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Design Contingency (remove at DD)								0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Bid Contingency (remove at bid)								0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Plan Check Contingency (remove/reduce during Plan Review)								0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+
Hard Cost Construction Contingency								0	5% new construction / 15% rehab
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
TOTAL CONSTRUCTION COSTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	

Construction line item costs as a % of hard costs

SOFT COSTS

	MOHCD/OCII	HAF Loan	Income from Operations					Total Sources	Comments
Architecture & Design									
Architect design fees		784,000						784,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)		196,000						196,000	
Architect Construction Admin								0	
Reimbursables		29,400						29,400	
Additional Services		39,200						39,200	
Sub-total Architect Contract	*0*	*1,048,600*	*0*	*0*	*0*	*0*	*0*	*1,048,600*	
Other Third Party design consultants (not included under Architect contract)		150,000						150,000	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	**0**	**1,198,600**	**0**	**0**	**0**	**0**	**0**	**1,198,600**	
Engineering & Environmental Studies									
Survey	50,000							50,000	
Geotechnical studies	85,000							85,000	
Phase I & II Reports	50,000							50,000	
CEQA / Environmental Review consultants	10,000							10,000	
NEPA / 106 Review								0	
CNA/PNA (rehab only)								0	
Other environmental consultants								0	Name consultants & contract amounts
Total Engineering & Environmental Studies	**195,000**	**0**	**0**	**0**	**0**	**0**	**0**	**195,000**	
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*	*0*	
Permanent Financing Costs									
Permanent Loan Origination Fee								0	
Credit Enhance. & Appl. Fee								0	
Title & Recording								0	
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Total Financing Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Legal Costs									
Borrower Legal fees		50,000						50,000	
Land Use / CEQA Attorney fees		150,000						150,000	
Tax Credit Counsel								0	
Bond Counsel								0	
Construction Lender Counsel								0	
Permanent Lender Counsel								0	
Other Legal (specify)								0	
Total Legal Costs	**0**	**200,000**	**0**	**0**	**0**	**0**	**0**	**200,000**	
Other Development Costs									
Appraisal	12,000							12,000	
Market Study	15,000							15,000	
* Insurance		240,000						240,000	
* Property Taxes			542,500					542,500	
Accounting / Audit								0	
* Organizational Costs								0	
Entitlement / Permit Fees								0	
* Marketing / Rent-up								0	
* Furnishings								0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees		209,629						209,629	
TCAC App / Alloc / Monitor Fees	91,424	41,771						133,195	
* Financial Consultant fees		40,000						40,000	
Construction Management fees / Owner's Rep		60,000						60,000	
Security during Construction								0	
* Relocation								0	
Community Engagement	200,000							200,000	
Permit Expediter		50,000						50,000	
Other (specify)								0	
Total Other Development Costs	**318,424**	**641,400**	**542,500**	**0**	**0**	**0**	**0**	**1,502,324**	
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)		200,000		0	0	0	0	200,000	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	**513,424**	**2,240,000**	**542,500**	**0**	**0**	**0**	**0**	**3,295,924**	

Total Soft Cost Contingency as % of Total Soft Costs: **6.5%**

RESERVES

	MOHCD/OCII	HAF Loan	Income from Operations					Total Sources	Comments
* Operating Reserves								0	
Replacement Reserves								0	
* Tenant Improvements Reserves								0	
Other (specify)								0	
Other (specify)								0	
Other (specify)								0	
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	

DEVELOPER COSTS

	MOHCD/OCII	HAF Loan	Income from Operations					Total Sources	Comments
Developer Fee - Cash-out Paid at Milestones	200,000							200,000	
Developer Fee - Cash-out At Risk								0	
Commercial Developer Fee									
Developer Fee - GP Equity (also show as source)									
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	**200,000**	**0**	**0**	**0**	**0**	**0**	**0**	**200,000**	

	MOHCD/OCII	HAF Loan	Income from Operations					Total Sources	Comments
TOTAL DEVELOPMENT COST	**24,000,000**	**2,240,000**	**720,000**	**0**	**0**	**0**	**0**	**26,960,000**	
Development Cost/Unit by Source	111,111	10,370	3,333	0	0	0	0	124,815	
Development Cost/Unit as % of TDC by Source	89.0%	8.3%	2.7%	0.0%	0.0%	0.0%	0.0%	100.0%	
Acquisition Cost/Unit by Source	100,463	0	0	0	0	0	0	100,463	
Construction Cost (inc Const Contingency)/Unit By Source	0	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

**Possible non-eligible GO Bond/COP Amount:*	0
City Subsidy/Unit	111,111

Tax Credit Equity Pricing:		**Fill in with value or 'N/A' if not applicable.**
Construction Bond Amount:		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Term (in months):		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Interest Rate (as %):		**Fill in with value or 'N/A' if not applicable.**

Application Date:	4/7/23	**# Units:**	**216**
Project Name:	1234 Great Highway	***# Bedrooms:***	**222**
Project Address:	1234 Great Highway	**# Beds:**	
Project Sponsor:	Tenderloin Neighborhood Development Corporation		

LOSP Project

Don't forget to fill in D135:D138!

								Total Sources	**Comments**
SOURCES	**24,000,000**	**2,240,000**	**720,000**	**-**	**-**	**-**	**-**	**26,960,000**	
Name of Sources:	MOHCD/OCII	HAF Loan	Income from Operations						
USES									
ACQUISITION									
Acquisition cost or value	21,700,000							21,700,000	
Legal / Closing costs / Broker's Fee	30,000							30,000	
Holding Costs	254,576		177,500					432,076	
Transfer Tax	1,302,000							1,302,000	
TOTAL ACQUISITION	**23,286,576**	**0**	**177,500**	**0**	**0**	**0**	**0**	**23,464,076**	
CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab								0	Include FF&E
Commercial Shell Construction								0	
Demolition								0	
Environmental Remediation								0	
Onsight Improvements/Landscaping								0	
Offsite Improvements								0	
Infrastructure Improvements								0	HOPE SF/OCII costs for streets etc.
Parking								0	
GC Bond Premium/GC Insurance/GC Taxes								0	
GC Overhead & Profit								0	
CG General Conditions								0	
Sub-total Construction Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Design Contingency (remove at DD)								0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Bid Contingency (remove at bid)								0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Plan Check Contingency (remove/reduce during Plan Review)								0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+
Hard Cost Construction Contingency								0	5% new construction / 15% rehab
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
TOTAL CONSTRUCTION COSTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
SOFT COSTS									
Architecture & Design									
Architect design fees		784,000						784,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)		196,000						196,000	
Architect Construction Admin								0	
Reimbursables		29,400						29,400	
Additional Services		39,200						39,200	
Sub-total Architect Contract	*0*	*1,048,600*	*0*	*0*	*0*	*0*	*0*	*1,048,600*	
Other Third Party design consultants (not included under Architect contract)		150,000						150,000	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	**0**	**1,198,600**	**0**	**0**	**0**	**0**	**0**	**1,198,600**	
Engineering & Environmental Studies									
Survey	50,000							50,000	
Geotechnical studies	85,000							85,000	
Phase I & II Reports	50,000							50,000	
CEQA / Environmental Review consultants	10,000							10,000	
NEPA / 106 Review								0	
CNA/PNA (rehab only)								0	
Other environmental consultants								0	Name consultants & contract amounts
Total Engineering & Environmental Studies	**195,000**	**0**	**0**	**0**	**0**	**0**	**0**	**195,000**	
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*	*0*	
Permanent Financing Costs									
Permanent Loan Origination Fee								0	
Credit Enhance. & Appl. Fee								0	
Title & Recording								0	
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Total Financing Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Legal Costs									
Borrower Legal fees		50,000						50,000	
Land Use / CEQA Attorney fees		150,000						150,000	
Tax Credit Counsel								0	
Bond Counsel								0	
Construction Lender Counsel								0	
Permanent Lender Counsel								0	
Other Legal (specify)								0	
Total Legal Costs	**0**	**200,000**	**0**	**0**	**0**	**0**	**0**	**200,000**	
Other Development Costs									
Appraisal	12,000							12,000	
Market Study	15,000							15,000	
* Insurance		240,000						240,000	
* Property Taxes			542,500					542,500	
Accounting / Audit								0	
* Organizational Costs								0	
Entitlement / Permit Fees								0	
* Marketing / Rent-up								0	
* Furnishings								0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees		209,629						209,629	
TCAC App / Alloc / Monitor Fees	91,424	41,771						133,195	
* Financial Consultant fees		40,000						40,000	
Construction Management fees / Owner's Rep		60,000						60,000	
Security during Construction								0	
* Relocation								0	
Community Engagement	200,000							200,000	
Permit Expediter		50,000						50,000	
Other (specify)								0	
Total Other Development Costs	**318,424**	**641,400**	**542,500**	**0**	**0**	**0**	**0**	**1,502,324**	
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)		200,000		0	0	0	0	200,000	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	**513,424**	**2,240,000**	**542,500**	**0**	**0**	**0**	**0**	**3,295,924**	
RESERVES									
* Operating Reserves								0	
Replacement Reserves								0	
* Tenant Improvements Reserves								0	
Other (specify)								0	
Other (specify)								0	
Other (specify)								0	
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones	200,000							200,000	
Developer Fee - Cash-out At Risk								0	
Commercial Developer Fee									
Developer Fee - GP Equity (also show as source)									
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	**200,000**	**0**	**0**	**0**	**0**	**0**	**0**	**200,000**	
TOTAL DEVELOPMENT COST	**24,000,000**	**2,240,000**	**720,000**	**0**	**0**	**0**	**0**	**26,960,000**	
Development Cost/Unit by Source	111,111	10,370	3,333	0	0	0	0	124,815	
Development Cost/Unit as % of TDC by Source	89.0%	8.3%	2.7%	0.0%	0.0%	0.0%	0.0%	100.0%	
Acquisition Cost/Unit by Source	100,463	0	0	0	0	0	0	100,463	
Construction Cost (inc Const Contingency)/Unit By Source	0	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Construction line item costs as a % of hard costs

Total Soft Cost Contingency as % of Total Soft Costs **6.5%**

**Possible non-eligible GO Bond/COP Amount:*	0	
City Subsidy/Unit	111,111	
Tax Credit Equity Pricing:		**Fill in with value or 'N/A' if not applicable.**
Construction Bond Amount:		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Term (in months):		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Interest Rate (as %):		**Fill in with value or 'N/A' if not applicable.**

EXHIBIT B-2

Annual Operating Budget

Application Date:	**4/7/2023**	LOSP Units	Non-LOSP Units	**Project Name:**	**1234 Great Highway**
Total # Units:	**216**	**108**	**108**	**Project Address:**	**1234 Great Highway**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	**2028**	LOSP/non-LOSP Allocation		**Project Sponsor:**	**Tenderloin Neighborhood Development Corporation**
		50%	50%		

Correct errors noted in Col N!

INCOME	**LOSP**	**non-LOSP**	**Total**	**Comments**	
Residential - Tenant Rents	330,000	750,216	1,080,216	Links from 'New Proj - Rent & Unit Mix' Worksheet	**Alternative LOSP Split**
Residential - Tenant Assistance Payments (Non-LOSP)	631,644	631,644	1,263,288	Links from 'New Proj - Rent & Unit Mix' Worksheet	Residential - Tenant Assistance Payments (No
Residential - LOSP Tenant Assistance Payments	339,749		339,749		
Commercial Space			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	**Alternative LOSP Split**
Supportive Services Income	0	0			Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Laundry and Vending	14,040	14,040	28,080	Links from 'Utilities & Other Income' Worksheet	**Projected LOSP Split**
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	Tenant Charges
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Other Commercial Income			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	**Alternative LOSP Split**
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0			Withdrawal from Capitalized Reserve (deposit
Gross Potential Income	**1,315,433**	**1,395,900**	**2,711,333**		
Vacancy Loss - Residential - Tenant Rents	(16,500)	(41,452)	(57,952)	Vacancy loss is 5.4% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	(31,582)	(59,305)	(59,305)	Vacancy loss is 4.7% of Tenant Assistance Payments.	
Vacancy Loss - Commercial			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
EFFECTIVE GROSS INCOME	**1,267,351**	**1,295,143**	**2,594,076**	***PUPA: 12,010***	

OPERATING EXPENSES	**LOSP**	**non-LOSP**	**Total**	**Comments**	
Management					**Alternative LOSP Split**
Management Fee	76,464	76,464	152,928	1st Year to be set according to HUD schedule.	Management Fee
Asset Management Fee	12,140	12,140	24,280		Asset Management Fee
Sub-total Management Expenses	**88,604**	**88,604**	**177,208**	***PUPA: 820***	
Salaries/Benefits					**Alternative LOSP Split**
Office Salaries	15,368	15,368	30,735		Office Salaries
Manager's Salary	101,904	101,904	203,808		Manager's Salary
Health Insurance and Other Benefits	63,990	63,990	127,979		Health Insurance and Other Benefits
Other Salaries/Benefits	15,057	15,057	30,113		Other Salaries/Benefits
Administrative Rent-Free Unit	0	0			Administrative Rent-Free Unit
Sub-total Salaries/Benefits	**196,318**	**196,318**	**392,635**	***PUPA: 1,818***	
Administration					
Advertising and Marketing	0	0			
Office Expenses	28,282	28,282	56,564		
Office Rent	0	0			**Projected LOSP Split**
Legal Expense - Property	9,000	9,000	18,000		Legal Expense - Property
Audit Expense	5,570	5,570	11,139		
Bookkeeping/Accounting Services	16,848	16,848	33,696		**Projected LOSP Split**
Bad Debts	15,000	15,000	30,000		Bad Debts
Miscellaneous	19,151	19,151	38,301	Payroll service charges, tech support and maintenance, professional fees, training	
Sub-total Administration Expenses	**93,850**	**93,850**	**187,700**	***PUPA: 869***	
Utilities					**Projected LOSP Split**
Electricity	61,204	61,204	122,407		Electricity
Water	127,219	127,219	254,437		
Gas	0	0			
Sewer	0	0			
Sub-total Utilities	**188,422**	**188,422**	**376,844**	***PUPA: 1,745***	
Taxes and Licenses					**Alternative LOSP Split**
Real Estate Taxes	1,895	1,895	3,790		Real Estate Taxes
Payroll Taxes	30,113	30,113	60,225		Payroll Taxes
Miscellaneous Taxes, Licenses and Permits	4,145	4,145	8,289		
Sub-total Taxes and Licenses	**36,152**	**36,152**	**72,304**	***PUPA: 335***	
Insurance					
Property and Liability Insurance	78,976	78,976	157,951		
Fidelity Bond Insurance	0	0			**Alternative LOSP Split**
Worker's Compensation	18,821	18,821	37,641		Worker's Compensation
Director's & Officers' Liability Insurance	0	0			
Sub-total Insurance	**97,796**	**97,796**	**195,592**	***PUPA: 906***	
Maintenance & Repair					**Alternative LOSP Split**
Payroll	163,078	163,078	326,155		Payroll
Supplies	11,121	11,121	22,241		Supplies
Contracts	91,843	91,843	183,686		Contracts
Garbage and Trash Removal	61,531	61,531	123,061		**Alternative LOSP Split**
Security Payroll/Contract	150,696	50,232	200,928	4.2 FTE desk clerks	Security Payroll/Contract
HVAC Repairs and Maintenance	8,175	8,175	16,350		
Vehicle and Maintenance Equipment Operation and Repairs	307	307	613		
Miscellaneous Operating and Maintenance Expenses	0	0			
Sub-total Maintenance & Repair Expenses	**486,749**	**386,285**	**873,034**	***PUPA: 4,042***	
					Alternative LOSP Split
Supportive Services	0	87,060	87,060	0.6 FTE Healthy Aging Coordinator	Supportive Services
Commercial Expenses			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL OPERATING EXPENSES	***1,187,891***	***1,174,487***	***2,362,377***	***PUPA: 10,937***	

Reserves/Ground Lease Base Rent/Bond Fees	**LOSP**	**non-LOSP**	**Total**	**Comments**		
Ground Lease Base Rent	7,500	7,500	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.	
Bond Monitoring Fee	2,600	2,600	5,200			**Alternative LOSP Split**
Replacement Reserve Deposit	54,000	54,000	108,000			Replacement Reserve Deposit
Operating Reserve Deposit	0	0				Operating Reserve Deposit
Other Required Reserve 1 Deposit	0	0				Other Required Reserve 1 Deposit
Other Required Reserve 2 Deposit	0	0				
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	**64,100**	**64,100**	**128,200**	***PUPA: 594***	Min DSCR:	1.09
					Mortgage Rate:	5.00%
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**1,251,991**	**1,238,587**	**2,490,577**	***PUPA: 11,530***	Term (Years):	30
					Supportable 1st Mortgage Pmt:	94,953
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**15,360**	**56,557**	**103,499**	***PUPA: 479***	Supportable 1st Mortgage Amt:	$1,473,999
					Proposed 1st Mortgage Amt:	$4,630,000

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)	**LOSP**	**non-LOSP**	**Total**	**Comments**		**Alternative LOSP Split**
Hard Debt - First Lender	0	0	0		Provide additional comments here, if needed.	Hard Debt - First Lender
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	0	0	0		Provide additional comments here, if needed.	Hard Debt - Second Lender (HCD Program 0.4
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.	Hard Debt - Third Lender (Other HCD Program
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.	Hard Debt - Fourth Lender
Commercial Hard Debt Service			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		
TOTAL HARD DEBT SERVICE	**0**	**0**	**0**	***PUPA: 0***		
CASH FLOW (NOI minus DEBT SERVICE)	**15,360**	**56,557**	**103,499**			
Commercial Only Cash Flow			0			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	0	0				Allocation of Commercial Surplus to LOPS/no
AVAILABLE CASH FLOW	**15,360**	**56,557**	**103,499**			

USES OF CASH FLOW BELOW (This row also shows DSCR.)

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL	**LOSP**	**non-LOSP**	**Total**	**Comments**		
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	12,860	12,860	25,720			
Partnership Management Fee (see policy for limits)	0	0				
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	2,500	2,500	5,000			**Alternative LOSP Split**
Other Payments	0	0				Other Payments
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0			Provide additional comments here, if needed.	Non-amortizing Loan Pmnt - Lender 1 (select
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0			Provide additional comments here, if needed.	
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0		Def. Develop. Fee split: 0%	Provide additional comments here, if needed.	Deferred Developer Fee (Enter amt <= Max Fe
TOTAL PAYMENTS PRECEDING MOHCD	**15,360**	**15,360**	**30,720**	***PUPA: 142***		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**0**	**41,197**	**72,779**			

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**Yes**		
Will Project Defer Developer Fee?	**Yes**				
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):	**25,293**	Sum of DD F from LOSP and non-LOSP:	
% of Residual Receipts available for distribution to **soft debt lenders** in	50%			Ratio of Sum of DDF and calculated 50%:	

Soft Debt Lenders with Residual Receipts Obligations		*(Select lender name/program from drop down)*	**Total Principal Amt**	**Distrib. of Soft Debt Loans**
MOHCD/OCII - Soft Debt Loans		All MOHCD/OCII Loans payable from res. rects		0.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost		Ground Lease Value	$150,000	100.00%
HCD (soft debt loan) - Lender 3				0.00%
Other Soft Debt Lender - Lender 4				0.00%
Other Soft Debt Lender - Lender 5				0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
MOHCD Residual Receipts Amount Due		72,779	72,779	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment		72,779	72,779	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			**0**	

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)			**0**	
Owner Distributions/Incentive Management Fee			0	
Other Distributions/Uses			0	
Final Balance (should be zero)			**0**	

Application Date: 4/7/2023
Total # Units: 216
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:** 2028

INCOME			
Residential - Tenant Rents		**non-LOSP**	Approved By (reqd)
Residential - Tenant Assistance Payments (Non-LOSP)	n-LOSP)		
Residential - LOSP Tenant Assistance Payments			
Commercial Space			
Residential Parking			
Miscellaneous Rent Income	**LOSP**	**non-LOSP**	Approved By (reqd)
Supportive Services Income			
Interest Income - Project Operations			
Laundry and Vending	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Tenant Charges			
Miscellaneous Residential Income			
Other Commercial Income	**LOSP**	**non-LOSP**	Approved By (reqd)
Withdrawal from Capitalized Reserve (deposit to operating account)	to operating account)		
Gross Potential Income			
Vacancy Loss - Residential - Tenant Rents			
Vacancy Loss - Residential - Tenant Assistance Payments			
Vacancy Loss - Commercial			
EFFECTIVE GROSS INCOME			
OPERATING EXPENSES			
Management	**LOSP**	**non-LOSP**	Approved By (reqd)
Management Fee			
Asset Management Fee			
Sub-total Management Expenses			
Salaries/Benefits	**LOSP**	**non-LOSP**	Approved By (reqd)
Office Salaries			
Manager's Salary			
Health Insurance and Other Benefits			
Other Salaries/Benefits			
Administrative Rent-Free Unit			
Sub-total Salaries/Benefits			
Administration			
Advertising and Marketing			
Office Expenses			
Office Rent	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	*50.00%*	*50.00%*	
Audit Expense			
Bookkeeping/Accounting Services	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	*50.00%*	*50.00%*	
Miscellaneous			
Sub-total Administration Expenses			
Utilities	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Electricity	*50.00%*	*50.00%*	
Water			
Gas			
Sewer			
Sub-total Utilities			
Taxes and Licenses	**LOSP**	**non-LOSP**	Approved By (reqd)
Real Estate Taxes			
Payroll Taxes			
Miscellaneous Taxes, Licenses and Permits			
Sub-total Taxes and Licenses			
Insurance			
Property and Liability Insurance			
Fidelity Bond Insurance	**LOSP**	**non-LOSP**	Approved By (reqd)
Worker's Compensation			
Director's & Officers' Liability Insurance			
Sub-total Insurance			
Maintenance & Repair	**LOSP**	**non-LOSP**	Approved By (reqd)
Payroll			
Supplies	*50.00%*	*50.00%*	(LOSP-specific expenses must be tracked at entry level in project's
Contracts			
Garbage and Trash Removal	**LOSP**	**non-LOSP**	Approved By (reqd)
Security Payroll/Contract	*75.00%*	*25.00%*	
HVAC Repairs and Maintenance			
Vehicle and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			
Sub-total Maintenance & Repair Expenses			
	LOSP	**non-LOSP**	Approved By (reqd)
Supportive Services	*0.00%*	*100.00%*	
Commercial Expenses			
TOTAL OPERATING EXPENSES			
Reserves/Ground Lease Base Rent/Bond Fees			
Ground Lease Base Rent			
Bond Monitoring Fee	**LOSP**	**non-LOSP**	Approved By (reqd)
Replacement Reserve Deposit			
Operating Reserve Deposit			
Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit			
Required Reserve Deposit/s, Commercial			
Sub-total Reserves/Ground Lease Base Rent/Bond Fees			
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)			
NET OPERATING INCOME (INCOME minus OP EXPENSES)			
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)	**LOSP**	**non-LOSP**	Approved By (reqd)
Hard Debt - First Lender	*0.00%*	*100.00%*	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	42% pymt, or other 2nd Lende		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	n, or other 3rd Lender)		
Hard Debt - Fourth Lender			
Commercial Hard Debt Service			
TOTAL HARD DEBT SERVICE			
CASH FLOW (NOI minus DEBT SERVICE)			
Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	n-LOSP (residual income)		
AVAILABLE CASH FLOW			
USES OF CASH FLOW BELOW (This row also shows DSCR.)			
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	**LOSP**	**non-LOSP**	Approved By (reqd)
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	lender in comments field)		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	*0.00%*	*100.00%*	
TOTAL PAYMENTS PRECEDING MOHCD			
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)			

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?
Will Project Defer Developer Fee?
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1: 0
% of Residual Receipts available for distribution to **soft debt lenders** in #DIV/0!

Soft Debt Lenders with Residual Receipts Obligations	
MOHCD/OCII - Soft Debt Loans	
MOHCD/OCII - Ground Lease Value or Land Acq Cost	
HCD (soft debt loan) - Lender 3	
Other Soft Debt Lender - Lender 4	
Other Soft Debt Lender - Lender 5	
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	
MOHCD Residual Receipts Amount Due	
Proposed MOHCD Residual Receipts Amount to Loan Repayment	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE	
HCD Residual Receipts Amount Due	
Lender 4 Residual Receipts Due	
Lender 5 Residual Receipts Due	
Total Non-MOHCD Residual Receipts Debt Service	
REMAINDER (Should be zero unless there are distributions below)	
Owner Distributions/Incentive Management Fee	
Other Distributions/Uses	
Final Balance (should be zero)	

EXHIBIT B-3

20-Year Cash Flow Proforma

1234 Great Highway

	LOSP Units	Non-LOSP Units
Total # Units: 216	***108***	***108***
	50.00%	*50.00%*

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 1 2028 LOSP	Year 1 2028 non-LOSP	Year 1 2028 Total	Year 2 2029 LOSP	Year 2 2029 non-LOSP	Year 2 2029 Total	Year 3 2030 LOSP	Year 3 2030 non-LOSP	Year 3 2030 Total
Residential - Tenant Rents	1.0%	2.5%		*330,000*	*750,216*	1,080,216	*333,300*	768,971	1,102,271	*336,633*	788,196	1,124,829
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		*631,644*	*631,644*	1,263,288	-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*339,749*		339,749	*962,541*		962,541	*1,002,046*		1,002,046
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		*14,040*	*14,040*	28,080	*14,391*	*14,391*	28,782	*14,751*	*14,751*	29,502
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-		-	-	
Gross Potential Income				***1,315,433***	***1,395,900***	**2,711,333**	***1,310,232***	***783,362***	**2,093,594**	***1,353,430***	***802,946***	**2,156,376**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	*(16,500)*	*(41,452)*	(57,952)	*(16,665)*	*(38,449)*	(55,114)	*(16,832)*	*(39,410)*	(56,241)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		*(31,582)*	*(59,305)*	(59,305)	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***1,267,351***	***1,295,143***	**2,594,076**	***1,293,567***	***744,914***	**2,038,480**	***1,336,598***	***763,537***	**2,100,135**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*76,464*	*76,464*	152,928	*79,140*	*79,140*	158,280	*81,910*	*81,910*	163,820
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*12,140*	*12,140*	24,280	*12,565*	*12,565*	25,130	*13,005*	*13,005*	26,009
Sub-total Management Expenses				***88,604***	***88,604***	**177,208**	***91,705***	***91,705***	**183,410**	***94,915***	***94,915***	**189,830**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		*15,368*	*15,368*	30,735	*15,905*	*15,905*	31,811	*16,462*	*16,462*	32,924
Manager's Salary	3.5%	3.5%		*101,904*	*101,904*	203,808	*105,471*	*105,471*	210,941	*109,162*	*109,162*	218,324
Health Insurance and Other Benefits	3.5%	3.5%		*63,990*	*63,990*	127,979	*66,229*	*66,229*	132,458	*68,547*	*68,547*	137,094
Other Salaries/Benefits	3.5%	3.5%		*15,057*	*15,057*	30,113	*15,583*	*15,583*	31,167	*16,129*	*16,129*	32,258
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***196,318***	***196,318***	**392,635**	***203,189***	***203,189***	**406,377**	***210,300***	***210,300***	**420,600**
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		*28,282*	*28,282*	56,564	*29,272*	*29,272*	58,544	*30,296*	*30,296*	60,593
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		*9,000*	*9,000*	18,000	*9,315*	*9,315*	18,630	*9,641*	*9,641*	19,282
Audit Expense	3.5%	3.5%		*5,570*	*5,570*	11,139	*5,764*	*5,764*	11,529	*5,966*	*5,966*	11,932
Bookkeeping/Accounting Services	3.5%	3.5%		*16,848*	*16,848*	33,696	*17,438*	*17,438*	34,875	*18,048*	*18,048*	36,096
Bad Debts	3.5%	3.5%		*15,000*	*15,000*	30,000	*15,525*	*15,525*	31,050	*16,068*	*16,068*	32,137
Miscellaneous	3.5%	3.5%		*19,151*	*19,151*	38,301	*19,821*	*19,821*	39,642	*20,514*	*20,514*	41,029
Sub-total Administration Expenses				***93,850***	***93,850***	**187,700**	***97,135***	***97,135***	**194,270**	***100,534***	***100,534***	**201,069**
Utilities												
Electricity	3.5%	3.5%		*61,204*	*61,204*	122,407	*63,346*	*63,346*	126,691	*65,563*	*65,563*	131,125
Water	3.5%	3.5%		*127,219*	*127,219*	254,437	*131,671*	*131,671*	263,342	*136,280*	*136,280*	272,559
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				***188,422***	***188,422***	**376,844**	***195,017***	***195,017***	**390,034**	***201,842***	***201,842***	**403,685**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		*1,895*	*1,895*	3,790	*1,961*	*1,961*	3,923	*2,030*	*2,030*	4,060
Payroll Taxes	3.5%	3.5%		*30,113*	*30,113*	60,225	*31,166*	*31,166*	62,333	*32,257*	*32,257*	64,515
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		*4,145*	*4,145*	8,289	*4,290*	*4,290*	8,579	*4,440*	*4,440*	8,879
Sub-total Taxes and Licenses				***36,152***	***36,152***	**72,304**	***37,417***	***37,417***	**74,835**	***38,727***	***38,727***	**77,454**
Insurance												
Property and Liability Insurance	3.5%	3.5%		*78,976*	*78,976*	157,951	*81,740*	*81,740*	163,479	*84,601*	*84,601*	169,201
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		*18,821*	*18,821*	37,641	*19,479*	*19,479*	38,958	*20,161*	*20,161*	40,322
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***97,796***	***97,796***	**195,592**	***101,219***	***101,219***	**202,438**	***104,762***	***104,762***	**209,523**
Maintenance & Repair												
Payroll	3.5%	3.5%		*163,078*	*163,078*	326,155	*168,785*	*168,785*	337,570	*174,693*	*174,693*	349,385
Supplies	3.5%	3.5%		*11,121*	*11,121*	22,241	*11,510*	*11,510*	23,019	*11,913*	*11,913*	23,825
Contracts	3.5%	3.5%		*91,843*	*91,843*	183,686	*95,058*	*95,058*	190,115	*98,385*	*98,385*	196,769
Garbage and Trash Removal	3.5%	3.5%		*61,531*	*61,531*	123,061	*63,684*	*63,684*	127,368	*65,913*	*65,913*	131,826
Security Payroll/Contract	3.5%	3.5%		*150,696*	*50,232*	200,928	*155,970*	*51,990*	207,960	*161,429*	*53,810*	215,239
HVAC Repairs and Maintenance	3.5%	3.5%		*8,175*	*8,175*	16,350	*8,461*	*8,461*	16,922	*8,757*	*8,757*	17,515
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		*307*	*307*	613	*317*	*317*	634	*328*	*328*	657
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***486,749***	***386,285***	**873,034**	***503,785***	***399,805***	**903,590**	***521,418***	***413,798***	**935,216**
Supportive Services	3.5%	3.5%		-	*87,060*	87,060	-	*90,107*	90,107	-	*93,261*	93,261
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				***1,187,891***	***1,174,487***	***2,362,377***	***1,229,467***	***1,215,594***	**2,445,060**	***1,272,498***	***1,258,139***	**2,530,637**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						***10,937***						
Reserves/Ground Lease Base Rent/Bond Fees									*Note: Hidden columns are in between total columns. To update*			
Ground Lease Base Rent				*7,500*	*7,500*	15,000	*7,500*	*7,500*	15,000	*7,500*	*7,500*	15,000
Bond Monitoring Fee				*2,600*	*2,600*	5,200	*2,600*	*2,600*	5,200	*2,600*	*2,600*	5,200
Replacement Reserve Deposit				*54,000*	*54,000*	108,000	*54,000*	*54,000*	108,000	*54,000*	*54,000*	108,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***64,100***	***64,100***	**128,200**	***64,100***	***64,100***	**128,200**	***64,100***	***64,100***	**128,200**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***1,251,991***	***1,238,587***	**2,490,577**	***1,293,567***	***1,279,694***	**2,573,260**	***1,336,598***	***1,322,239***	**2,658,837**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						***11,530***						
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***15,360***	***56,557***	**103,499**	**-**	***(534,780)***	**(534,780)**	**-**	***(558,703)***	**(558,703)**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									*Note: Hidden columns are in between total columns. To update*			
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				***15,360***	***56,557***	**103,499**	**-**	***(534,780)***	**(534,780)**	**-**	***(558,703)***	**(558,703)**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				***15,360***	***56,557***	**103,499**	**-**	***(534,780)***	**(534,780)**	**-**	***(558,703)***	**(558,703)**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									*Note: Hidden columns are in between total columns. To update*			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	*12,860*	*12,860*	25,720	-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	*2,500*	*2,500*	5,000	-	-		-	-	
Other Payments				-	-	-	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-	-	-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***15,360***	***15,360***	**30,720**	**-**	**-**	**-**	**-**	**-**	**-**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	41,197	**72,779**	-	(534,780)	**(534,780)**	-	(558,703)	**(558,703)**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***	Year 15 is year indicated below:									
Will Project Defer Developer Fee?		***Yes***	2042									
1st Residual Receipts Split - Lender/Deferred Developer Fee		*50% / 50%*	2nd Residual Receipts Split Begins:									
2nd Residual Receipts Split - Lender/Owner		*67% / 33%*	2043									
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):				*Max Deferred Developer Fee Amt:*		25,293						
		Dist. Soft Debt Loans	ative Deferred Developer Fee Earned	*Cum. Deferred Developer Fee:*		-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			72,779			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						72,779			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses						-						
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						-			**108,000**			**216,000**
Replacement Reserve Deposits						**108,000**			**108,000**			**108,000**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						**108,000**			**216,000**			**324,000**
			RR Balance/Unit			*$500*			*$1,000*			*$1,500*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						-			-			-
			OR Balance as a % of Prior Yr Op Exps + Debt Service						*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance									-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance									-			-
Other Reserve 2 Deposits						-			-			-

	LOSP Units	Non-LOSP Units										
Total # Units:												
216	***108***	***108***			**Year 1**			**Year 2**			**Year 3**	
	50.00%	*50.00%*			**2028**			**2029**			**2030**	
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

1234 Great Highway

	LOSP Units	Non-LOSP Units
Total # Units: 216	*108*	*108*
	50.00%	*50.00%*

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 4 2031 LOSP	Year 4 2031 non-LOSP	Year 4 2031 Total	Year 5 2032 LOSP	Year 5 2032 non-LOSP	Year 5 2032 Total	Year 6 2033 LOSP	Year 6 2033 non-LOSP	Year 6 2033 Total
Residential - Tenant Rents	1.0%	2.5%		339,999	807,901	1,147,900	343,399	828,098	1,171,497	346,833	848,801	1,195,634
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,043,017		1,043,017	1,085,505		1,085,505	1,129,565		1,129,565
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		15,120	15,120	30,239	15,498	15,498	30,995	15,885	15,885	31,770
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				1,398,135	823,020	2,221,156	1,444,402	843,596	2,287,997	1,492,283	864,686	2,356,968
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(17,000)	(40,395)	(57,395)	(17,170)	(41,405)	(58,575)	(17,342)	(42,440)	(59,782)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				1,381,135	782,625	2,163,761	1,427,232	802,191	2,229,422	1,474,941	822,245	2,297,187
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	84,777	84,777	169,554	87,744	87,744	175,488	90,815	90,815	181,630
Asset Management Fee	3.5%	3.5%	per MOHCD policy	13,460	13,460	26,920	13,931	13,931	27,862	14,419	14,419	28,837
Sub-total Management Expenses				98,237	98,237	196,474	101,675	101,675	203,350	105,234	105,234	210,468
Salaries/Benefits												
Office Salaries	3.5%	3.5%		17,038	17,038	34,076	17,635	17,635	35,269	18,252	18,252	36,504
Manager's Salary	3.5%	3.5%		112,983	112,983	225,966	116,937	116,937	233,874	121,030	121,030	242,060
Health Insurance and Other Benefits	3.5%	3.5%		70,946	70,946	141,893	73,429	73,429	146,859	75,999	75,999	151,999
Other Salaries/Benefits	3.5%	3.5%		16,693	16,693	33,387	17,278	17,278	34,555	17,882	17,882	35,765
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				217,661	217,661	435,321	225,279	225,279	450,558	233,164	233,164	466,327
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		31,357	31,357	62,714	32,454	32,454	64,908	33,590	33,590	67,180
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		9,978	9,978	19,957	10,328	10,328	20,655	10,689	10,689	21,378
Audit Expense	3.5%	3.5%		6,175	6,175	12,350	6,391	6,391	12,782	6,615	6,615	13,230
Bookkeeping/Accounting Services	3.5%	3.5%		18,680	18,680	37,359	19,333	19,333	38,667	20,010	20,010	40,020
Bad Debts	3.5%	3.5%		16,631	16,631	33,262	17,213	17,213	34,426	17,815	17,815	35,631
Miscellaneous	3.5%	3.5%		21,233	21,233	42,465	21,976	21,976	43,951	22,745	22,745	45,490
Sub-total Administration Expenses				104,053	104,053	208,106	107,695	107,695	215,390	111,464	111,464	222,929
Utilities												
Electricity	3.5%	3.5%		67,857	67,857	135,715	70,232	70,232	140,465	72,691	72,691	145,381
Water	3.5%	3.5%		141,049	141,049	282,099	145,986	145,986	291,972	151,096	151,096	302,191
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				208,907	208,907	417,814	216,219	216,219	432,437	223,786	223,786	447,572
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,101	2,101	4,202	2,175	2,175	4,349	2,251	2,251	4,501
Payroll Taxes	3.5%	3.5%		33,386	33,386	66,773	34,555	34,555	69,110	35,764	35,764	71,528
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		4,595	4,595	9,190	4,756	4,756	9,512	4,922	4,922	9,845
Sub-total Taxes and Licenses				40,082	40,082	80,165	41,485	41,485	82,971	42,937	42,937	85,874
Insurance												
Property and Liability Insurance	3.5%	3.5%		87,562	87,562	175,123	90,626	90,626	181,252	93,798	93,798	187,596
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		20,867	20,867	41,733	21,597	21,597	43,194	22,353	22,353	44,706
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				108,428	108,428	216,856	112,223	112,223	224,446	116,151	116,151	232,302
Maintenance & Repair												
Payroll	3.5%	3.5%		180,807	180,807	361,614	187,135	187,135	374,270	193,685	193,685	387,370
Supplies	3.5%	3.5%		12,329	12,329	24,659	12,761	12,761	25,522	13,208	13,208	26,415
Contracts	3.5%	3.5%		101,828	101,828	203,656	105,392	105,392	210,784	109,081	109,081	218,161
Garbage and Trash Removal	3.5%	3.5%		68,220	68,220	136,440	70,608	70,608	141,215	73,079	73,079	146,158
Security Payroll/Contract	3.5%	3.5%		167,079	55,693	222,772	172,927	57,642	230,570	178,980	59,660	238,639
HVAC Repairs and Maintenance	3.5%	3.5%		9,064	9,064	18,128	9,381	9,381	18,762	9,709	9,709	19,419
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		340	340	680	352	352	703	364	364	728
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				539,667	428,281	967,948	558,556	443,271	1,001,827	578,105	458,785	1,036,891
Supportive Services	3.5%	3.5%		-	96,525	96,525	-	99,903	99,903	-	103,400	103,400
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				1,317,035	1,302,174	2,619,210	1,363,132	1,347,750	2,710,882	1,410,841	1,394,922	2,805,763
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees				*delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*								
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				1,381,135	1,366,274	2,747,410	1,427,232	1,411,850	2,839,082	1,474,941	1,459,022	2,933,963
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				-	(583,649)	(583,649)	-	(609,660)	(609,660)	-	(636,776)	(636,776)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				*delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*								
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				-	(583,649)	(583,649)	-	(609,660)	(609,660)	-	(636,776)	(636,776)
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				-	(583,649)	(583,649)	-	(609,660)	(609,660)	-	(636,776)	(636,776)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				*delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*								
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-		-	-	
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	(583,649)	(583,649)	-	(609,660)	(609,660)	-	(636,776)	(636,776)

			Year 4	Year 5	Year 6
Does Project have a MOHCD Residual Receipt Obligation?	Yes	Year 15 is year indicated below: 2042			
Will Project Defer Developer Fee?	Yes				
1st Residual Receipts Split - Lender/Deferred Developer Fee	50% / 50%	2nd Residual Receipts Split Begins: 2043			
2nd Residual Receipts Split - Lender/Owner	67% / 33%				
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):					
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Dist. Soft Debt Loans*	Cumulative Deferred Developer Fee Earned	-	-	-
MOHCD Residual Receipts Amount Due	100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	0.00%	No HCD Financing	-	-	-
Lender 4 Residual Receipts Due	0.00%		-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-
REMAINDER (Should be zero unless there are distributions below)			-	-	-
Owner Distributions/Incentive Management Fee			-	-	-
Other Distributions/Uses			-	-	-
Final Balance (should be zero)			-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE					
Replacement Reserve Starting Balance			324,000	432,000	540,000
Replacement Reserve Deposits			108,000	108,000	108,000
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-
Replacement Reserve Interest					
RR Running Balance			432,000	540,000	648,000
		RR Balance/Unit	$2,000	$2,500	$3,000
OPERATING RESERVE - RUNNING BALANCE					
Operating Reserve Starting Balance			-	-	-
Operating Reserve Deposits			-	-	-
Operating Reserve Withdrawals					
Operating Reserve Interest					
OR Running Balance			-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service	0.0%	0.0%	0.0%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE					
Other Reserve 1 Starting Balance			-	-	-
Other Reserve 1 Deposits			-	-	-
Other Reserve 1 Withdrawals					
Other Reserve 1 Interest					
Other Required Reserve 1 Running Balance			-	-	-
OTHER RESERVE 2 - RUNNING BALANCE					
Other Reserve 2 Starting Balance			-	-	-
Other Reserve 2 Deposits			-	-	-

	LOSP Units	Non-LOSP Units		Year 4 2031			Year 5 2032			Year 6 2033		
Total # Units:												
216	***108***	***108***										
	50.00%	*50.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

1234 Great Highway

	LOSP Units	Non-LOSP Units
Total # Units:		
216	***108***	***108***
	50.00%	*50.00%*

				Year 7 2034			Year 8 2035			Year 9 2036		
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		350,302	870,021	1,220,322	353,805	891,771	1,245,576	357,343	914,065	1,271,408
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,175,252		1,175,252	1,222,625		1,222,625	1,271,743		1,271,743
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		16,282	16,282	32,564	16,689	16,689	33,378	17,106	17,106	34,213
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				***1,541,836***	***886,303***	**2,428,138**	***1,593,119***	***908,460***	**2,501,579**	***1,646,192***	***931,172***	**2,577,364**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(17,515)	(43,501)	(61,016)	(17,690)	(44,589)	(62,279)	(17,867)	(45,703)	(63,570)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***1,524,321***	***842,802***	**2,367,122**	***1,575,428***	***863,872***	**2,439,300**	***1,628,325***	***885,468***	**2,513,793**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	93,994	93,994	187,988	97,284	97,284	194,567	100,688	100,688	201,377
Asset Management Fee	3.5%	3.5%	per MOHCD policy	14,923	14,923	29,846	15,445	15,445	30,891	15,986	15,986	31,972
Sub-total Management Expenses				***108,917***	***108,917***	**217,834**	***112,729***	***112,729***	**225,458**	***116,675***	***116,675***	**233,349**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		18,891	18,891	37,781	19,552	19,552	39,104	20,236	20,236	40,472
Manager's Salary	3.5%	3.5%		125,266	125,266	250,532	129,650	129,650	259,301	134,188	134,188	268,376
Health Insurance and Other Benefits	3.5%	3.5%		78,659	78,659	157,319	81,413	81,413	162,825	84,262	84,262	168,524
Other Salaries/Benefits	3.5%	3.5%		18,508	18,508	37,017	19,156	19,156	38,312	19,827	19,827	39,653
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***241,324***	***241,324***	**482,649**	***249,771***	***249,771***	**499,541**	***258,513***	***258,513***	**517,025**
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		34,766	34,766	69,532	35,983	35,983	71,965	37,242	37,242	74,484
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		11,063	11,063	22,127	11,451	11,451	22,901	11,851	11,851	23,703
Audit Expense	3.5%	3.5%		6,846	6,846	13,693	7,086	7,086	14,172	7,334	7,334	14,668
Bookkeeping/Accounting Services	3.5%	3.5%		20,710	20,710	41,421	21,435	21,435	42,871	22,186	22,186	44,371
Bad Debts	3.5%	3.5%		18,439	18,439	36,878	19,084	19,084	38,168	19,752	19,752	39,504
Miscellaneous	3.5%	3.5%		23,541	23,541	47,082	24,365	24,365	48,730	25,218	25,218	50,435
Sub-total Administration Expenses				***115,366***	***115,366***	**230,731**	***119,403***	***119,403***	**238,807**	***123,583***	***123,583***	**247,165**
Utilities												
Electricity	3.5%	3.5%		75,235	75,235	150,469	77,868	77,868	155,736	80,593	80,593	161,187
Water	3.5%	3.5%		156,384	156,384	312,768	161,857	161,857	323,715	167,522	167,522	335,045
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				***231,619***	***231,619***	**463,237**	***239,725***	***239,725***	**479,451**	***248,116***	***248,116***	**496,232**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,329	2,329	4,659	2,411	2,411	4,822	2,495	2,495	4,991
Payroll Taxes	3.5%	3.5%		37,016	37,016	74,032	38,312	38,312	76,623	39,652	39,652	79,305
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		5,095	5,095	10,189	5,273	5,273	10,546	5,458	5,458	10,915
Sub-total Taxes and Licenses				***44,440***	***44,440***	**88,880**	***45,995***	***45,995***	**91,991**	***47,605***	***47,605***	**95,211**
Insurance												
Property and Liability Insurance	3.5%	3.5%		97,081	97,081	194,162	100,479	100,479	200,958	103,996	103,996	207,991
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		23,135	23,135	46,270	23,945	23,945	47,890	24,783	24,783	49,566
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***120,216***	***120,216***	**240,433**	***124,424***	***124,424***	**248,848**	***128,779***	***128,779***	**257,557**
Maintenance & Repair												
Payroll	3.5%	3.5%		200,464	200,464	400,928	207,480	207,480	414,960	214,742	214,742	429,484
Supplies	3.5%	3.5%		13,670	13,670	27,340	14,148	14,148	28,297	14,644	14,644	29,287
Contracts	3.5%	3.5%		112,898	112,898	225,797	116,850	116,850	233,700	120,940	120,940	241,879
Garbage and Trash Removal	3.5%	3.5%		75,637	75,637	151,273	78,284	78,284	156,568	81,024	81,024	162,048
Security Payroll/Contract	3.5%	3.5%		185,244	61,748	246,992	191,727	63,909	255,637	198,438	66,146	264,584
HVAC Repairs and Maintenance	3.5%	3.5%		10,049	10,049	20,098	10,401	10,401	20,802	10,765	10,765	21,530
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		377	377	754	390	390	780	404	404	807
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***598,339***	***474,843***	**1,073,182**	***619,281***	***491,462***	**1,110,743**	***640,955***	***508,664***	**1,149,619**
Supportive Services	3.5%	3.5%		-	107,019	107,019	-	110,765	110,765	-	114,641	114,641
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				***1,460,221***	***1,443,744***	**2,903,965**	***1,511,328***	***1,494,275***	**3,005,603**	***1,564,225***	***1,546,574***	**3,110,799**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***64,100***	***64,100***	**128,200**	***64,100***	***64,100***	**128,200**	***64,100***	***64,100***	**128,200**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***1,524,321***	***1,507,844***	**3,032,165**	***1,575,428***	***1,558,375***	**3,133,803**	***1,628,325***	***1,610,674***	**3,238,999**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				-	***(665,042)***	**(665,042)**	-	***(694,503)***	**(694,503)**	-	***(725,206)***	**(725,206)**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				-	***(665,042)***	**(665,042)**	-	***(694,503)***	**(694,503)**	-	***(725,206)***	**(725,206)**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				-	***(665,042)***	**(665,042)**	-	***(694,503)***	**(694,503)**	-	***(725,206)***	**(725,206)**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-		-	-	
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	(665,042)	**(665,042)**	-	(694,503)	**(694,503)**	-	(725,206)	**(725,206)**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***	Year 15 is year indicated below:									
Will Project Defer Developer Fee?		***Yes***	2042									
1st Residual Receipts Split - Lender/Deferred Developer Fee		*50% / 50%*	2nd Residual Receipts Split Begins:									
2nd Residual Receipts Split - Lender/Owner		*67% / 33%*	2043									
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):												
		Dist. Soft Debt Loans	ative Deferred Developer Fee Earned			-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**648,000**			**756,000**			**864,000**
Replacement Reserve Deposits						**108,000**			**108,000**			**108,000**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						**756,000**			**864,000**			**972,000**
			RR Balance/Unit			*$3,500*			*$4,000*			*$4,500*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						-			-			-
		OR Balance as a % of Prior Yr Op Exps + Debt Service				*0.0%*			*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-

	LOSP Units	Non-LOSP Units		Year 7 2034			Year 8 2035			Year 9 2036		
Total # Units:												
216	***108***	***108***										
	50.00%	*50.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

1234 Great Highway

Total # Units:	LOSP Units	Non-LOSP Units										
216	108	108		Year 10			Year 11			Year 12		
	50.00%	50.00%		2037			2038			2039		
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**
Residential - Tenant Rents	1.0%	2.5%		360,916	936,917	1,297,833	364,525	960,340	1,324,865	368,171	984,348	1,352,519
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,322,668		1,322,668	1,375,465		1,375,465	1,430,200		1,430,200
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		17,534	17,534	35,068	17,972	17,972	35,945	18,422	18,422	36,843
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				**1,701,119**	**954,451**	**2,655,570**	**1,757,963**	**978,312**	**2,736,275**	**1,816,793**	**1,002,770**	**2,819,563**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(18,046)	(46,846)	(64,892)	(18,226)	(48,017)	(66,243)	(18,409)	(49,217)	(67,626)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				**1,683,073**	**907,605**	**2,590,678**	**1,739,737**	**930,295**	**2,670,032**	**1,798,384**	**953,553**	**2,751,937**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	104,213	104,213	208,425	107,860	107,860	215,720	111,635	111,635	223,270
Asset Management Fee	3.5%	3.5%	per MOHCD policy	16,546	16,546	33,091	17,125	17,125	34,249	17,724	17,724	35,448
Sub-total Management Expenses				**120,758**	**120,758**	**241,516**	**124,985**	**124,985**	**249,969**	**129,359**	**129,359**	**258,718**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		20,944	20,944	41,889	21,677	21,677	43,355	22,436	22,436	44,872
Manager's Salary	3.5%	3.5%		138,885	138,885	277,769	143,746	143,746	287,491	148,777	148,777	297,554
Health Insurance and Other Benefits	3.5%	3.5%		87,211	87,211	174,422	90,264	90,264	180,527	93,423	93,423	186,845
Other Salaries/Benefits	3.5%	3.5%		20,520	20,520	41,041	21,239	21,239	42,477	21,982	21,982	43,964
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				**267,561**	**267,561**	**535,121**	**276,925**	**276,925**	**553,850**	**286,618**	**286,618**	**573,235**
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		38,545	38,545	77,091	39,895	39,895	79,789	41,291	41,291	82,582
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		12,266	12,266	24,532	12,695	12,695	25,391	13,140	13,140	26,279
Audit Expense	3.5%	3.5%		7,591	7,591	15,181	7,856	7,856	15,713	8,131	8,131	16,263
Bookkeeping/Accounting Services	3.5%	3.5%		22,962	22,962	45,924	23,766	23,766	47,532	24,598	24,598	49,195
Bad Debts	3.5%	3.5%		20,443	20,443	40,887	21,159	21,159	42,318	21,900	21,900	43,799
Miscellaneous	3.5%	3.5%		26,100	26,100	52,200	27,014	27,014	54,027	27,959	27,959	55,918
Sub-total Administration Expenses				**127,908**	**127,908**	**255,816**	**132,385**	**132,385**	**264,769**	**137,018**	**137,018**	**274,036**
Utilities												
Electricity	3.5%	3.5%		83,414	83,414	166,828	86,334	86,334	172,667	89,355	89,355	178,711
Water	3.5%	3.5%		173,386	173,386	346,772	179,454	179,454	358,909	185,735	185,735	371,470
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				**256,800**	**256,800**	**513,600**	**265,788**	**265,788**	**531,576**	**275,090**	**275,090**	**550,181**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,583	2,583	5,165	2,673	2,673	5,346	2,767	2,767	5,533
Payroll Taxes	3.5%	3.5%		41,040	41,040	82,080	42,477	42,477	84,953	43,963	43,963	87,927
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		5,649	5,649	11,297	5,846	5,846	11,692	6,051	6,051	12,102
Sub-total Taxes and Licenses				**49,271**	**49,271**	**98,543**	**50,996**	**50,996**	**101,992**	**52,781**	**52,781**	**105,562**
Insurance												
Property and Liability Insurance	3.5%	3.5%		107,635	107,635	215,271	111,403	111,403	222,805	115,302	115,302	230,604
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		25,650	25,650	51,301	26,548	26,548	53,096	27,477	27,477	54,955
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				**133,286**	**133,286**	**266,572**	**137,951**	**137,951**	**275,902**	**142,779**	**142,779**	**285,558**
Maintenance & Repair												
Payroll	3.5%	3.5%		222,258	222,258	444,516	230,037	230,037	460,074	238,088	238,088	476,176
Supplies	3.5%	3.5%		15,156	15,156	30,312	15,687	15,687	31,373	16,236	16,236	32,471
Contracts	3.5%	3.5%		125,173	125,173	250,345	129,554	129,554	259,107	134,088	134,088	268,176
Garbage and Trash Removal	3.5%	3.5%		83,860	83,860	167,720	86,795	86,795	173,590	89,833	89,833	179,665
Security Payroll/Contract	3.5%	3.5%		205,383	68,461	273,844	212,572	70,857	283,429	220,012	73,337	293,349
HVAC Repairs and Maintenance	3.5%	3.5%		11,142	11,142	22,283	11,532	11,532	23,063	11,935	11,935	23,871
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		418	418	835	432	432	865	447	447	895
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				**663,389**	**526,467**	**1,189,856**	**686,608**	**544,893**	**1,231,501**	**710,639**	**563,964**	**1,274,603**
Supportive Services	3.5%	3.5%		-	118,654	118,654	-	122,807	122,807	-	127,105	127,105
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				**1,618,973**	**1,600,705**	**3,219,677**	**1,675,637**	**1,656,729**	**3,332,366**	**1,734,284**	**1,714,715**	**3,448,999**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				**64,100**	**64,100**	**128,200**	**64,100**	**64,100**	**128,200**	**64,100**	**64,100**	**128,200**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				**1,683,073**	**1,664,805**	**3,347,877**	**1,739,737**	**1,720,829**	**3,460,566**	**1,798,384**	**1,778,815**	**3,577,199**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				-	(757,199)	(757,199)	-	(790,534)	(790,534)	-	(825,262)	(825,262)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				-	(757,199)	(757,199)	-	(790,534)	(790,534)	-	(825,262)	(825,262)
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				-	(757,199)	(757,199)	-	(790,534)	(790,534)	-	(825,262)	(825,262)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-		-	-	
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	(757,199)	**(757,199)**	-	(790,534)	**(790,534)**	-	(825,262)	**(825,262)**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***	Year 15 is year indicated below:									
Will Project Defer Developer Fee?		***Yes***	2042									
1st Residual Receipts Split - Lender/Deferred Developer Fee		*50% / 50%*	2nd Residual Receipts Split Begins:									
2nd Residual Receipts Split - Lender/Owner		*67% / 33%*	2043									
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):												
		Dist. Soft Debt Loans	ative Deferred Developer Fee Earned			-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**972,000**			**1,080,000**			**1,188,000**
Replacement Reserve Deposits						**108,000**			**108,000**			**108,000**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						**1,080,000**			**1,188,000**			**1,296,000**
			RR Balance/Unit			*$5,000*			*$5,500*			*$6,000*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						-			-			-
			OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*			*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-

	LOSP Units	Non-LOSP Units										
Total # Units:												
216	***108***	***108***			**Year 10**			**Year 11**			**Year 12**	
	50.00%	*50.00%*			**2037**			**2038**			**2039**	
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

1234 Great Highway

	LOSP Units	Non-LOSP Units
Total # Units: 216	***108***	***108***
	50.00%	*50.00%*

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 13 2040 LOSP	Year 13 2040 non-LOSP	Year 13 2040 Total	Year 14 2041 LOSP	Year 14 2041 non-LOSP	Year 14 2041 Total	Year 15 2042 LOSP	Year 15 2042 non-LOSP	Year 15 2042 Total
Residential - Tenant Rents	1.0%	2.5%		371,852	1,008,957	1,380,809	375,571	1,034,181	1,409,752	379,326	1,060,036	1,439,362
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,486,942		1,486,942	1,545,762		1,545,762	1,606,734		1,606,734
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		18,882	18,882	37,764	19,354	19,354	38,709	19,838	19,838	39,676
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				***1,877,677***	***1,027,839***	**2,905,516**	***1,940,687***	***1,053,535***	**2,994,222**	***2,005,898***	***1,079,874***	**3,085,772**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(18,593)	(50,448)	(69,040)	(18,779)	(51,709)	(70,488)	(18,966)	(53,002)	(71,968)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				***1,859,084***	***977,391***	**2,836,476**	***1,921,909***	***1,001,826***	**2,923,735**	***1,986,932***	***1,026,872***	**3,013,804**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	115,542	115,542	231,085	119,586	119,586	239,173	123,772	123,772	247,544
Asset Management Fee	3.5%	3.5%	per MOHCD policy	18,344	18,344	36,689	18,986	18,986	37,973	19,651	19,651	39,302
Sub-total Management Expenses				***133,887***	***133,887***	**267,773**	***138,573***	***138,573***	**277,146**	***143,423***	***143,423***	**286,846**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		23,221	23,221	46,443	24,034	24,034	48,068	24,875	24,875	49,751
Manager's Salary	3.5%	3.5%		153,984	153,984	307,968	159,373	159,373	318,747	164,951	164,951	329,903
Health Insurance and Other Benefits	3.5%	3.5%		96,693	96,693	193,385	100,077	100,077	200,154	103,579	103,579	207,159
Other Salaries/Benefits	3.5%	3.5%		22,751	22,751	45,503	23,548	23,548	47,095	24,372	24,372	48,744
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***296,649***	***296,649***	**593,298**	***307,032***	***307,032***	**614,064**	***317,778***	***317,778***	**635,556**
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		42,736	42,736	85,472	44,232	44,232	88,464	45,780	45,780	91,560
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		13,600	13,600	27,199	14,076	14,076	28,151	14,568	14,568	29,137
Audit Expense	3.5%	3.5%		8,416	8,416	16,832	8,710	8,710	17,421	9,015	9,015	18,031
Bookkeeping/Accounting Services	3.5%	3.5%		25,458	25,458	50,917	26,350	26,350	52,699	27,272	27,272	54,544
Bad Debts	3.5%	3.5%		22,666	22,666	45,332	23,459	23,459	46,919	24,280	24,280	48,561
Miscellaneous	3.5%	3.5%		28,938	28,938	57,875	29,951	29,951	59,901	30,999	30,999	61,998
Sub-total Administration Expenses				***141,814***	***141,814***	**283,628**	***146,777***	***146,777***	**293,555**	***151,914***	***151,914***	**303,829**
Utilities												
Electricity	3.5%	3.5%		92,483	92,483	184,965	95,720	95,720	191,439	99,070	99,070	198,140
Water	3.5%	3.5%		192,236	192,236	384,472	198,964	198,964	397,928	205,928	205,928	411,856
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				***284,719***	***284,719***	**569,437**	***294,684***	***294,684***	**589,367**	***304,998***	***304,998***	**609,995**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,863	2,863	5,727	2,964	2,964	5,927	3,067	3,067	6,135
Payroll Taxes	3.5%	3.5%		45,502	45,502	91,004	47,095	47,095	94,189	48,743	48,743	97,486
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		6,263	6,263	12,525	6,482	6,482	12,964	6,709	6,709	13,417
Sub-total Taxes and Licenses				***54,628***	***54,628***	**109,256**	***56,540***	***56,540***	**113,080**	***58,519***	***58,519***	**117,038**
Insurance												
Property and Liability Insurance	3.5%	3.5%		119,337	119,337	238,675	123,514	123,514	247,028	127,837	127,837	255,674
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		28,439	28,439	56,878	29,434	29,434	58,869	30,465	30,465	60,929
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***147,776***	***147,776***	**295,553**	***152,949***	***152,949***	**305,897**	***158,302***	***158,302***	**316,604**
Maintenance & Repair												
Payroll	3.5%	3.5%		246,421	246,421	492,843	255,046	255,046	510,092	263,973	263,973	527,945
Supplies	3.5%	3.5%		16,804	16,804	33,608	17,392	17,392	34,784	18,001	18,001	36,001
Contracts	3.5%	3.5%		138,781	138,781	277,562	143,638	143,638	287,277	148,666	148,666	297,332
Garbage and Trash Removal	3.5%	3.5%		92,977	92,977	185,954	96,231	96,231	192,462	99,599	99,599	199,198
Security Payroll/Contract	3.5%	3.5%		227,712	75,904	303,616	235,682	78,561	314,243	243,931	81,310	325,241
HVAC Repairs and Maintenance	3.5%	3.5%		12,353	12,353	24,706	12,785	12,785	25,571	13,233	13,233	26,466
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		463	463	926	479	479	959	496	496	992
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***735,511***	***583,703***	**1,319,214**	***761,254***	***604,133***	**1,365,387**	***787,898***	***625,277***	**1,413,175**
Supportive Services	3.5%	3.5%		-	131,554	131,554	-	136,158	136,158	-	140,924	140,924
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				***1,794,984***	***1,774,730***	**3,569,714**	***1,857,809***	***1,836,845***	**3,694,654**	***1,922,832***	***1,901,135***	**3,823,967**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***64,100***	***64,100***	**128,200**	***64,100***	***64,100***	**128,200**	***64,100***	***64,100***	**128,200**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***1,859,084***	***1,838,830***	**3,697,914**	***1,921,909***	***1,900,945***	**3,822,854**	***1,986,932***	***1,965,235***	**3,952,167**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**-**	***(861,438)***	**(861,438)**	**-**	***(899,119)***	**(899,119)**	**-**	***(938,363)***	**(938,363)**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CASH FLOW (NOI minus DEBT SERVICE)				**-**	***(861,438)***	**(861,438)**	**-**	***(899,119)***	**(899,119)**	**-**	***(938,363)***	**(938,363)**
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				**-**	***(861,438)***	**(861,438)**	**-**	***(899,119)***	**(899,119)**	**-**	***(938,363)***	**(938,363)**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-		-	-	
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	(861,438)	**(861,438)**	-	(899,119)	**(899,119)**	-	(938,363)	**(938,363)**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***	Year 15 is year indicated below:									
Will Project Defer Developer Fee?		***Yes***	2042									
1st Residual Receipts Split - Lender/Deferred Developer Fee		*50% / 50%*	2nd Residual Receipts Split Begins:									
2nd Residual Receipts Split - Lender/Owner		*67% / 33%*	2043									
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):												
		Dist. Soft Debt Loans	ative Deferred Developer Fee Earned			-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						**-**			**-**			**-**
REMAINDER (Should be zero unless there are distributions below)						**-**			**-**			**-**
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						**-**			**-**			**-**
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**1,296,000**			**1,404,000**			**1,512,000**
Replacement Reserve Deposits						**108,000**			**108,000**			**108,000**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						**1,404,000**			**1,512,000**			**1,620,000**
			RR Balance/Unit			*$6,500*			*$7,000*			*$7,500*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						-			-			-
			OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*			*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						**-**			**-**			**-**
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-

	LOSP Units	Non-LOSP Units		Year 13 2040			Year 14 2041			Year 15 2042		
Total # Units: 216	*108*	*108*										
	50.00%	*50.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

1234 Great Highway

	LOSP Units	Non-LOSP Units
Total # Units: 216	108	108
	50.00%	50.00%

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 16 2043 LOSP	Year 16 2043 non-LOSP	Year 16 2043 Total	Year 17 2044 LOSP	Year 17 2044 non-LOSP	Year 17 2044 Total	Year 18 2045 LOSP	Year 18 2045 non-LOSP	Year 18 2045 Total
Residential - Tenant Rents	1.0%	2.5%		383,120	1,086,536	1,469,656	386,951	1,113,700	1,500,651	390,820	1,141,542	1,532,363
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,669,933		1,669,933	1,735,440		1,735,440	1,803,335		1,803,335
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		20,334	20,334	40,668	20,842	20,842	41,685	21,364	21,364	42,727
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income				2,073,387	1,106,871	3,180,258	2,143,233	1,134,542	3,277,775	2,215,519	1,162,906	3,378,425
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(19,156)	(54,327)	(73,483)	(19,348)	(55,685)	(75,033)	(19,541)	(57,077)	(76,618)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-			-
EFFECTIVE GROSS INCOME				2,054,231	1,052,544	3,106,775	2,123,886	1,078,857	3,202,743	2,195,978	1,105,829	3,301,807
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	128,104	128,104	256,208	132,588	132,588	265,175	137,228	137,228	274,456
Asset Management Fee	3.5%	3.5%	per MOHCD policy	20,339	20,339	40,677	21,051	21,051	42,101	21,787	21,787	43,575
Sub-total Management Expenses				148,443	148,443	296,885	153,638	153,638	307,276	159,015	159,015	318,031
Salaries/Benefits												
Office Salaries	3.5%	3.5%		25,746	25,746	51,492	26,647	26,647	53,294	27,580	27,580	55,159
Manager's Salary	3.5%	3.5%		170,725	170,725	341,449	176,700	176,700	353,400	182,885	182,885	365,769
Health Insurance and Other Benefits	3.5%	3.5%		107,205	107,205	214,409	110,957	110,957	221,914	114,840	114,840	229,681
Other Salaries/Benefits	3.5%	3.5%		25,225	25,225	50,450	26,108	26,108	52,216	27,022	27,022	54,043
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				328,900	328,900	657,801	340,412	340,412	680,824	352,326	352,326	704,652
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		47,382	47,382	94,764	49,041	49,041	98,081	50,757	50,757	101,514
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		15,078	15,078	30,156	15,606	15,606	31,212	16,152	16,152	32,304
Audit Expense	3.5%	3.5%		9,331	9,331	18,662	9,657	9,657	19,315	9,995	9,995	19,991
Bookkeeping/Accounting Services	3.5%	3.5%		28,226	28,226	56,453	29,214	29,214	58,428	30,237	30,237	60,473
Bad Debts	3.5%	3.5%		25,130	25,130	50,260	26,010	26,010	52,020	26,920	26,920	53,840
Miscellaneous	3.5%	3.5%		32,084	32,084	64,168	33,207	33,207	66,413	34,369	34,369	68,738
Sub-total Administration Expenses				157,231	157,231	314,463	162,735	162,735	325,469	168,430	168,430	336,861
Utilities												
Electricity	3.5%	3.5%		102,537	102,537	205,074	106,126	106,126	212,252	109,840	109,840	219,681
Water	3.5%	3.5%		213,135	213,135	426,271	220,595	220,595	441,190	228,316	228,316	456,632
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				315,673	315,673	631,345	326,721	326,721	653,442	338,156	338,156	676,313
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		3,175	3,175	6,350	3,286	3,286	6,572	3,401	3,401	6,802
Payroll Taxes	3.5%	3.5%		50,449	50,449	100,898	52,215	52,215	104,429	54,042	54,042	108,084
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		6,943	6,943	13,887	7,187	7,187	14,373	7,438	7,438	14,876
Sub-total Taxes and Licenses				60,567	60,567	121,134	62,687	62,687	125,374	64,881	64,881	129,762
Insurance												
Property and Liability Insurance	3.5%	3.5%		132,312	132,312	264,623	136,942	136,942	273,885	141,735	141,735	283,471
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		31,531	31,531	63,062	32,634	32,634	65,269	33,777	33,777	67,553
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				163,842	163,842	327,685	169,577	169,577	339,154	175,512	175,512	351,024
Maintenance & Repair												
Payroll	3.5%	3.5%		273,212	273,212	546,423	282,774	282,774	565,548	292,671	292,671	585,342
Supplies	3.5%	3.5%		18,631	18,631	37,261	19,283	19,283	38,566	19,958	19,958	39,915
Contracts	3.5%	3.5%		153,869	153,869	307,738	159,254	159,254	318,509	164,828	164,828	329,657
Garbage and Trash Removal	3.5%	3.5%		103,085	103,085	206,170	106,693	106,693	213,386	110,427	110,427	220,855
Security Payroll/Contract	3.5%	3.5%		252,468	84,156	336,624	261,305	87,102	348,406	270,450	90,150	360,601
HVAC Repairs and Maintenance	3.5%	3.5%		13,696	13,696	27,392	14,175	14,175	28,351	14,671	14,671	29,343
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		513	513	1,027	531	531	1,063	550	550	1,100
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				815,474	647,162	1,462,636	844,016	669,813	1,513,829	873,557	693,256	1,566,813
Supportive Services	3.5%	3.5%		-	145,856	145,856	-	150,961	150,961	-	156,244	156,244
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL OPERATING EXPENSES				1,990,131	1,967,675	3,957,806	2,059,786	2,036,543	4,096,329	2,131,878	2,107,822	4,239,700
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				2,054,231	2,031,775	4,086,006	2,123,886	2,100,643	4,224,529	2,195,978	2,171,922	4,367,900
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				-	(979,231)	(979,231)	-	(1,021,786)	(1,021,786)	-	(1,066,093)	(1,066,093)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				-	(979,231)	(979,231)	-	(1,021,786)	(1,021,786)	-	(1,066,093)	(1,066,093)
Commercial Only Cash Flow						-			-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-		-	-	
AVAILABLE CASH FLOW				-	(979,231)	(979,231)	-	(1,021,786)	(1,021,786)	-	(1,066,093)	(1,066,093)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-		-	-	
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	(979,231)	(979,231)	-	(1,021,786)	(1,021,786)	-	(1,066,093)	(1,066,093)

Does Project have a MOHCD Residual Receipt Obligation?	Yes	Year 15 is year indicated below: 2042
Will Project Defer Developer Fee?	Yes	
1st Residual Receipts Split - Lender/Deferred Developer Fee	50% / 50%	2nd Residual Receipts Split Begins: 2043
2nd Residual Receipts Split - Lender/Owner	67% / 33%	

Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):

	Dist. Soft Debt Loans	Cumulative Deferred Developer Fee Earned	Year 16 Total	Year 17 Total	Year 18 Total
MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
MOHCD Residual Receipts Amount Due	100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	0.00%	No HCD Financing	-	-	-
Lender 4 Residual Receipts Due	0.00%		-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-
REMAINDER (Should be zero unless there are distributions below)			-	-	-
Owner Distributions/Incentive Management Fee			-	-	-
Other Distributions/Uses			-	-	-
Final Balance (should be zero)			-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE					
Replacement Reserve Starting Balance			1,620,000	1,728,000	1,836,000
Replacement Reserve Deposits			108,000	108,000	108,000
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-
Replacement Reserve Interest					
RR Running Balance			1,728,000	1,836,000	1,944,000
		RR Balance/Unit	*$8,000*	*$8,500*	*$9,000*
OPERATING RESERVE - RUNNING BALANCE					
Operating Reserve Starting Balance			-	-	-
Operating Reserve Deposits			-	-	-
Operating Reserve Withdrawals					
Operating Reserve Interest					
OR Running Balance			-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE					
Other Reserve 1 Starting Balance			-	-	-
Other Reserve 1 Deposits			-	-	-
Other Reserve 1 Withdrawals					
Other Reserve 1 Interest					
Other Required Reserve 1 Running Balance			-	-	-
OTHER RESERVE 2 - RUNNING BALANCE					
Other Reserve 2 Starting Balance			-	-	-
Other Reserve 2 Deposits			-	-	-

	LOSP Units	Non-LOSP Units										
Total # Units:												
216	***108***	***108***		**Year 16 2043**			**Year 17 2044**			**Year 18 2045**		
	50.00%	*50.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

1234 Great Highway

	LOSP Units	Non-LOSP Units
Total # Units: 216	108	108
	50.00%	50.00%

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 19 2046 LOSP	Year 19 2046 non-LOSP	Year 19 2046 Total	Year 20 2047 LOSP	Year 20 2047 non-LOSP	Year 20 2047 Total
Residential - Tenant Rents	1.0%	2.5%		394,729	1,170,081	1,564,810	398,676	1,199,333	1,598,009
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,873,704		1,873,704	1,946,634		1,946,634
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
Residential Parking	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		21,898	21,898	43,795	22,445	22,445	44,890
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-	
Gross Potential Income				2,290,330	1,191,979	3,482,309	2,367,755	1,221,778	3,589,533
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(19,736)	(58,504)	(78,240)	(19,934)	(59,967)	(79,900)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				-			-
EFFECTIVE GROSS INCOME				2,270,594	1,133,474	3,404,068	2,347,821	1,161,811	3,509,632
OPERATING EXPENSES									
Management									
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	142,031	142,031	284,062	147,002	147,002	294,004
Asset Management Fee	3.5%	3.5%	per MOHCD policy	22,550	22,550	45,100	23,339	23,339	46,678
Sub-total Management Expenses				164,581	164,581	329,162	170,341	170,341	340,683
Salaries/Benefits									
Office Salaries	3.5%	3.5%		28,545	28,545	57,090	29,544	29,544	59,088
Manager's Salary	3.5%	3.5%		189,286	189,286	378,571	195,911	195,911	391,821
Health Insurance and Other Benefits	3.5%	3.5%		118,860	118,860	237,720	123,020	123,020	246,040
Other Salaries/Benefits	3.5%	3.5%		27,967	27,967	55,935	28,946	28,946	57,892
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-
Sub-total Salaries/Benefits				364,658	364,658	729,315	377,421	377,421	754,841
Administration									
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-
Office Expenses	3.5%	3.5%		52,534	52,534	105,067	54,372	54,372	108,744
Office Rent	3.5%	3.5%		-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		16,717	16,717	33,435	17,303	17,303	34,605
Audit Expense	3.5%	3.5%		10,345	10,345	20,691	10,707	10,707	21,415
Bookkeeping/Accounting Services	3.5%	3.5%		31,295	31,295	62,590	32,390	32,390	64,781
Bad Debts	3.5%	3.5%		27,862	27,862	55,725	28,838	28,838	57,675
Miscellaneous	3.5%	3.5%		35,572	35,572	71,144	36,817	36,817	73,634
Sub-total Administration Expenses				174,325	174,325	348,651	180,427	180,427	360,853
Utilities									
Electricity	3.5%	3.5%		113,685	113,685	227,370	117,664	117,664	235,328
Water	3.5%	3.5%		236,307	236,307	472,614	244,578	244,578	489,155
Gas	3.5%	3.5%		-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-
Sub-total Utilities				349,992	349,992	699,984	362,242	362,242	724,483
Taxes and Licenses									
Real Estate Taxes	3.5%	3.5%		3,520	3,520	7,040	3,643	3,643	7,286
Payroll Taxes	3.5%	3.5%		55,934	55,934	111,867	57,891	57,891	115,783
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		7,698	7,698	15,397	7,968	7,968	15,936
Sub-total Taxes and Licenses				67,152	67,152	134,304	69,502	69,502	139,005
Insurance									
Property and Liability Insurance	3.5%	3.5%		146,696	146,696	293,392	151,831	151,831	303,661
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		34,959	34,959	69,918	36,182	36,182	72,365
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-
Sub-total Insurance				181,655	181,655	363,310	188,013	188,013	376,026
Maintenance & Repair									
Payroll	3.5%	3.5%		302,915	302,915	605,829	313,517	313,517	627,033
Supplies	3.5%	3.5%		20,656	20,656	41,312	21,379	21,379	42,758
Contracts	3.5%	3.5%		170,597	170,597	341,195	176,568	176,568	353,137
Garbage and Trash Removal	3.5%	3.5%		114,292	114,292	228,584	118,292	118,292	236,585
Security Payroll/Contract	3.5%	3.5%		279,916	93,305	373,222	289,713	96,571	386,284
HVAC Repairs and Maintenance	3.5%	3.5%		15,185	15,185	30,370	15,716	15,716	31,433
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		569	569	1,139	589	589	1,178
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				904,131	717,520	1,621,651	935,776	742,633	1,678,409
Supportive Services	3.5%	3.5%		-	161,713	161,713	-	167,373	167,373
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
TOTAL OPERATING EXPENSES				2,206,494	2,181,596	4,388,090	2,283,721	2,257,952	4,541,673
PUPA (w/o Reserves/GL Base Rent/Bond Fees)									
Reserves/Ground Lease Base Rent/Bond Fees									
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000
Operating Reserve Deposit				-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				2,270,594	2,245,696	4,516,290	2,347,821	2,322,052	4,669,873
PUPA (w/ Reserves/GL Base Rent/Bond Fees)									
NET OPERATING INCOME (INCOME minus OP EXPENSES)				-	(1,112,221)	(1,112,221)	-	(1,160,240)	(1,160,240)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				-	(1,112,221)	(1,112,221)	-	(1,160,240)	(1,160,240)
Commercial Only Cash Flow						-			-
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				-	-		-	-	
AVAILABLE CASH FLOW				-	(1,112,221)	(1,112,221)	-	(1,160,240)	(1,160,240)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:						
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-	
Other Payments				-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	(1,112,221)	(1,112,221)	-	(1,160,240)	(1,160,240)

Does Project have a MOHCD Residual Receipt Obligation?	Yes	Year 15 is year indicated below: 2042
Will Project Defer Developer Fee?	Yes	
1st Residual Receipts Split - Lender/Deferred Developer Fee	50% / 50%	2nd Residual Receipts Split Begins: 2043
2nd Residual Receipts Split - Lender/Owner	67% / 33%	

Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):

ative Deferred Developer Fee Earned

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Dist. Soft Debt Loans	Comments	Year 19 Total	Year 20 Total
MOHCD Residual Receipts Amount Due	100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
HCD Residual Receipts Amount Due	0.00%	No HCD Financing	-	-
Lender 4 Residual Receipts Due	0.00%		-	-
Lender 5 Residual Receipts Due	0.00%		-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-
REMAINDER (Should be zero unless there are distributions below)			-	-
Owner Distributions/Incentive Management Fee			-	-
Other Distributions/Uses				
Final Balance (should be zero)			-	-
REPLACEMENT RESERVE - RUNNING BALANCE				
Replacement Reserve Starting Balance			1,944,000	2,052,000
Replacement Reserve Deposits			108,000	108,000
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-
Replacement Reserve Interest				
RR Running Balance			2,052,000	2,160,000
		RR Balance/Unit	$9,500	$10,000
OPERATING RESERVE - RUNNING BALANCE				
Operating Reserve Starting Balance			-	-
Operating Reserve Deposits			-	-
Operating Reserve Withdrawals				
Operating Reserve Interest				
OR Running Balance			-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service	0.0%	0.0%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE				
Other Reserve 1 Starting Balance			-	-
Other Reserve 1 Deposits			-	-
Other Reserve 1 Withdrawals				
Other Reserve 1 Interest				
Other Required Reserve 1 Running Balance			-	-
OTHER RESERVE 2 - RUNNING BALANCE				
Other Reserve 2 Starting Balance			-	-
Other Reserve 2 Deposits			-	-

	LOSP Units	Non-LOSP Units		Year 19			Year 20		
Total # Units:					2046			2047	
216	***108***	***108***							
	50.00%	*50.00%*							
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals									
Other Reserve 2 Interest									
Other Required Reserve 2 Running Balance						-			-

EXHIBIT C

Tenant Income Certification Form

TENANT INCOME CERTIFICATION

☐ Initial Certification ☐ Recertification ☐ Other ____________

Effective Date: ____________________
Move-In Date: ____________________
(MM-DD-YYYY)

PART I - DEVELOPMENT DATA
Property Name:__________________________ County: _______________ TCAC#: ________ BIN#: ______________
Address:____ If applicable, CDLAC#: ________________
Unit Number:_________ # Bedrooms: _______ Square Footage: ____________

PART II. HOUSEHOLD COMPOSITION

☐ Vacant (Check if unit was vacant on December 31 of the Effective Date Year)

HH Mbr #	Last Name	First Name	Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Student Status (Check One)	Last 4 digits of Social Security #
1				HEAD		FT☐/PT☐/NA☐	
2						FT☐/PT☐/NA☐	
3						FT☐/PT☐/NA☐	
4						FT☐/PT☐/NA☐	
5						FT☐/PT☐/NA☐	
6						FT☐/PT☐/NA☐	
7						FT☐/PT☐/NA☐	

PART III. GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	$	$	$	$

Add totals from (A) through (D), above TOTAL INCOME (E): $

PART IV. INCOME FROM ASSETS

HH Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
		TOTALS:	$	$

Enter Column (H) Total If over $5000 $____________ X Passbook Rate 0.06% = (J) Imputed Income $

Enter the greater of the total of column I, or J: imputed income **TOTAL INCOME FROM ASSETS (K)** $

(L) Total Annual Household Income from all Sources [Add (E) + (K)] $

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature	*(Date)*	Signature	*(Date)*
Signature	*(Date)*	Signature	*(Date)*

PART V. DETERMINATION OF INCOME ELIGIBILITY

RECERTIFICATION ONLY:

TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1 $

Current Federal LIHTC Income Limit per Family Size (Federal Income Restriction at 60%, 50% or A.I.T. (20% - 80%)): $ ____________________

If Applicable, Current Federal Bond Income Limit per Family Size: $ ____________________

Household Income as of Move-in: $ ____________________

Unit Meets Federal Income Restriction at:
☐ 60% ☐ 50%

Or Federal A.I.T. at:
☐ 80% ☐ 70% ☐ 60% ☐ 50%
☐ 40% ☐ 30% ☐ 20%

Unit Meets State Deeper Targeting Income Restriction at:
☐ Other ______%

Current Federal LIHTC Income Limit x 140%:
$ ____________________

Household Income exceeds 140% at recertification:
☐ Yes ☐ No

Household Size at Move-in:
____

PART VI. RENT

Tenant Paid Monthly Rent: $ ____________________
Monthly Utility Allowance: $ ____________________
Other Monthly Non-optional charges: $ ____________________

GROSS MONTHLY RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges) $

Maximum Federal LIHTC Rent Limit for this unit: $ ____________________

If Applicable, Maximum Federal & State LIHTC Bond Rent Limit for this unit: $ ____________________

Unit Meets Federal Rent Restriction at: ☐ 60% ☐ 50%

Or Federal A.I.T. at: ☐ 80% ☐ 70% ☐ 60% ☐ 50% ☐ 40% ☐ 30% ☐ 20%

If Applicable, Unit Meets Bond Rent Restriction at: ☐ 60% ☐ 50%

Unit Meets State Deeper Targeting Rent Restriction at: ☐ Other: ________%

Federal Rent Assistance: $____________ *Source: ______
Non-Federal Rent Assistance: $____________ (*0-8)
Total Monthly Rent Assistance: $____________

*Source of Federal Assistance
1 **HUD Multi-Family Project Based Rental Assistance (PBRA)
2 Section 8 Moderate Rehabilitation
3 Public Housing Operating Subsidy
4 HOME Rental Assistance
5 HUD Housing Choice Voucher (HCV), tenant-based
6 HUD Project-Based Voucher (PBV)
7 USDA Section 521 Rental Assistance Program
8 Other Federal Rental Assistance
0 Missing

** (PBRA) Includes: Section 8 New Construction/Substantial Rehabilitation; Section 8 Loan Management; Section 8 Property Disposition; Section 202 Project Rental Assistance Contracts (PRAC)

PART VII. STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS?

☐ Yes ☐ No

If yes, Enter student explanation* (also attach documentation)

Enter 1-5

*Student Explanation:
1 AFDC / TANF Assistance
2 Job Training Program
3 Single Parent/Dependent Child
4 Married/Joint Return
5 Former Foster Care

PART VIII. PROGRAM TYPE

Identify the program(s) for which this household's unit will be counted toward the property's occupancy requirements.

Select one of the following.
☐ 9% Allocated Federal Housing Tax Credit
☐ 4% Allocated Federal Housing Tax Credit
☐ Tax-Exempt Bond Only (No tax credits)

Select all that apply.
☐ HOME (including TCAP)
☐ CDBG
☐ Other HUD, including 202, 811, and 236
☐ National Housing Trust Fund
☐ USDA Rural Housing Service, including 514, 515, and 538
☐ Other state or local housing programs

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proof and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

________________________________ ____________
SIGNATURE OF OWNER/REPRESENTATIVE DATE

PART IX. SUPPLEMENTAL INFORMATION FORM

The California Tax Credit Allocation Committee (CTCAC) requests the following information in order to comply with the Housing and Economic Recovery Act (HERA) of 2008, which requires all Low Income Housing Tax Credit (LIHTC) properties to collect and submit to the U.S. Department of Housing and Urban Development (HUD), certain demographic and economic information on tenants residing in LIHTC financed properties. Although the CTCAC would appreciate receiving this information, you may choose not to furnish it. You will not be discriminated against on the basis of this information, or on whether or not you choose to furnish it. If you do not wish to furnish this information, please check the box at the bottom of the page and initial.

Enter both Ethnicity and Race codes for each household member (see below for codes).

TENANT DEMOGRAPHIC PROFILE						
HH Mbr #	Last Name	First Name	Middle Initial	Race	Ethnicity	Disabled
1						
2						
3						
4						
5						
6						
7						

The Following Race Codes should be used:

1 – White – A person having origins in any of the original people of Europe, the Middle East or North Africa.
2 – Black/African American – A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" apply to this category.
3 – American Indian/Alaska Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
4 – Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent:

4a – Asian India
4b – Chinese
4c – Filipino
4d – Japanese
4e – Korean
4f – Vietnamese
4g – Other Asian

5 – Native Hawaiian/Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands:

5a – Native Hawaiian
5b – Guamanian or Chamorro
5c – Samoan
5d – Other Pacific Islander

6 – Other
7 – Did not respond. **(Please initial below)**

Note: *Multiple racial categories may be indicated as such: 31 – American Indian/Alaska Native & White, 41 – Asian & White, etc.*

The Following Ethnicity Codes should be used:

1 – Hispanic – A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. Terms such as "Latino" or "Spanish Origin" apply to this category.
2 – Not Hispanic – A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
3 – Did not respond. **(Please initial below)**

Disability Status:

1 – Yes
If any member of the household is disabled according to Fair Housing Act definition for handicap (disability):

- A physical or mental impairment which substantially limits one or more major life activities; a record of such an impairment or being regarded as having such an impairment. For a definition of "physical or mental impairment" and other terms used, please see 24 CFR 100.201, available at http://fairhousing.com/legal-research/hud-regulations/24-cfr-100201-definitions.
- "Handicap" does not include current, illegal use of or addiction to a controlled substance.
- An individual shall not be considered to have a handicap solely because that individual is a transgender.

2 – No
3 – Did not respond **(Please initial below)**

☐ **Resident/Applicant:** I do not wish to furnish information regarding ethnicity, race and other household composition.

(Initials)	______	______	______	______	______	______	______
(HH#)	1.	2.	3.	4.	5.	6.	7.

INSTRUCTIONS FOR COMPLETING
TENANT INCOME CERTIFICATION

This form is to be completed by the owner or an authorized representative.

Part I - Development Data

Enter the type of tenant certification: Initial Certification (move-in), Recertification (annual recertification), or Other. If other, designate the purpose of the recertification (i.e., a unit transfer, a change in household composition, or other state-required recertification).

Effective Date	Enter the effective date of the certification. For move-in, this should be the move-in date. For annual income recertification's, this effective date should be no later than one year from the effective date of the previous (re)certification.
Move-In Date	Enter the most recent date the household tax credit qualified. This could be the move-in date or in an acquisition rehab property, this is not the date the tenant moved into the unit, it is the most recent date the management company income qualified the unit for tax credit purposes.
Property Name	Enter the name of the development.
County	Enter the county (or equivalent) in which the building is located.
TCAC#	Enter the project number assigned to the property by TCAC. Please include hyphens between the state abbreviation, four digit allocating year, and project specific number. For example: CA-2010-123
BIN #	Enter the building number assigned to the building (from IRS Form 8609).
Address	Enter the physical address of the building, including street number and name, city, state, and zip code.
If applicable, CDLAC#	If project is awarded 4% bonds please enter the project number assigned to the property by CDLAC. Please include hyphens between the state abbreviation, four digit allocating year, and project specific number. For example: 16-436
Unit Number	Enter the unit number.
# Bedrooms	Enter the number of bedrooms in the unit.
Square Footage	Enter the square footage for the entire unit.
Vacant Unit	Check if unit was vacant on December 31 of requesting year. For example, for the collection of 2011 data, this would refer to December 31, 2011.

Part II - Household Composition

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following definitions:

H	Head of Household	S	Spouse	U	Unborn Child/Anticipated Adoption or Foster
A	Adult Co-Tenant	O	Other Family Member		
C	Child	F	Foster child(ren)/adult(s)		
L	Live-in Caretaker	N	None of the above		

Date of Birth	Enter each household member's date of birth.
Student Status	Check FT for Full-time student, PT for Part-time student, or N/A if household member is not a student and question does not apply.
Last Four Digits of Social Security Number	For each tenant 15 years of age or older, enter the last four digits of the social security number or the last four digits of the alien registration number. If the last four digits of SSN or alien registration is missing, enter 0000. For tenants under age 15, social security number not required, although please enter 0000.

If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.

Part III - Annual Income

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income, including acceptable forms of verification.

From the third party verification forms obtained from each income source, enter the gross amount anticipated to be received for the twelve months from the effective date of the (re)certification. Complete a separate line for each income-earning member. List **each** respective household member number from Part II. Include anticipated income only if documentation exists verifying pending employment. If any adult states zero-income, please note "zero" in the columns of Part III.

Column (A)	Enter the annual amount of wages, salaries, tips, commissions, bonuses, and other income from employment; distributed profits and/or net income from a business.
Column (B)	Enter the annual amount of Social Security, Supplemental Security Income, pensions, military retirement, etc.
Column (C)	Enter the annual amount of income received from public assistance (i.e., TANF, general assistance, disability, etc.).
Column (D)	Enter the annual amount of alimony, child support, unemployment benefits, or any other income regularly received by the household.
Row (E)	Add the totals from columns (A) through (D), above. Enter this amount.

Part IV - Income from Assets

See HUD Handbook 4350.3 for complete instructions on verifying and calculating income from assets, including acceptable forms of verification.

From the third party verification forms obtained from each asset source, list the gross amount anticipated to be received during the twelve months from the effective date of the certification. If individual household member income is provided, list the respective household member number from Part II and complete a separate line for each member.

Column (F)	List the type of asset (i.e., checking account, savings account, etc.)
Column (G)	Enter C (for current, if the family currently owns or holds the asset), or I (for imputed, if the family has disposed of the asset for less than fair market value within two years of the effective date of (re)certification).
Column (H)	Enter the cash value of the respective asset.
Column (I)	Enter the anticipated annual income from the asset (i.e., savings account balance multiplied by the annual interest rate).
TOTALS	Add the total of Column (H) and Column (I), respectively.

If the total in Column (H) is greater than $5,000, you must do an imputed calculation of asset income. Enter the Total Cash Value, multiply by 0.06% and enter the amount in (J), Imputed Income.

Row (K)	*Enter the greater of the total in Column (I) or (J)*	
Row (L)	*Total Annual Household Income From all Sources*	*Add (E) and (K) and enter the total*

HOUSEHOLD CERTIFICATION AND SIGNATURES

After all verifications of income and/or assets have been received and calculated, each household member age 18 or older <u>must</u> sign and date the Tenant Income Certification. For move-in, it is recommended that the Tenant Income Certification be signed no earlier than 5 days prior to the effective date of the certification.

Part V – Determination of Income Eligibility

Total Annual Household Income from all Sources	Enter the number from item (L).
Current Federal LIHTC Income Limit per Unit Meets Federal Income Restriction at 60%, 50% or A.I.T (20% - 80%)	Enter the Current Move-in Income Limit for the household size – specifically, the max income limit for the federal 60%, 50% or A.I.T (20% - 80%) set aside.
Current Bond Income Limit per Family Size	Enter the Current most restrictive Move-in Income Limit for the household size – specifically, the max income limit incorporating both federal and in some instances more restrictive state standards as reflected in the 50% or 60% set aside detailed in the Bond Regulatory Agreement.

Household Income at Move-in	For recertifications only. Enter the household income from the move-in certification.
Household Size at Move-in	Enter the number of household members from the move-in certification.
Current Federal LIHTC Income Limit x 140%	For recertifications only. Multiply the current LIHTC Maximum Move-in Income Limit by 140% and enter the total. **140% is based on the Federal Set-Aside of 20/50 or 40/60, or A.I.T. (20% - 60% = 140% X 60%, 70% = 140% X 70% and 80% = 140% X 80%) as elected by the owner for the property, not deeper targeting elections of 30%, 40%, 45%, 50%, etc.** Below, indicate whether the household income exceeds that total. If the Gross Annual Income at recertification is greater than 140% of the LIHTC Income Limit per Family Size at Move-in date (above), then the available unit rule must be followed.
Unit Meets Federal Income Restriction at or Federal A.I.T. at	Check the appropriate box for the income restriction that the household meets according to what is required by the federal set-aside(s) for the project.
Unit Meets State Deeper Targeting Income Restriction at	If your agency requires an income restriction lower than the federal limit, enter the percent required.

Part VI - Rent

Tenant Paid Monthly Rent	Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).
Federal Rent Assistance	Enter the amount of rent assistance received from a federal program, if any.
Non-Federal Rent Assistance	Enter the amount of non-federal rent assistance received, if any.
Total Monthly Rent Assistance	Enter the amount of total rent assistance received, if any.
Source of Federal Rent Assistance	If federal rent assistance is received, indicate the single program source.
Monthly Utility Allowance	Enter the utility allowance. If the owner pays all utilities, enter zero.
Other Monthly Non-Optional Charges	Enter the amount of <u>non-optional</u> charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.
Gross Monthly Rent for Unit	Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges. The total may NOT include amounts other than Tenant Paid Rent, Utility Allowances and other non-optional charges. In accordance with the definition of Gross Rent in IRC §42(g)(2)(B), it may not include any rent assistance amount.
Maximum LIHTC Rent Limit for this unit	Enter the maximum allowable gross rent for the unit. This amount must be the maximum amount allowed by the Current Income Limit per Family Size – specifically, the max rent limit for the federal 50%, 60% or A.I.T. (20% - 80%) set aside. This does not include state deeper targeting levels.
Maximum LIHTC Bond Rent Limit for this unit	Enter the maximum allowable gross rent for the unit. This amount must be the maximum amount allowed by the Current Income Limit per Family Size – specifically, the max rent incorporating both federal and in some instances more restrictive state standards as reflected in the 50% or 60% set aside detailed in the Bond Regulatory Agreement.
Unit Meets Federal Rent Restriction at or Federal A.I.T. at	Indicate the appropriate rent restriction that the unit meets according to what is <u>required</u> by the federal set-aside(s) for the project.
Unit Meets Bond Rent Restriction at	Indicate the appropriate rent restriction that the unit meets according to what is <u>required</u> by the federal and state law for the project.
Unit Meets State Deeper Targeting Rent Restriction at	If your agency requires a rent restriction lower than the federal limit, enter the percent required.

Part VII - Student Status

If all household members are full time* students, check "yes". Full-time status is determined by the school the student attends. If at least one household member is not a full-time student, check "no."

If "yes" is checked, the appropriate exemption <u>must</u> be listed in the box to the right. If none of the exemptions apply, the household is ineligible to rent the unit.

Part VIII – Program Type

Select the program(s) for which this household's unit will be counted toward the property's occupancy requirements. One response from the first column must be selected.

SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner's representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining eligibility (including completing and signing the Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.

PART IX. SUPPLEMENTAL INFORMATION

Complete this portion of the form at move-in and at recertification's (only if household composition has changed from the previous year's certification).

Tenant Demographic Profile	Complete for each member of the household, including minors. Use codes listed on supplemental form for Race, Ethnicity, and Disability Status.
Resident/Applicant Initials	All tenants who wish not to furnish supplemental information should initial this section. Parent/Guardian may complete and initial for minor child(ren).

EXHIBIT D

First Source Hiring Requirements and Numerical Goals

Borrower's use of Funds triggers the following hiring requirements imposed by the City's First Source Hiring Ordinance (San Francisco Administrative Code Chapter 83). Borrower will, or will require its general contractor to, separately execute a First Source Hiring Agreement with the City as set forth below, although the lack of such a separate execution will not affect the requirements of Chapter 83 as incorporated herein.

A. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor will comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement have the meanings assigned to such terms in Chapter 83.

B. First Source Hiring Agreement. On or before the effective date of the Ground Lease, Borrower will, or will require its general contractor to, enter into a first source hiring agreement ("FSH Agreement") with the City, that will include the terms as set forth in Section 83.9(b). Borrower also enter into a FSH Agreement with the City for any other work that it performs in the City.

C. Hiring Decisions. Borrower or its general contractor will make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

D. Exceptions. Upon application by Contractor, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

E. Liquidated Damages. Borrower agrees:

1. To be liable to the City for liquidated damages as provided in this Section;

2. To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this Section;

3. That the Borrower's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantity; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result

of unemployment; and that the assessment of liquidated damages of up to $5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

4. That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to $10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

5. That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this Section is based on the following data:

   a. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of $348 per month, totaling approximately $14,379; and

   b. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to a contractor and who is hired in an entry level position is at least one year; therefore, liquidated damages that total $5,000 for first violations and $10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

6. That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

7. That in the event the City is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's costs and reasonable attorney’s fees.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of $5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors will be made by the FSHA.

F. Subcontracts. Any subcontract entered into by Borrower or its general contractor will require the subcontractor to comply with the requirements of Chapter 83 and will contain contractual obligations substantially the same as those set forth in this Section.

EXHIBIT E
Governmental Requirements

1. Prevailing Wages and Working Conditions. Any undefined, initially-capitalized term used in this Section shall have the meaning given to such term in San Francisco Administrative Code Section 6.1. Every contract for the rehabilitation or construction of housing assisted with Funds must comply with Chapter I (commencing with Section 1720) of Part 7 of the California Labor Code (pertaining to the payment of prevailing wages and administered by the California Department of Industrial Relations) and contain a provision requiring: (1) the payment of not less than the Prevailing Rate of Wage to all laborers and mechanics employed in the development of any part of the housing, (2) provide the same hours, working conditions and benefits as in each case are provided for similar work performed in San Francisco County, and (3) employ Apprentices in accordance with state law and San Francisco Administrative Code Section 6.22(n), (collectively, "Prevailing Wage Requirements"). The Prevailing Wage Requirements of this Section apply to all laborers and mechanics employed in the development of the Project, including portions other than the assisted Units. Borrower agrees to cooperate with the City in any action or proceeding against a Contractor or Subcontractor that fails to comply with the Prevailing Wage Requirements. If applicable, Borrower must include, and require its Contractors and Subcontractors (regardless of tier) to include, the Prevailing Wage Requirements and the agreement to cooperate in City enforcement actions in any Construction Contract with specific reference to San Francisco Administrative Code Chapter 6.

2. Environmental Review. The Project will meet the requirements of the California Environmental Quality Act (Cal. Pub. Res. Code §§ 2100 *et seq.*) and implementing regulations.

3. Conflict of Interest.

(a) Except for approved eligible administrative or personnel costs, no employee, agent, consultant, officer or official of Borrower or the City who exercises or has exercised any function or responsibilities with respect to activities assisted by Funds, in whole or in part, or who is in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest in or benefit from the activities assisted under this Agreement, or have an interest, direct or indirect, in any contract, subcontract or agreement with respect thereto, or in the proceeds thereunder either for himself/herself or for those with whom he/she has family or business ties, during his/her tenure and for one year thereafter. In order to carry out the purpose of this Section, Borrower will incorporate, or cause to be incorporated, in all contracts, subcontracts and agreements relating to activities assisted under the Agreement, a provision similar to that of this Section. Borrower will be responsible for obtaining compliance with conflict of interest provisions by the parties with whom it contracts and, in the event of a breach, Borrower will take prompt and diligent action to cause the breach to be remedied and compliance to be restored.

(b) Borrower represents that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of the San Francisco Campaign and Governmental Conduct Code, and Sections 1090 through 1097 and 87100 *et seq*. of the California Government Code, all of which relate to prohibited conflicts of interest in connection with government contracts. Borrower certifies that it knows of no facts that constitute a violation of any of these provisions and agrees to notify the City immediately if Borrower at any time obtains knowledge of facts constituting a violation.

(c) In the event of any violation of the conflict of interest prohibitions, Borrower agrees that the City may refuse to consider any future application for funding from Borrower or any entity related to Borrower until the violation has been corrected to the City's satisfaction, in the City's sole discretion.

4. <u>Disability Access</u>. Borrower will comply with all applicable disability access Laws, including the Americans With Disabilities Act (42 U.S.C. §§ 1201 *et seq.*), Section 504 of the Rehabilitation Act (29 U.S.C. § 794) and the Fair Housing Amendments Act (42 U.S.C. §§ 3601 *et seq.*). Borrower is responsible for determining which disability access Laws apply to the Project, including those applicable due to the use of Funds. In addition, before occupancy of the Project, Borrower will provide to the City a written reasonable accommodations policy that indicates how Borrower will respond to requests by disabled individuals for accommodations in Units and common areas of the Project.

5. <u>Lead-Based Paint</u>. Borrower will satisfy the requirements of Chapter 36 of the San Francisco Building Code ("Work Practices for Exterior Lead-Based Paint") and the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4821 *et seq*.) and implementing regulations at 24 CFR part 35. Borrower will also comply with the provisions contained in 17 CCR 350000 *et seq.*, and 8 CCR 1532.1 and all other applicable Laws governing lead-based hazards.

6. <u>Relocation</u>. Borrower will comply with any applicable requirements of the California Relocation Assistance Act (Cal. Gov. Code §§ 7260 *et seq*.) and implementing regulations in Title 25, Chapter 6 of the California Administrative Code and similar Laws.

7. <u>Low-Income Hiring Requirements</u>. The use of Funds triggers compliance with certain hiring requirements imposed by the City's First Source Hiring Ordinance (S.F. Admin. Code Chapter 83). To ensure compliance with those requirements, Borrower must include the provisions attached as **Exhibit D** in its contract with the general contractor for the Project. Borrower will be responsible to the City for ensuring compliance with the requirements listed on **Exhibit D**.

8. Non-Discrimination in City Contracts and Benefits Ordinance.

(a) Borrower Will Not Discriminate. In the performance of this Agreement, Borrower agrees not to discriminate against any employee, City and County employee working with Borrower or any subcontractor, applicant for employment with Borrower or any subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services or membership in all business, social or other establishments or organizations operated by Borrower on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, height, weight, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

(b) Subcontracts. Borrower will incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code. Borrower's failure to comply with the obligations in this subsection will constitute a material breach of this Agreement.

(c) Non-Discrimination in Benefits. Borrower does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) Condition to Contract. As a condition to this Agreement, Borrower will execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD-12B-101) with supporting documentation and secure the approval of the executed form by the San Francisco Contract Monitoring Division.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B ("Nondiscrimination in Contracts") and 12C ("Nondiscrimination in Property Contracts") of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Borrower will comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters of the Administrative Code, including the remedies provided in such Chapters. Without limiting the foregoing, Borrower understands that pursuant to Sections 12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of $50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this

Agreement may be assessed against Borrower and/or deducted from any payments due Borrower.

9. MacBride Principles. Pursuant to San Francisco Administrative Code Section 12F.5, City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Borrower acknowledges and agrees that he or she has read and understood this Section.

10. Tropical Hardwood & Virgin Redwood Ban. Pursuant to § 804(b) of the San Francisco Environment Code, City urges all grantees and borrowers not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

11. Preservative-Treated Wood Containing Arsenic. Borrower may not purchase preservative-treated wood products containing arsenic until the Deed of Trust has been fully reconveyed unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" will mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Borrower may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Borrower from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" will mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

12. Submitting False Claims; Monetary Penalties. Any borrower, grantee, contractor, subcontractor or consultant who submits a false claim will be liable to the City for the statutory penalties set forth in that section. A borrower, grantee, contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the borrower, grantee, contractor, subcontractor or consultant:

(a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval;

(b) knowingly makes, uses or causes to be made or used a false record or statement to get a false claim paid or approved by the City;

(c) conspires to defraud the City by getting a false claim allowed or paid by the City;

(d) knowingly makes, uses or causes to be made or used a false record or statement to conceal, avoid or decrease an obligation to pay or transmit money or property to the City; or

(e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

13. Sunshine Ordinance.

(a) Borrower acknowledges and agrees that this Agreement and the Application Documents are subject to Section 67.24(e) of the San Francisco Administrative Code, which provides that contracts, including this Agreement, grantee's bids, responses to Requests for Proposals (RFPs) and all other records of communications between City and persons or entities seeking contracts, will be open to inspection immediately after a contract has been awarded. Nothing in such Section 67.24(e) (as it exists on the date hereof) requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. All information provided by Borrower that is covered by such Section 67.24(e) (as it may be amended from time to time) will be made available to the public upon request. Further, Borrower specifically agrees to conduct any meeting of its governing board that addresses any matter relating to the Project or to Borrower's performance under this Agreement as a passive meeting. Further, Borrower specifically agrees that any meeting of the governing body of its manager that addresses any matter relating to the Project or to Borrower's performance under this Agreement will be conducted as a passive meeting.

(b) By executing this Agreement, Borrower agrees to comply with the provisions of Chapter 12L of the San Francisco Administrative Code to the extent applicable.

(c) In accordance with the Citizen's Right to Know Act of 1998 (S. F. Admin. Code Chapter 79), no officer, department, board or commission of the City may approve a City Project, as defined in Chapter 79, unless a sign has been posted on the applicable property at least fifteen (15) days before approval. A City Project is a project that involves new construction, a change in use or a significant expansion of an existing use where the City funding for the project is $50,000 or more. If the Loan will be used for a City Project, this Agreement will not become effective until fifteen (15) days following the posting of the requisite sign, or, in the alternative, thirty (30) days following the delivery of written notices to residents and owners within 300 feet of the Site, and the City will have the right to nullify or revoke this Agreement without cost or liability of any sort whatsoever at any time before that date. If Borrower believes that this Agreement relates to a City Project and that the requisite sign has not been posted, Borrower will notify the City so that the City may determine the applicability of Chapter 79, and, if necessary, post the requisite sign.

14. Prohibition on Use of Public Funds for Political Activities. Borrower will comply with San Francisco Administrative Code Chapter 12G, which prohibits funds appropriated by the City for this Agreement from being expended to participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure. Borrower is subject to the enforcement and penalty provisions in Chapter 12G.

15. Nondisclosure of Private Information. Borrower has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12.M.2, "Nondisclosure of Private Information", and 12M.3, “Enforcement” of Administrative Code Chapter 12M, “Protection of Private Information,” which are incorporated herein as if fully set forth. Borrower agrees that any failure of Borrower to comply with the requirements of Section 12M.2 of this Chapter will be a material breach of the Agreement. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Agreement, bring a false claim action against Borrower pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar Borrower.

16. Graffiti Removal. Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti will be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

(a) Borrower will remove all graffiti from any real property owned or leased by Borrower in the City and County of San Francisco within forty eight (48) hours of the earlier of Borrower's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Borrower to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" will not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or

(2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

(b) Any failure of Borrower to comply with this section of this Agreement will constitute an Event of Default of this Agreement.

17. Resource-Efficient Building Ordinance. Borrower acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Chapter 7 relating to resource-efficient City buildings and resource-efficient pilot projects. Borrower hereby agrees it will comply with the applicable provisions of such code sections as such sections may apply to the Property.

18. Consideration of Criminal History in Hiring and Employment Decisions.

(a) Borrower agrees to comply fully with and be bound by all of the provisions of Chapter 12T "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Administrative Code (Chapter 12T), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at www.sfgov.org/olse/fco. A partial listing of some of Borrower's obligations under Chapter 12T is set forth in this Section. Borrower is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement will have the meanings assigned to such terms in Chapter 12T.

(b) The requirements of Chapter 12T will only apply to a Borrower's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, will apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, will apply only when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco, and will not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

(c) Borrower will incorporate by reference in all subcontracts the provisions of Chapter 12T, and will require all subcontractors to comply with such provisions. Borrower's failure to comply with the obligations in this subsection will constitute a material breach of this Agreement.

(d) Borrower or Subcontractor will not inquire about, require disclosure of, or if such information is received base an Adverse Action on an applicant's or potential applicant for employment, or employee's: (1) Arrest not leading to a Conviction, unless the Arrest is undergoing an active pending criminal investigation or trial that has not yet been resolved; (2) participation in or completion of a diversion or a deferral of judgment program; (3) a Conviction that has been judicially dismissed, expunged, voided, invalidated, or otherwise rendered inoperative; (4) a Conviction or any other adjudication in the juvenile justice system; (5) a Conviction that is more than seven years old, from the date of sentencing; or (6) information pertaining to an offense other than a felony or misdemeanor, such as an infraction.

(e) Borrower or Subcontractor will not inquire about or require applicants, potential applicants for employment, or employees to disclose on any employment application the facts or details of any conviction history, unresolved arrest, or any matter identified in subsection 16.16(d), above. Borrower or Subcontractor will not require such disclosure or make such inquiry until either after the first live interview with the person, or after a conditional offer of employment.

(f) Borrower or Subcontractor will state in all solicitations or advertisements for employees that are reasonably likely to reach persons who are reasonably likely to seek employment to be performed under this Agreement, that the Borrower or Subcontractor will consider for employment qualified applicants with criminal histories in a manner consistent with the requirements of Chapter 12T.

(g) Borrower and Subcontractors will post the notice prepared by the Office of Labor Standards Enforcement (OLSE), available on OLSE's website, in a conspicuous place at every workplace, job site, or other location under the Borrower or Subcontractor's control at which work is being done or will be done in furtherance of the performance of this Agreement. The notice will be posted in English, Spanish, Chinese, and any language spoken by at least 5% of the employees at the workplace, job site, or other location at which it is posted.

(h) Borrower understands and agrees that if it fails to comply with the requirements of Chapter 12T, the City will have the right to pursue any rights or remedies available under Chapter 12T, including but not limited to, a penalty of $50 for a second violation and $100 for a subsequent violation for each employee, applicant or other person as to whom a violation occurred or continued, termination or suspension in whole or in part of this Agreement.

19. Food Service Waste Reduction Requirements. Borrower agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Borrower agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Borrower agrees that the sum of one hundred dollars ($100) liquidated damages for the first breach, two hundred dollars ($200) liquidated damages for the second breach in the same year, and five hundred dollars ($500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City will incur based on the violation,

established in light of the circumstances existing at the time this Agreement was made. Such amount will not be considered a penalty, but rather agreed monetary damages sustained by City because of Borrower's failure to comply with this provision.

20. Bottled Drinking Water. Unless exempt, Borrower agrees to comply fully with and be bound by all of the provisions of the San Francisco Bottled Water Ordinance, as set forth in San Francisco Environment Code Chapter 24, including the administrative fines, remedies, and implementing regulations provided therein, as the same may be amended from time to time. The provisions of Chapter 24 are incorporated herein by reference and made a part of this Agreement as though fully set forth.

21. Public Power. From and after the effective date of the Ground Lease, Borrower will procure water and sewer service from the City and electricity, telephone, natural gas, and any other utility service from the City or utility companies providing such services, and will pay all connection and use charges imposed in connection with such services. From and after the effective date of the Ground Lease, as between the City and Borrower, Borrower will be responsible for the installation and maintenance of all facilities required in connection with such utility services to the extent not installed or maintained by the City or the utility providing such service. All electricity necessary for operations on the Site will be purchased from the San Francisco Public Utilities Commission ("PUC"), at PUC's standard rates charged to third parties, unless PUC determines, in its sole judgment, that it is not feasible to provide such service to the Premises. PUC is the provider of electric services to City property, and the Interconnection Services Department of SFPUC's Power Enterprise coordinates with Pacific Gas and Electric Company and others to implement this service. To arrange for electric service to the Site, Borrower will contact the Interconnection Services Department in the Power Enterprise of the SFPUC.

22. Local Business Enterprise and Non-Discrimination in Contracting Ordinance. Borrower will comply with the applicable requirements of the Local Business Enterprise Utilization and Non-Discrimination in Contracting Ordinance under Administrative Code Chapter 14B ("LBE Ordinance") and will incorporate such requirements in contracts with any Contractors and Subcontractors.

<u>EXHIBIT F</u>

<u>Lobbying/Debarment Certification Form</u>

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any federal contract, grant, loan or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress or an employee of a member of Congress in connection with this federal contract, grant, loan or cooperative agreement, the undersigned will complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

This lobbying certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed under Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification will be subject to a civil penalty of not less than $10,000 and not more than $100,000 for such failure.

3. Neither the undersigned nor its principals is listed by the General Services Administration as debarred, suspended, ineligible or voluntarily excluded from receiving the Funds on the Agreement Date. The undersigned will review the list to ensure that any contractor or subcontractor who bids for a contract in excess of $100,000 is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities and will obtain the certification of each contractor or subcontractor whose bid is accepted that such contractor or subcontractor is not debarred, suspended, ineligible or voluntarily excluded from participating in federal programs and activities.

1234 Great Highway LLC, a California limited liability company

By: Tenderloin Neighborhood Development Corporation. a California nonprofit public benefit corporation
Its: Manager

By: ______________________________
Name: ____________________________
Title: _____________________________ ____

EXHIBIT G

Form of Annual Monitoring Report

[To be attached]

Mayor's Office of Housing and Community Development
City and County of San Francisco

London N. Breed
Mayor

Eric D. Shaw
Director

October 21, 2020

Notice of Availability of 2020 Annual Monitoring Report Form

(plus reminders of Marketing Procedure and Serious Incident Protocol)

The Mayor's Office of Housing and Community Development (MOHCD) is pleased to announce the availability of the Annual Monitoring Report (AMR) forms for Reporting Year 2020 (RY2020). The forms are now available to be downloaded from the Asset Management page of the MOHCD web site. In addition, training videos on how to complete the AMR are available. See below for more information.

IMPORTANT INFORMATION RELATED TO COVID-19

MOHCD recognizes the impact that the COVID-19 crisis is having on the organizations that we support, especially those providing essential services. It is vitally important to take measures to protect your staff, residents and clients from contracting and spreading COVID-19. We urge all affordable housing owners and managers to follow the guidelines, recommendations and orders from the U.S. Centers for Disease Control, the State of California and the San Francisco Department of Public Health. MOHCD is also taking action to address the needs of the projects under our purview:

- MOHCD published a memo clarifying MOHCD's current Operating Reserves requirements.
- MOHCD extended the 2020 AMR due date by one month (see below for detailed info) for projects whose business year ran from 7/1/2019 to 6/30/2020.

MOHCD is allowing project sponsors to retain a larger share of 2020 surplus cash/residual receipts than is allowed under their financing agreements with MOHCD. For more information, read the notice regarding the COVID-19 Allowance. This opportunity is limited to projects whose business year ran from 7/1/2019 to 6/30/2020. The COVID-19 Allowance may not be available to some projects that are subject to MOHCD financing, regulatory or ground lease agreements that include limits on distributions of surplus cash/residual receipts. To benefit from the Allowance, owners of such projects will have to request amendments to those agreements that would remove such limits. For more information, read the "Notice Regarding Option to Remove Caps on Distributions of Residual Receipts."

One South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103
Phone: 415.701.5500 Fax: 415.701.5501 TDD: 415.701.5503 www.sfmohcd.org

If this crisis is preventing you from responding thoroughly and quickly to any request from MOHCD, please do whatever you can to let us know of your limitations and to propose alternatives. Thank you for everything that you are doing on behalf of the people your organization serves and for all of the people of San Francisco.

Deadline: For projects whose business year ended June 30, 2020, the report will be due on January 8, 2021, for the period 7/1/2019-6/30/2020, unless noted otherwise in a project-specific notice sent by MOHCD. For any projects whose 2020 business year ended or will end on different dates than those above, the report will be due 5 months from the last date of that business year.

Completion and Submission Instructions

The Annual Monitoring Report consists of the following four parts:

I. AMR_RY2020 – project name.xlsx – This is a Microsoft Excel spreadsheet that is comprised of the following worksheets:

- Instructions
- 1A. Property & Residents
- 1B. Transitional Programs
- 1C. Eviction Data
- 2. Fiscal Activity
- 3A. Occupancy & Rent Info
- 3B. Demographic Information
- 3C. Demographic Summary
- 4. Narrative
- 5. Project Financing
- 6. Services Funding
- 7. Supplementary Audit Information Required by MOHCD
- ➢ Completeness Tracker

Provide all applicable information that is requested in worksheets 1-7. Use the Instructions to help you complete each form and the Completeness Tracker to help you to determine when each worksheet is complete.

Use Question #1 on the Narrative worksheet to explain any data that you provide that may be unclear or better understood with additional information. In addition, certain questions in this report prompt you to supply an explanation for your answers on the Narrative worksheet. *Failure to supply the required explanation will render your submission incomplete.*

Submit this report as an Excel file only; do not convert it to pdf or another file type. Changing the format of AMR_RY2020.xlsx without MOHCD's prior approval is not allowed. Do not overwrite any validations for any of the cells, alter any formulas or add or delete any rows or columns. If you need to revise the form in order to successfully complete the report, submit a request to moh.amr@sfgov.org.

II. Owner Compliance Certification Form and Documentation of Insurance

The certification form is a Microsoft Word document that must be completed, signed and dated by the Executive Director (or other authorized officer) of the entity that owns the project. Scan the form along with documentation of insurance and email it to MOHCD as a single document. For each project, you must provide certificates of liability insurance *and* property insurance that are *current as of the date of submittal of the AMR*.

III. Audited Financial Statements

Provide financial statements for the project for Reporting Year 2020. They must be prepared by a certified public accountant in accordance with generally accepted accounting principles, applicable regulations and laws and with the City's "Audit Requirements for MOHCD-Funded Projects" a copy of which is posted on MOHCD's Asset Management web page. If the project is owned by a single asset entity, provide separate financial statements just for the project, otherwise provide audited statements for the parent corporation. Also include copies of any Management Letters and special notes from the auditor that pertain to the property and the financial statements.

MOHCD's audit requirements call for the preparation of a supplemental section to the financial statements that includes the following:

- schedule of operating revenues
- schedule of operating expenses
- computation of cash flow/surplus cash
- summary of project reserve activity

The supplemental section may be prepared by using worksheet #7 of the AMR or a form generated by the accounting system of the project owner or the auditor.

IMPORTANT: Audited financial statements are a required submittal of the Annual Monitoring Report. Do not submit the AMR until the audit has been finalized. AMRs that are submitted without an audit or with a draft audit will not be accepted.

IV. Waiting List

Submit a copy of the project's waiting list that is current as of the date of submittal. The waiting list must include the following information for each person or household who has applied to live at the project and is still waiting to be considered for an available unit:

- name of head-of-household
- contact information
- date of application
- number of people in the household

- stated household income
- desired unit size

This requirement is not applicable to transitional housing projects, residential treatment programs, shelters, group homes or permanent supportive housing for homeless people that is leased through a closed referral system.

Completed AMRs must be submitted electronically, via *one email message per project* to moh.amr@sfgov.org. If the documents that comprise the report are too large to attach to a single email, compress the files into a zip file and attach it to the email.

AMR Training – On-Demand Videos

To facilitate completion of the AMR by project sponsors, MOHCD has created training videos that provide step-by-step instructions on how to complete the Excel reporting form and how to submit the report overall. There are ten video modules that vary in length from two to 30 minutes and may be viewed on-demand from the Asset Management page of the MOHCD web site. We strongly encourage all persons who are involved in preparing the AMR to watch the videos. If you experience any technical difficulties with accessing and viewing the videos, please contact Ricky Lam at ricky.lam@sfgov.org or 415-701-5542.

Marketing Procedure for Available Units and Waiting List Openings

Before advertising the availability of units for lease in a project or the opening of the waiting list, owners and property managers *must* notify MOHCD of this action by completing a Marketing Plan Template and submitting it to the assigned staff person on MOHCD's asset management and compliance monitoring team. The template is available on the Asset Management page of our web site, under "Marketing Requirements for MOHCD-Financed Multifamily Rental Projects." Once the marketing plan is approved, MOHCD will post information about the available units or opening of the waiting list on DAHLIA – the City's internet portal where members of the public may get information and apply for affordable housing. General information for people seeking affordable housing in San Francisco can also be found on our web site at this location.

Serious Incident Protocol

To ensure that MOHCD is kept informed of serious incidents that occur at projects financed by this office, we have established the following protocol for reporting serious, negative events such as accidents, criminal activity or equipment failure. The report should be filed only after emergency procedures have been followed and the situation has been stabilized.

MOHCD requests that owners of projects financed by this office notify us in writing if a serious incident occurs at their properties and meets one or more of the following parameters:

- Involves serious injury or death
- Is a serious, violent crime that involves a major police action (e.g. shooting)
- Causes the building or a significant number of units to be off-line
- Requires a resident to move out of a unit one month or longer
- Damage to the building is significant enough to require the use of reserves

The owner should notify the MOHCD asset manager assigned to the project and provide the following information:

- The date of the incident
- A description of the incident
- A description of what has been and is being done in response
- The name, phone and email of the staff that should be contacted if there are questions
- Confirmation that 1) the property insurance is current and 2) the insurance company has been contacted; a brief summary of their response, if available
- Statement of whether or not the organization plans to use the project's reserves to pay for corrective action

Asset Management Team
MOHCD 1 South Van Ness Avenue, 5th Floor San Francisco, CA 94103
http://sfmohcd.org P. 415-701-5500 F. 415-701-5501

Owner Compliance Certification and Insurance & Tax Certification Form
2020 Annual Monitoring Report
San Francisco Mayor's Office of Housing and Community Development

****** This form must be completed by Project Owner or authorized agent. ******

Complete this form, sign and date it, scan it along with current liability and property insurance certificates into a single PDF file, then email the file along with AMR_RY2020 – project name.xlsx, audited financial statements, and current waiting list to moh.amr@sfgov.org.

Project Name: ____

Project Street Address: ______________________________________

Reporting Period – Start Date: ______________ End Date: _______________

Owner Compliance Certification

The undersigned owner, having received housing development funds pursuant to a housing development program funding agreement/s entered into with the City and County of San Francisco ("CCSF") for the purpose of purchasing, constructing and/or improving low-income housing, does hereby certify as follows:

Initial all statements below, and supply data to make the statement complete where needed (look for underlined blanks; e.g.: ____). ***For any statements that are not true or require additional clarification, you must supply a detailed explanation on the Annual Monitoring Report Narrative Worksheet.*** *The failure to provide a conforming response to all statements below will render incomplete the entire Annual Monitoring Report ("AMR") submission for this project, which may result in a default condition under the funding agreement/s, and also subject the owner to scoring penalties in future efforts to obtain funding from MOHCD for this project and any other project.*

	True	False	
1			The CCSF Mayor's Office of Housing and Community Development ("MOHCD") has been alerted by the owner prior to any actions taken by the owner that affect the value of the property associated with this project, including but not limited to the establishment of any liens or encumbrances on the property; and, where required, the owner has obtained written authorization from MOHCD prior to taking any such actions.
2			The undersigned is not in default of the terms of any Agreements with CCSF for this project, nor has it been in default on any other loans, contracts or obligations on this property during the reporting period.
3			The undersigned has not been the subject of any actions relating to any other loans, contracts or obligations on this property which might have a material adverse financial impact on the property.
4			The owner has not lost or failed to renew funding for supportive services for the project during the reporting period and has made available (or caused to be made available through another party) all supportive services that are required by existing, applicable funding and regulatory agreements.
5			The owner has not lost or failed to renew funding for operating subsidy/ies for the project during the reporting period.
6			For any existing operating subsidies supporting the project, during the reporting period, the owner submitted a request for the maximum increase possible.
7			The owner has paid all taxes due for the reporting period and prior reporting periods.
8			The undersigned has marketed the units in the manner set forth in the marketing and resident selection provisions of the funding agreement/s entered into with CCSF.

	True	False	
9			The project has met affordability and other leasing provisions set forth in the funding agreement/s entered into with CCSF during the entire reporting period. As of the end date of the reporting period, _____ units (*supply exact number*) were occupied or held vacant and available for rental by low-income tenants meeting the income qualifications pursuant to the funding agreement/s entered into with CCSF.
10			The undersigned has obtained a tenant income certification and/or third party documentation to support that certification from each tenant household occupying a unit restricted to occupancy by income-qualified tenants. All income certifications are maintained onsite with respect to each qualified tenant who resides in a unit or resided therein during the immediately preceding business year.
11			The total charges for rent and a utility allowance to each income-qualified tenant in a restricted unit do not exceed the maximum rent specified in the funding agreement/s entered into with CCSF as adjusted by the most recent HUD income and rent figures, which have been taken from the figures that are supplied by MOHCD on its website.
12			All withdrawals from the replacement and operating reserve accounts have been made in accordance with the MOHCD funding agreement/s, unless approved in writing by MOHCD.
13			Security deposits required of tenants of the project are in accordance with applicable laws and the funding agreement/s entered into with CCSF.
14			The undersigned has obtained and will maintain insurance policies in accordance with requirements of the funding agreement/s entered into with CCSF as may be reasonably updated from time to time, and has supplied with this AMR certificates of insurance that are current through the end of the reporting period.
15			The undersigned has maintained the units and common areas in a decent, safe and sanitary manner in accordance with all local health, building, and housing codes and in accordance with the HUD Housing Quality Standards.
16			The data submitted in Section 1A – Property & Residents of the Annual Monitoring Report regarding any violation/s of any health, building, or housing codes is complete and accurate; all required copies of violations/citations that were not resolved by the end of the reporting periods are also included with this AMR submission.
17			The undersigned has made best efforts to: (a) keep the units in good repair and available for occupancy; (b) keep the Project fully rented and occupied; and (c) maximize rental revenue at the Project by increasing tenant rents, and if applicable, contract rents and commercial rents, the maximum amount permitted under all current regulatory agreements, contracts, regulations and leases, without causing undue rent burden on residential tenants.
18			All questions in the Annual Monitoring Report submitted for this reporting period have been answered fully and truthfully; answers have been supplied for all of questions requiring detailed responses on the Annual Monitoring Narrative Worksheet and any related documents have been submitted as attachments.
19			The project has received additional equity proceeds in the amount of $________ (*supply amount*) from low-income housing tax credit investors during the reporting period.
20			Accurate information has been provided in Worksheet 2 - Fiscal Activity about any Federal Program Income earned by this project during the reporting period.
21			Any amounts charged as Asset Management Fees are reflected accurately under Income & Expenses in Worksheet 2 - Fiscal Activity of the Annual Monitoring Report, and all such amounts have been used exclusively toward asset management of this

	True	False	
			project. Asset Management Fees taken beyond pre-approved levels have been documented as required in response to question 7 in Section 4 - Narrative.
22			The calculation of cash flow in Worksheet 2 - Fiscal Activity accurately reflects all expenses incurred and income earned, and the proposed distribution of any Residual Receipts would be in accordance with all relevant agreements and policies.
23			The Waiting List that has been submitted with the 2020 Annual Monitoring Report is an accurate and correct record as of the last day of the reporting period of the households who have applied to live at the Project, including the name of the head-of-household (or a suitable alternative), date of application, number of people in the household, stated household income and desired unit size.

Property and Liability Insurance

Enter the information requested below, and attach a current copy (each) of the Property and Liability Insurance Certificates. SCAN the documents and send them as an attachment along with the complete AMR to MOHCD via e-mail to: moh.amr@sfgov.org.

Property Insurance		
	Property Street Address:	
	Policy Number:	
	Policy Effective Date:	
	Policy Expiration Date:	
Liability Insurance		
	Property Street Address:	
	Policy Number:	
	Policy Effective Date:	
	Policy Expiration Date:	

Tax Certification

Enter the information requested below. You do **NOT** need to submit copies of the invoice or checks used to pay the tax.

Property Tax		
	Tax Year:	
	Amount of Tax Paid:	
	Date Paid:	
	Amount outstanding from taxes due for Reporting Period:	
	Amount outstanding from taxes due prior to Reporting Period:	

****** This form must be completed by Project Owner or authorized agent. ******

The undersigned, acting under authority of the ownership of this project, executes this Certification, subject to the pains and penalties of perjury, and certifies that the foregoing is true and correct in all respects.

Signature: ____ Date: ____________

Name: ______________________________ Title:________________________

Annual Monitoring Report - Instructions - Reporting Year 2020 - Mayor's Office of Housing & Community Development

The instructions and definitions below are organized by the worksheets contained within this Annual Monitoring Report. Please review the instructions below and within each worksheet thoroughly as instructions may have changed.

Updated 12/21/2020

1A. Property & Residents

Please follow the instructions provided on the worksheet.

1B. Transitional Programs Only

Use this worksheet to report the activity only of a transitional housing program, including program capacity, number of people served, length of stay and destination upon exit. Please follow the instructions provided on the worksheet.

1C. Eviction Data

MOHCD is required to collect this data by San Francisco Adminstrative Code Sections 20.500-20.508. Please follow the instructions provided on the worksheet.

2. Fiscal Activity

Income and Expenses
The purpose of the Income and Expenses form is to track actual income and expenses over the reporting period. In addition to the instructions below, please follow instructions provided on the worksheet.

INSTRUCTIONS:

Column B - "Description of Income Accounts" and "Description of Expense Accounts". A complete description of the Income Accounts and Expense Accounts are provided below. Refer to the descriptions when completing the Fiscal Activity Worksheet. The Chart of Accounts uses account categories prescribed by generally accepted accounting principles and closely follows accounts prescribed by HUD, the State of California's Housing and Community Development Department, and the City's Quarterly Program Income Worksheet.

Column D - "**Account Number"**. Each number represents an account in the Chart of Accounts, see below for more info.

Column F - **"Residential"**. This column is for the essential recurring income and expenses related to the operation of a rental housing property, group home, project serving special needs populations or a transitional housing program.

Column H - **"Non-Residential"**. This column is used to report income and expenses related to commercial space or other non-residential space in a project.

Income

Rental Income

5120 Housing Units Gross Potential Tenant Rents. This account records gross rent payable by the tenant for all residential units. Offsetting debits to this account are Account 6331, Administrative Rent Free Unit.

5121 Rental Assistance Payments. This account records rental assistance payments received or earned by the project through the LOSP, HUD Section 8 program (project-based or tenant-based assistance), HUD Section 202/811 programs, Shelter Plus Care program, HOPWA program, Rent Supplement, HOME Tenant-Based Assistance and VASH.

5140 Commercial Unit Rents. This account records gross rental income from stores, offices, rented basement space, furniture and equipment or other commercial facilities provided by the property.

Vacancy Loss

5220 Rent Income - Residential Units Vacancy Loss. ENTER AS NEGATIVE NUMBER. This account records total loss of residential rental income due to vacant residential units.

5240 Rent Income - Commercial Units Vacancy Loss. ENTER AS NEGATIVE NUMBER. This account records total loss of commercial rental income due to vacant commercial units.

Other Income

5170 Garage and Parking Spaces. This account records the gross rental income from all garage and parking spaces.

5190 Miscellaneous Rent Income. This account records gross rental income expectancy not otherwise described above.

5300 Supportive Services Income. Accounts in this series are used primarily by group home projects or other projects restricted to a special needs population (e.g., group home for mentally disabled or senior apartments). These accounts record revenues received or payable (other than rents) for services provided to tenants (e.g., meal services, housekeeping, etc.). Supportive service-related expenses are charged to accounts in the 6900 series. Enter the total of all revenues received or payable, and identify the source(s) of the income in cell D39.

5400 Interest Income - Project Operations. This account records interest income received or accrued on the Project Operating Account/s; DO NOT RECORD interest earned on the Replacement Reserve or Operating Reserve here.

5910 Laundry and Vending. This account records project revenues received from laundry and vending machines owned or leased by the project.

5920 Tenant Charges. This account records charges collected from tenants for damages to apartment units and for fees paid by tenants for cleaning of an apartment unit (other than regular housekeeping services), any security deposits forfeited by tenants moving out of the project and charges assessed to tenants for rent checks returned for insufficient funds and for late payment of rents.

5990 Other Revenue. This account records project revenue not otherwise described in the above revenue accounts.

Expenses
Management

6320 Management Fee. This account records the cost of management agent services contracted by the project. This account does not include charges for bookkeeping or accounting services paid directly by the project to either the management agent or another third party.

Salaries/Benefits

6310 Office Salaries. This account records salaries paid to office employees whether the employees work on site or not. Front-line responsibilities include for example, taking applications, verifying income and processing maintenance requests. The account does not include salaries paid to occupancy, maintenance and regional supervisors who carry out the agent's responsibility for overseeing or supervising project operations and personnel: These salaries are paid from the management fee. This account also does not include the project's share of payroll taxes (Account 6711) or other employee benefits paid by the project.

6330 Manager's Salary. This account records the salary paid to property managers. It does not include the project's share of payroll taxes or other employee benefits or compensation provided to residents managers in lieu of residents managers' salary payments.

6723 Employee Benefits: Health Insurance & Disability Insurance. This account records the cost of employee benefits paid and charged to the project for health insurance and disability insurance.

XXXX Employee Benefits: Retirement & Other Salary/Benefit Expenses. This account records the cost of employee benefits paid and charged to the project for retirement and any other employee salary/benefits.

6331 Administrative Rent Free Unit. This account records the contract rent of any rent free unit provided to a resident manager which would otherwise be considered revenue producing.

Administration

6210 Advertising and Marketing. This account records the cost of advertising the rental property.

6311 Office Expenses. This account records office expense items such as supplies, postage, stationery, telephone and copying.

6312 Office Rent. This account records the rental value of an apartment, otherwise considered potentially rent-producing, but used as the project office or as a model apartment. The account is normally debited by journal entry.

6340 Legal Expense - Property. This account records legal fees or services incurred on behalf of the project (as distinguished from the borrower/grantee entity). For example, agents charge legal fees for eviction procedures to this account.

6350 Audit Expense. This account records the auditing expenses incurred by the project that are directly related to requirements for audited financial statements and reports. This account does not include the auditor's charge for preparing the borrower/grantee's Federal, State and local tax returns. This account does not include the cost of routine maintenance or review of the project's books and records.

6351 Bookkeeping Fees/Accounting Services. This account records the cost of bookkeeping fees or automated accounting services not included in the management fee but paid to either the agent or a third party.

6370 Bad Debts. This account records by journal entry the amount of tenant accounts receivable that the agent estimates uncollectible at the end of the accounting period.

6390 Miscellaneous Administrative Expenses. This account records administrative expenses not otherwise classified in the 6300 Series. If the project had miscellaneous administrative expenses greater than $10,000, a detailed itemization of these expenses must be provided in the Narrative worksheet.

Utilities

6450 Electricity

6451 Water

6452 Gas

6453 Sewer

Taxes and Licenses

6710 Real Estate Taxes. This account records payments made for real estate taxes of the project.

6711 Payroll Taxes (Project's Share). This account records the project's share of FICA and State and Federal Unemployment taxes.

6790 Miscellaneous Taxes, Licenses and Permits. This account records any taxes, licenses, permit fees or costs of insurance assessed to the property and not otherwise categorized in the 6700 Series.

Insurance

6720 Property and Liability Insurance. This account records the cost of project property and commercial general/auto liability insurance.

6721 Fidelity Bond Insurance. This account records the cost of insuring project employees who handle cash.

6722 Workers' Compensation. This account records the cost of workers' compensation insurance for project employees.

6724 Directors and Officers Liabilities Insurance. This account records the cost of insurance to cover financial protection for the directors and officers of the ownership entity in the event they are sued in conjunction with the performance of their duties as they relate to the property.

Maintenance and Repairs

6510 Payroll. This account records the salaries of project employees whose perform services including but not limited to janitorial/cleaning, exterminating, grounds, repairs, elevator maintenance and decorating. This account does not include the property's share of payroll taxes (FICA and Unemployment) or other employee benefits paid by the property.

6515 Supplies. This account records all cost of supplies charged to the property for janitorial cleaning, exterminating, grounds, repairs and decorating.

6520 Contracts. This account records the cost of contracts the owner or agent executes with third parties on behalf of the property for janitorial/cleaning, exterminating, grounds, repairs, elevator maintenance and decorating.

6525 Garbage and Trash Removal. This account records the cost of removing garbage and rubbish from the project. The account does not include salaries paid to janitors who collect the trash.

6530 Security Payroll/Contract. This account records the project's payroll costs attributable to the protection of the project or the costs of a protection contract that the owner or agent executes on behalf of the project.

6546 HVAC Repairs and Maintenance. This account records the cost of repairing and maintaining heating or air conditioning equipment owned by the project. Agents should capitalize repairs of significant amounts which extend the useful life of the equipment.

6570 Vehicle and Maintenance Equipment Operation and Repairs. This account records the cost of operating and repairing project motor vehicles and maintenance equipment. Motor vehicle insurance is not included in this account but is charged to account 6720.

6590 Miscellaneous Operating and Maintenance Expenses. This account records the cost of maintenance and repairs not otherwise classified in the 6400 and 6500 account Series. If the project had miscellaneous operating and maintenance expenses greater than $10,000, a detailed itemization of these expenses must be provided in the Narrative worksheet.

Supportive Services

6900 Supportive Service Expenses. Accounts in this series are used primarily by group home projects and other projects restricted to a special needs population. The accounts record expenses directly related to special services provided to the tenants (e.g., food, housekeeping, case managers, social activity coordinator, etc.).

Reserve Account Activity

1320 Replacement Reserve Required Annual Deposits. This account records the required amount of deposits made to a segregated Replacement Reserve bank account from the project's Operating Account during the reporting period. See below for more guidance about data entry required for replacement reserve eligible expenditures.

1365 Operating Reserve Deposits. This account records amount of deposits made to a segregated Operating Reserve bank account from the project's Operating Account during the report period.

XXXX Operating Reserve Account Withdrawals. Enter the total amount of withdrawals made from the Operating Reserve, which will be deposited into the project's Operating Account during the reporting period.

1330 Other Reserve Accounts - Deposits. This account records amount of deposits made to segregated reserve bank accounts not identified above during the report period. Deposits are assumed to have been funded by the project's operating account and will decrease the surplus cash amount in row 136. You should provide the name of the account in cell D132.

XXXX Other Reserve Accounts - Withdrawals. This line is used to record the amount of withdrawals made from other segregated reserve bank accounts during the reporting period. Withdrawals entered are assumed to have been deposited into the project's operating account and will increase the surplus cash amount in row 136. You should provide the name of the account in cell D133.

3A. Occupancy & Rent Info

Accurate and complete household and tenancy data must be submitted on the Occupancy & Rent Info worksheet as evidence that the project complies with the income eligibility and rent affordability restrictions of MOHCD's funding agreements. Enter the data described below into the chart in Section 3A - Occupancy & Rent Info for the tenant population that occupied the project as of the end of the reporting period.

*- **NEW** : for each VACANT unit, in column D, enter the unit number, follow by "- Vac". For example, if Unit 201 was vacant, in column D, enter "201 - Vac."*
-Identify manager's unit with the unit number, follow by "- Mgr". For example, if the manager occupies Unit 501, in column D, enter "501 - Mgr."
-For vacant units and manager's units, you must supply data in columns D, E, P, R and T. All other columns should be left blank.

COLUMN	DESCRIPTION
C.	**Row Number.** Do not enter data in this column.
D.	**Unit No.** Enter the unit number (or bed number for transitional or group housing) for each unit/bed in the property.
E.	**Unit Type.** Use the drop down menu to select the unit type (also shown below):

Bed = (measurement for Group homes or transitional housing)

"SRO" = Single Room Occupancy unit

"Studio" = Studio unit

"1BR" = 1 Bedroom unit

“2BR” = 2 Bedroom unit

“3BR” = 3 Bedroom unit

“4BR” = 4 Bedroom unit

“5+BR” = 5 or more Bedroom unit

F. **Is the Unit Fully-Accessible or Adaptable?** Use the drop down menu to indicate which

“Accessible - Mobility” = The unit is fully-accessible for persons with mobility impairment.

“Accessible - Communication” = The unit is fully-accessible for persons with visual and hearing impairment.

“Mobility & Communication” = The unit is fully-accessible for persons with mobility, visual and hearing impairment.

“Adaptable” = The unit was designed to be accessible, but some accessibility features may have been omitted or concealed.

“Not Accessible or Adaptable” = Not Accessible or Adaptable.

G. **Date of Initial Occupancy.** Enter the date when the tenant occupied their *first unit in the project*. For tenants who have transferred to another unit in the project, this date will be different than the date when they moved into their current unit.

H. **Household Annual Income at Initial Occupancy.** Enter the tenant’s annual household income from the initial income certification that was done before they moved into their *first unit in the project*. For tenants who have transferred to another unit in the project, this amount will be different than the amount from the rertification that was done when they moved into their current unit.

I. **Household Size at Initial Occupancy.** Enter the number of people that was in the tenant’s household when they occupied their first unit in the project. For tenants who have transferred to another unit in the project, this number may be different than it was when they moved into their current unit.

J. **Date of Most Recent Income Recertification.** Enter date of most recent income recertification. Leave blank for vacant units.

K. **Household Annual Income as of Most Recent Recertification within reporting period.** Enter annual income of the household from the most recent recertification. OK to leave blank ONLY if ALL funders do not require annual income recertifications.

L. **Household Size as of Most Recent Recertification within reporting period.** Enter the number of occupants in the unit from the most recent recertificaion within the reporting period.

M. **Minimum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.

N. **Maximum Occupancy for Unit Type.** The data here is automatically entered from items 25-31 on Worksheet #1A.

O. **Overhoused or Overcrowded?** The data here is automatically generated based on entries in column K and on items 26-32 on Worksheet #1A.

P. **Overhoused or Overcrowded - Narrative** A household is “Overhoused” if there are fewer people residing in the unit than the minumum occupancy. “Overcrowded” means that there are more people residing in the unit than the maximum occupancy. If the data in column N indicates that the household is overhoused or overcrowded, please describe any extenuating circumstances that justify the overhoused/overcrowded status and summarize efforts that you have made to transfer the tenant to a unit that is appropriate for the size of the household, if applicable.

Q. **Is this Unit a HOPWA set-aside unit? (yes/no).** "HOPWA set-aside" units are required when HOPWA capital funding is used to acquire, construct or rehab a project.

R. **Rental Assistance.** From the drop-down menu, select one code only to indicate the type of assistance, if any, being provided to the tenant (low-income units only). Select "None" if no rental assistance comes with the unit or none is provided to the tenant.

“RAD - PBV” = As a result of a RAD (Rental Assistance Demonstration) conversion, the project unit comes with a RAD Project-Based Section 8 subsidy that will remain with the unit after the tenant moves out.

“TPV” = As a result of a RAD (Rental Assistance Demonstration) conversion, the project unit comes with a HUD Tenant Protection Voucher subsidy to help prevent displacement and/or stabilize the property.

“Section 8 - Project Based” = The unit comes with Section 8 subsidy that will remain with the unit after the tenant moves out.

“Section 8 - Tenant Voucher” = Tenant is receiving assistance through the Section 8 Certificate or Voucher programs.

“PRAC - 202” = The unit receives a subsidy through a Project Rental Assistance Contract from HUD's 202 program.

“PRAC - 811” = The unit receives a subsidy through a Project Rental Assistance Contract from HUD's 811 program.

“S+C” = Tenant is receiving tenant-based assistance, or the unit has project-based assistance, from the Shelter Plus Care program.

“HOPWA” = The units is a HOPWA-designated unit under the project funding from the Housing Opportunities for People With AIDS program. While HOPWA is not a source of tenant-based assistance, if the tenant is receiving any other form of subsidy, please report on the amount of Rental Assistance on this worksheet and note the source of the Rental Assistance in the Narrative section of the AMR.

“VASH” = Tenant is receiving tenant-based assistance, or the unit comes with project-based rental assistance, from the Veterans Administration Supportive Housing program.

“LOSP” = The unit receives a subsidy through the City's Local Operating Subsidy Program.

“DAH (DPH)” = The unit receives a subsidy through the City's Direct Access to Housing Program of DPH.

“HSA Master Lease” = The unit receives a subsidy through the City's Master Lease Program of the Human Services Agency.

“MHSA” = The unit receives a subsidy under CA HCD's Mental Health Services Act.

“HOME TBA” = Tenant receives assistance from a HOME-funded rental assistance program.

“Rent Supplement” = Tenant receives a supplemental rent payment from an outside agency.

“Other” = Tenant is receiving, or unit comes with, rental assistance through another Federal, State or local program.

S. **Amount of Rental Assistance.** Enter the dollar amount of rental assistance that is paid on behalf of the household/tenant.

T. **Amount of Maximum Gross Rent Allowed for Unit.** Enter the maximum rent for the unit that is allowed by the most restrictive funder of the project.

U. **Amount of Tenant Paid Rent for Unit.** Enter only the amount of rent that the tenant pays. Do not include any rental assistance paid on behalf of the tenant by another party.

V. **Utility Allowance.** If the tenant pays for utilities, enter the Utility Allowance allowed for the unit. Enter zero (0) if the Utilities are paid by the project.

W. **Household Rent Burden.** THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE. If the rent burden is 100% or greater, it is likely that the amount of tenant paid rent and/or the amount of HH income is incorrect, please review the data for accuracy. Typically, rent burdens should be 60% or less. If a unit has a rent subsidy, the typical requirement is for tenants to pay 30% of income toward rent.

X. **Date of Most Recent Rent Increase within the Reporting Period.** ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY. Enter date of most recent rent increase for unit.

Y. **Amount of Most Recent Rent Increase within the Reporting Period.** ONLY FOR UNITS THAT DO NOT HAVE RENTAL ASSISTANCE OR SUBSIDY. Enter amount of most recent rent increase for unit.

Z. **Percentage of Most Recent Rent Increase.** THIS IS A SELF-CALCULATING CELL - ENTER NO DATA HERE.

3B. Demographic

Gender and Sexual Orientation: on June 30, 2017, MOHCD published and distributed a Notice regarding new requirements to collect this demographic data. Click this cell to review the Notice if you have any questions about this.

Gender. Provide info for the Head of Household. The 8 possible answers for Gender are:
- Female
- Male
- Genderqueer/Gender Non-binary
- Trans Female
- Trans Male
- Not listed
- Declined/Not Stated
- Question Not Asked

Sexual Orientation. Provide info for the Head of Household. The 7 possible answers for Sexual Orientation are:
- Bisexual
- Gay /Lesbian/Same-Gender Loving
- Questioning /Unsure
- Straight/Heterosexual
- Not listed
- Decline to Answer
- Not Stated

Elderly Household. For each residential unit, enter "Yes" if the anyone in the household is a person that is at least 62 years of age. Enter "No" if everyone in the household is younger than 62.

Number of Children Under Age 18 in Household. Enter the number of occupants in the unit that were under age 18 as of the end date of the reporting period.

Disability. If any members of the household have any of the listed disabilities, select the disability from the drop-down menu. Select "None" if the unit is not occupied by any tenants with a listed disability.

3C. Summary of Reported Household Demographics

No data entry required. Output based on information reported from Worksheets 3A and 3B.

4. Narrative

Please follow the instructions provided on the worksheet.

5. Project Financing

Supply the info requested about all current financing of the project. Lenders should be listed in lien order, i.e., with the most-senior lender in the first lien position, the most-junior lender in last lien position.

6. Services Funding

For each service that is provided based on your answers to questions 51-61 on Worksheet 1A, you must supply additional info about each service provider on Worksheet 6. Services Funding.

7. Supplementary Audit Information - Required by MOHCD

Use this template to satisfy the audit requirement for MOHCD-funded projects. Project Owners/auditors may enter data directly into this worksheet and then print it to create the required Supplemental Schedules in the Audited Financial Statement. Alternatively, the audit requirement may be satisified by using a form generated by the Sponsor's accounting system, as long as the form includes all the elements contained within MOHCD's template.

Completeness Tracker

Use this worksheet to track your work and to verify that you have completed all required data entry.

Links to Relevant Policies

Double click on the following web links to access the policy documents posted at SFGOV for your reference. The web address of the pages on the web are included for manual navigation as well.

MOHCD Forms Page at SFMOHCD.ORG

http://sfmohcd.org/documents-reports-and-forms

Program Income Overview

http://sfmohcd.org/sites/default/files/FileCenter/Documents/5141-MOH_ProgIncomeOverview.pdf

MOHCD Residual Receipt Policy

http://sfmohcd.org/sites/default/files/Documents/CURRENTResidualRecPolicy%202016.pdf

MOHCD Insurance Requirements Policy

http://sfmohcd.org/sites/default/files/FileCenter/Documents/5140-INSURANCE%20EXHIBIT%20K_2014-05-21.pdf

MOHCD Operating Fees Policy

http://sfmohcd.org/sites/default/files/Documents/CURRENT%20OperatingFeesPolicy%202016.pdf

Annual Monitoring Report - Property & Residents - Reporting Year 2020 - Mayor's Office of Housing & Community Development

#	*IDENTIFYING INFO*	
1		Reporting Period Start Date (m/d/yyyy)
2		Reporting Period End Date (m/d/yyyy)
3		Property **Name** (select from drop down)
4		Property **Full Street Address** (e.g. "123 Main Street")
	CONTACT INFO	
5		**Sponsor Executive Director Name**
6		**Phone Number**
7		**E-mail**
8		**Property Management Company**
9		**Property Manager Name**
10		**Phone Number**
11		**E-mail**
12		**Property Supervisor Name**
13		**Phone Number**
14		**E-mail**
15		**Property Owner Name**
16		**Property Owner Contact Person**
17		**Phone Number**
18		**E-mail**
19		**Asset Manager Name**
20		**Phone Number**
21		**E-mail**
22		**AMR Preparer's Name**
23		**Phone Number**
24		**E-mail**
	PROPERTY/MARKETING INFO	
25		Is the project any of the following: Transitional Housing, Residential Treatment Program, Shelter or Transitional Group Home? (select "yes" or "no" from the drop-down menu to the left.) ***If you answer "yes", skip questions 26 through 39 below, and continue with question 40. Also, you must complete worksheet "1B.TransitionalProg."***

What is the Unit Mix for the Property? Please include any manager's units in this tally.

	Unit Types	Number Of Units	Occupancy Standard: Minimum HH Size for this Unit Type*	Occupancy Standard: Maximum HH Size for this Unit Type*	*Occupancy Standards should be described in project's Approved Tenant Selection and Marketing Plan. If not defined there, supply the standards used organization-wide.
26	Single Room Occupancy (SRO) Units		*1*		
27	Studio Units		*1*		
28	One-Bedroom (1BR) Units		*1*		
29	Two-Bedroom (2BR) Units				
30	Three-Bedroom (3BR) Units				
31	Four-Bedroom (4BR) Units				
32	Five- or More (5+BR) Bedroom Units				
33	**TOTAL # Units---->**	***0***			

34			**Vacancies -** How many vacancies occurred at the project during the reporting period? (Be sure that the number you report here is not less than the number of vacant units that are included on worksheet 3.)
35	**0**		**Evictions -** How many evictions occurred during the reporting year? (This data in this field is automatically calculated from the data that is entered on worksheet 1C. You must complete worksheet 1C, unless the project is transitional housing, a residential treatment program, a shelter or a transitional group home.)
36		# 4	**Vacant Unit Rent-Up Time -** *(in DAYS)* State the average vacant unit rent-up time. This is the period from the time a household moves out to when the unit is rented again. Please EXCLUDE any units that are being held vacant to support rehabilitation or other temporary relocation needs. If this period exceeds 30 days, you must answer Question # 4 on the Narrative worksheet. *(Click on # 4 at left to jump to Narrative worksheet.)*
37			**Waiting List -** How many applicants are currently on the waiting list? *(Please also submit a copy of the waiting list, see AMR submission instructions.)*
38			When was the waiting list last updated? (m/yyyy)
39		# 5	**Affirmative Marketing -** Did you conduct any marketing of the project during the reporting period? If you conducted marketing during the reporting period, you must answer Question #5 on the Narrative worksheet. *(Click on #5 at left to jump to Narrative worksheet.)*
40			What is the date of the last Capital Needs Assessment? (m/d/yyyy)
41			What is the projected date of the next Capital Needs Assessment? (m/d/yyyy)
42		# 2	How many **Health, Building or Housing Code Violations** were issued against the property in the reporting year? (If there were no violations enter "0"). If the property was cited for code violations in the reporting year or has open, unresolved violations from prior years as indicated below, you must answer Question #2 on the Narrative worksheet. *(Click on #2 at left to jump to Narrative worksheet.)*
43		# 2	How many **Health, Building or Housing Code Violations** were open from *prior* years?
44			How many **Health, Building or Housing Code Violations** were cleared in the reporting year?
45		# 3	Are there urgent **Major Property Repairs** needed on the property in the next two years? **(Yes/No)** If there are needed major repairs you must answer Question #3 on the Narrative worksheet. *(Click on #3 at left to jump to Narrative worksheet.)*

46		# 3	If the property has **Immediate Capital Needs** and lacks adequate funds in the Replacement Reserve (or elsewhere) to cover the costs, please supply the amount of funds needed to make up the difference, and supply additional explanation in question #3 of the Narrative report. (Click on # 3 at left to jump to Narrative worksheet.)
	Resident Services: AN ANSWER IS REQUIRED FOR questions 51-61. Indicate below any services that were available to the residents free of charge, on site or at another designated location within 1/4 mile of the project. You must also provide additional information about each of the marked services below on Worksheet "6.Services"		
47		Go To WS6	After School Program/s (y/n)
48		Go To WS6	Licensed Day Care Service *(participant fees are allowable for day care ONLY)* (y/n)
49		Go To WS6	Youth Program/s (y/n)
50		Go To WS6	Educational Classes (e.g. basic skills, computer training, ESL) (y/n)
51		Go To WS6	Health and Wellness Services/Programs (y/n)
52		Go To WS6	Employment Services (y/n)
53		Go To WS6	Case Management, Information and Referrals (y/n)
54		Go To WS6	Benefits Assistance and Advocacy; Money Management; Financial Literacy and Counseling (y/n)
55		Go To WS6	Support Groups, Social Events, Organized Tenant Activities (y/n)
56		Go To WS6	Other Service #1 - Please specifiy in column G.
57		Go To WS6	Other Service #2 - Please specifiy in column G.

POPULATION SERVED

Target / Actual Populations: As of the last day of the reporting period, what are the Actual and Target Populations (expressed as Number of Households) for the Project?

Under Target Population, enter the number of units at the project that, as a requirement of a specific funding source (e.g. 202, HOPWA, McKinney), are targeted to and set aside for the target populations shown in the table. Under Actual Population, enter the number of households at the project that, as of the end of the reporting period, contained at least one person who is a member of the populations shown in the table.

		Target Population		***Actual Population***	
58		**0**	*Families*	**0**	*Families*
59		**0**	*Persons with HIV/AIDS*	**0**	*Persons with HIV/AIDS*
60		**0**	*Housing for Homeless*	**0**	*Housing for Homeless*
61		**0**	*Mentally or Physically Disabled*	**0**	*Mentally or Physically Disabled*

62		0	*Senior Housing*	0	*Senior Housing*
63		0	*Substance Abuse*	0	*Substance Abuse*
64		0	*Domestic Violence Survivor*	0	*Domestic Violence Survivor*
65		0	*Veterans*	0	*Veterans*
66		0	*Formerly Incarcerated*	0	*Formerly Incarcerated*
67		0	*Transition-Aged Youth ("TAY")*	0	*Transition-Aged Youth ("TAY")*

Remember, SAVE YOUR WORK!

Annual Monitoring Report - Transitional Programs - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Project Address:

Project Capacity: What is the target capacity of this project? (All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

	A. Num Singles Not in Families	B. Num Families	C1. Num Adults in Families	C2. Num Children in Families	D. Num of Beds	
1						
2	**0**					***Total Households (Singles and Families) That Can Be Served***

Persons Served During Operating Year *(All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)*

	A. Num Singles Not in Families	B. Num Families	C1. Num Adults in Families	C2. Num Children in Families	
3					Num on the first day of operating year
4					Num entering the program during the operating year
5	**0**				***Total Households (Singles and Families) Served***
6					Num who left the program during the operating year
7	*0*	*0*	*0*	*0*	*Num in the program on the last day of the operating year*
8	***0***				***Total Households in program on the last day of the operating year***
9		**<--Capacity Utilization Rate (by Household as of last Day of Operating Year)**			

If the Capacity Utilization Rate is LESS than 75% you must respond to the following:

10		1. Explain the reason(s) why the capacity utilization rate is as low as it is; **and**
11		2. Describe plan/s to raise the capacity utilization rate to at least 75%, with specific timeline.

Length of Stay: For the 0 households that LEFT the program during the operating year, how many were in the project for the following lengths of time? (Total in cell H28 should match total of cells H14 + I14. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

12		Less than 1 month
13		1 to 2 months
14		3 - 6 months
15		7 months -12 months
16		13 months - 24 months
17		25 months - 3 years
18	**0**	**TOTAL # HH's that left the program**

Destination: For the 0 households reported to have LEFT the program during the operating year, how many left for the following destinations? (Total in cell H53 should match total of cells H14 + I14. All blanks in this section must be filled with a number of "0" or greater in order for the worksheet to be complete.)

19		Rental - House or Apartment (no subsidy)	**PERMANENT**
20		Public Housing	
21		Section 8 Voucher	
22		Subsidized Rental - house or apartment	
23		Homeownership	
24		Moved in with family or friends	
25	***0***	***Permanent Housing Subtotal***	
26		Transitional Housing for homeless persons	**TRANSITIONAL**
27		Moved in with family or friends *TEMPORARILY*	
28	***0***	***Transitional Housing Subtotal***	
29		Psychiatric hospital	**INSTITUTIONAL**
30		Inpatient alcohol or other drug treatment facility	
31		Jail/Prison	
32		Medical Facility	
33	***0***	***Institutional Subtotal***	
34		Emergency Shelter	**OTHER**
35		Places not meant for human habitation (e.g. street)	
36		Unknown	
37		Other	
38	***0***	***Other Subtotal***	
39	**0**	**TOTAL # HH's that left the program**	

Annual Monitoring Report - Eviction Data - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Project Address:

This section of the AMR must be completed for all projects, except for transitional housing or residential treatment services.

Number of households who lived in the project during the reporting period:

1		Number of households who lived in the project **AT ANY TIME** during the reporting period. Be sure to include all households that moved in during the reporting period.

Number of households in the project who received Notices of Eviction during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.)
You MUST answer every question (i.e., enter zero if applicable).

2		Breach of Lease Agreement
3		Capital Improvement
4		Condo Conversion
5		Demolition
6		Denial of Access to Unit
7		Development Agreement
8		Ellis Act Withdrawal
9		Failure to Sign Lease Renewal
10		Good Samaritan Tenancy Ends
11		Habitual Late Payment of Rent
12		Illegal Use of Unit
13		Lead Remediation
14		Non-payment of Rent
15		Nuisance
16		Other
17		Owner Move In
18		Roommate Living in Same Unit
19		Substantial Rehabilitation
20		Unapproved Subtenant
21	0	**Total number of households who received Notices of Eviction**

Ethnicity and Race data for households that received Notices of Eviction during the reporting period:

enter #s below		enter #s below	
	Indigenous - American Indian/Native American		Black - African
	Indigenous from Mexico, the Caribbean, Central America or South America		Black - African American
	Other Indigenous		Black - Caribbean, Central American, South American or Mexican
	Asian - Chinese		Other Black
	Asian - Filipino		North African
	Asian - Japanese		West Asian
	Asian - Korean		Other Middle Eastern or North African
	Asian - Mongolian		Pacific Islander - Chamorro
	Asian - Central Asian		Pacific Islander - Native Hawaiian
	Asian - South Asian		Pacific Islander - Samoan
	Asian - Southeast Asian		Other Pacific Islander
	Other Asian		White - European
	Latino - Caribbean		Other White
	Latino - Central American		Not Reported
	Latino - Mexican	0	***Total** (must match Total number in E29)*
	Latino - South American		
	Other Latino		

Sexual Orientation data for households that received Notices of Eviction during the reporting period:

	Bisexual
	Gay/Lesbian/Same-Gender Loving
	Questioning/Unsure
	Straight/Heterosexual
	Not Listed
	Declined / Not Stated
0	***Total** (must match Total number in E29)*

Gender data for households that received Notices of Eviction during the reporting period:

	Female
	Male
	Genderqueer/Gender Non-Binary
	Trans Female
	Trans Male
	Not Listed
	Declined / Not Stated
0	***Total** (must match Total number in E29)*

Number of Unlawful Detainer actions filed in court by the owner against tenants in the project during the reporting period for each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.)
You MUST answer every question (i.e., enter zero if applicable).

22		Breach of Lease Agreement
23		Capital Improvement
24		Condo Conversion
25		Demolition
26		Denial of Access to Unit
27		Development Agreement
28		Ellis Act Withdrawal
29		Failure to Sign Lease Renewal
30		Good Samaritan Tenancy Ends
31		Habitual Late Payment of Rent
32		Illegal Use of Unit
33		Lead Remediation
34		Non-payment of Rent
35		Nuisance
36		Other
37		Owner Move In
38		Roommate Living in Same Unit
39		Substantial Rehabilitation
40		Unapproved Subtenant
41	0	**Total number of unlawful detainer actions filed**

Ethnicity and Race data for households for which Unlawful Detainers were filed during the reporting period:

enter #s below		enter #s below	
	Indigenous - American Indian/Native American		Black - African
	Indigenous from Mexico, the Caribbean, Central America or South America		Black - African American
	Other Indigenous		Black - Caribbean, Central American, South American or Mexican
	Asian - Chinese		Other Black
	Asian - Filipino		North African
	Asian - Japanese		West Asian
	Asian - Korean		Other Middle Eastern or North African
	Asian - Mongolian		Pacific Islander - Chamorro
	Asian - Central Asian		Pacific Islander - Native Hawaiian
	Asian - South Asian		Pacific Islander - Samoan
	Asian - Southeast Asian		Other Pacific Islander
	Other Asian		White - European
	Latino - Caribbean		Other White
	Latino - Central American		Not Reported
	Latino - Mexican	0	***Total** (must match Total number in E56)*
	Latino - South American		
	Other Latino		

Sexual Orientation data for households for which Unlawful Detainers were filed during the report period:

	Bisexual
	Gay/Lesbian/Same-Gender Loving
	Questioning/Unsure
	Straight/Heterosexual
	Not Listed
	Declined / Not Stated
0	***Total** (must match Total number in E56)*

Gender data for households for which Unlawful Detainers were filed during the report period:

	Female
	Male
	Genderqueer/Gender Non-Binary
	Trans Female
	Trans Male
	Not Listed
	Declined / Not Stated
0	***Total** (must match Total number in E56)*

Number of households Evicted from the project during the reporting period for the each of the following reasons:
(If more than one reason applies to a household, report only the primary reason.)
You MUST answer every question (i.e., enter zero if applicable).

42		Breach of Lease Agreement
43		Capital Improvement
44		Condo Conversion
45		Demolition
46		Denial of Access to Unit
47		Development Agreement
48		Ellis Act Withdrawal
49		Failure to Sign Lease Renewal
50		Good Samaritan Tenancy Ends
51		Habitual Late Payment of Rent
52		Illegal Use of Unit
53		Lead Remediation
54		Non-payment of Rent
55		Nuisance
56		Other
57		Owner Move In
58		Roommate Living in Same Unit
59		Substantial Rehabilitation
60		Unapproved Subtenant
61	0	**Total number of households evicted** (*flows to question #35 on Worksheet 1A*)

Ethnicity and Race data for households that were Evicted during the reporting period:

enter #s below		enter #s below	
	Indigenous - American Indian/Native American		Black - African
	Indigenous from Mexico, the Caribbean, Central America or South America		Black - African American
	Other Indigenous		Black - Caribbean, Central American, South American or Mexican
	Asian - Chinese		Other Black
	Asian - Filipino		North African
	Asian - Japanese		West Asian
	Asian - Korean		Other Middle Eastern or North African
	Asian - Mongolian		Pacific Islander - Chamorro
	Asian - Central Asian		Pacific Islander - Native Hawaiian
	Asian - South Asian		Pacific Islander - Samoan
	Asian - Southeast Asian		Other Pacific Islander
	Other Asian		White - European
	Latino - Caribbean		Other White
	Latino - Central American		Not Reported
	Latino - Mexican	0	**Total** *(must match Total number in E83)*
	Latino - South American		
	Other Latino		

Sexual Orientation data for households that were Evicted during the reporting period:

	Bisexual
	Gay/Lesbian/Same-Gender Loving
	Questioning/Unsure
	Straight/Heterosexual
	Not Listed
	Declined / Not Stated
0	**Total** *(must match Total number in E83)*

Gender data for households that were Evicted during the reporting period:

	Female
	Male
	Genderqueer/Gender Non-Binary
	Trans Female
	Trans Male
	Not Listed
	Declined / Not Stated
0	**Total** *(must match Total number in E83)*

	B	D	F	H	J
15	**Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development**				
16	**INCOME & EXPENSES**				
17	12 Month Report Period	Start Date:	1/0/1900	End Date:	1/0/1900
18	Number of Units--->	0			
19		Account			
20	**Description of Income Accounts**	Number	Residential	Non-Residential	Total
21					
22	**Rental Income**				
23	Housing Units - Gross Potential Tenant Rents	5120			
24	Rental Assistance Payments (identify ALL sources in row below if applicable, including LOSP funding)	5121			
25	Source/s---->				
26	Commercial Unit Rents	5140			
27	sub-total Gross Rental Income:		$0.00	$0.00	$0.00
28	**Vacancy Loss - enter amounts as negative numbers!**				vacancy rate
29	Housing Units	5220		**Must click & explain if Residential Vac Rate is > 15%**	
30	Commercial	5240			0.00%
31	sub-total Vacancies:		$0.00	$0.00	$0.00
32					
33	NET RENTAL INCOME:		$0.00	$0.00	$0.00
34					
35	**Other Income**				
36	Garage and Parking Spaces	5170			
37	Miscellaneous Rent Income	5190			
38	Supportive Services Income - Do not enter supportive services income if it is tracked in a separate budget and not appropriate per MOHCD loan terms to be included in Residual Receipts calculation.	5300			
39	Supportive Services Income Source/s- identify program source(s) if applicable -->				
40	Interest Income - Project Operations (From Operating Account Only)	5400			
41	Laundry and Vending	5910			
42	Tenant Charges	5920			
43	Other Revenue	5990			
44	sub-total Other Income Received:		$0.00	$0.00	$0.00
45					
46	TOTAL INCOME RECEIVED:		$0.00	$0.00	$0.00
47					
48	**INCOME & EXPENSES**				
49		Account			
50	**Description of Expense Accounts**	Number	Residential	Non-Residential	Total
51	**Management**				
52	Management Fee	6320			
53	"Above the Line" Asset Management Fee (amount allowable may be limited, see Asset Mgt. Fee Policy)				
54	sub-total Management Expense:		$0.00	$0.00	$0.00
55	**Salaries/Benefits**				
56	Office Salaries	6310			
57	Manager's Salary	6330			
58	Employee Benefits: Health Insurance & Disability Insurance	6723			
59	Employee Benefits: Retirement & Other Salary/Benefit Expenses				
60	Administrative Rent Free Unit	6331			
61	sub-total Salary/Benefit Expense:		$0.00	$0.00	$0.00
62	**Administration**				
63	Advertising and Marketing	6210			
64	Office Expenses	6311			
65	Office Rent	6312			
66	Legal Expense - Property	6340			
67	Audit Expense	6350			
68	Bookkeeping/Accounting Services	6351			
69	Bad Debts	6370			
70	Miscellaneous Administrative Expenses **(must click & explain if >$10k)**	6390			
71	sub-total Administrative Expense:		$0.00	$0.00	$0.00
72	**Utilities**				
73	Electricity	6450			
74	Water	6451			
75	Gas	6452			

	B	D	F	H	J
15	**Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development**				
76	Sewer	6453			
77	**sub-total Utilities Expense:**		**$0.00**	**$0.00**	**$0.00**
78	**Taxes and Licenses**				
79	Real Estate Taxes	6710			
80	Payroll taxes	6711			
81	Miscellaneous Taxes, Licenses, and Permits	6719			
82	**sub-total Taxes and License Expense:**		**$0.00**	**$0.00**	**$0.00**
83	**Insurance**				
84	Property and Liability Insurance	6720			
85	Fidelity Bond Insurance	6721			
86	Workers' Compensation	6722			
87	Directors & Officers Liabilities Insurance	6724			
88	**sub-total Insurance Expense:**		**$0.00**	**$0.00**	**$0.00**
89	**Maintenance and Repairs**				
90	**IMPORTANT NOTE RE: TREATMENT OF CAPITAL AND NON-CAPITAL MAINTENANCE REPAIR EXPENSES ELIGIBLE FOR PAYMENT BY REPLACEMENT RESERVE: If possible, exclude those from this section. If you do include those expenses here, be sure to record the amounts in rows 103 (non-capital) and 210:215 below (capital).**				
91	Payroll	6510			
92	Supplies	6515			
93	Contracts	6520			
94	Garbage and Trash Removal	6525			
95	Security Payroll/Contract	6530			
96	HVAC Repairs and Maintenance	6546			
97	Vehicle and Maintenance Equipment Operation and Repairs	6570			
98	Miscellaneous Operating and Maintenance Expenses **(must click & explain if >$10k)**	6590			
99	**sub-total Maintenance Repair Expense:**		**$0.00**	**$0.00**	**$0.00**
100	**Supportive Services:** do not enter supportive services expenses if tracked in separate budget and not eligible to be counted against project income for residual receipts calculation.	6930			
101	**SUB-TOTAL OPERATING EXPENSES:**		**$0.00**	**$0.00**	**$0.00**
102	**Capital Maintenance Repairs/Improvements eligible for payment by Replacement Reserve.** If capital costs were entered in amounts for Maintenance & Repairs section above and are eligible for payment by the Replacement Reserve, please enter details in Replacement Reserve-Eligible Expenditures below, beginning from row 207. Amounts provided in F210:215 will be linked to cell F102 and netted out from operating expenses.		$0.00		
103	**Non-Capital Maintenance Repair Expenses eligible for payment by Replacement Reserve.** Only enter amounts here if they were included in amounts entered for Maintenance & Repairs section above and will be reimbursed by Replacement Reserve. Amount will be netted out from operating expenses. Enter as positive number.				
104	**TOTAL OPERATING EXPENSES:**		**$0.00**	**$0.00**	**$0.00**
105					
106	**Ground Lease Base Rent/Bond Fees/Reserves**	Name of Lessor/ Bond Monitoring Agency/ Reserve Account			
107	Ground Lease - Base Rent (provide Lessor name to the right)				$0.00
108	Bond Monitoring Fee				$0.00
109	Replacement Reserve Required Annual Deposit (Source is Operating Account.) Enter as positive number.	1320			$0.00
110	Operating Reserve Deposits (Source is Operating Account.) Enter as positive number.	1365			$0.00
111	Operating Reserve Account Withdrawals (For deposits to Operating Account.) Enter as positive number.				$0.00
112	Other Required Reserve Account Deposits (Source is Operating Account. Enter as positive number. Identify reserve account in next col) (1330)				$0.00
113	Other Required Reserve Account Withdrawals (For deposit to Operating account. Enter as positive number. Identify account in next col ---->				$0.00
114	**Sub-total Ground Lease Base Rent/Bond Fees/Reserves**		**$0.00**	**$0.00**	**$0.00**
115					
116	**TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)**		**$0.00**	**$0.00**	**$0.00**
117		**Acct Num**	**Residential**	**Non-Residential**	**Total**
118	**1. TOTAL INCOME RECEIVED:**		**$0.00**	**$0.00**	**$0.00**
119	**2. TOTAL OPERATING EXPENSES:**		**$0.00**	**$0.00**	**$0.00**
120	**3. NET OPERATING INCOME:**		**$0.00**	**$0.00**	**$0.00**
121					
122	**4. Debt Service (Principal and Interest)**	Name of Lender / Describe Other Amt Paid	**Residential**	**Non-Residential**	**Total**
123	Lender1 - Principal Paid (provide lender name to the right)				
124	Interest Paid				
125	Other Amount (describe to the right)				
126	Lender2 - Principal Paid (provide lender name to the right)				
127	Interest Paid				
128	Other Amount (describe to the right)				
129	Lender3 - Principal Paid (provide lender name to the right)				

	B	D	F	H	J
15	**Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development**				
130	Interest Paid				
131	Other Amount (describe to the right)				
132	Lender4 - Principal Paid (provide lender name to the right)				
133	Interest Paid				
134	Other Amount (describe to the right)				
135	**Total Debt Service Payments**		**$0.00**	**$0.00**	**$0.00**
136					
137	**Surplus Cash, Detail** (NOI minus Debt Service and Reserve Activity)		**$0.00**	**$0.00**	**$0.00**
138					
139	**If amount for Surplus Cash above is negative:** **- you must provide a detailed explanation to question #8 on the Narrative worksheet** **- you must NOT supply data for any of the fields for Uses of Surplus Cash below**		Go to ws4 Narrative question #8		
140	**Surplus Cash, Total----------------------->**				**$0.00**
141	***Distribution of Surplus Cash/Residual Receipts - (Response Required.)*** *In the space below, please provide a detailed narrative summary of allowable distributions of Surplus Cash that accurately reflects the requirements under all MOHCD agreements as well as the requirements of other funders and any other agreements that govern. Please include the calcluation methodology, applicable annual increases, etc. For proposed distribution amounts entered in column J, rows 143-165, select the distribution priority for each of the uses of cash flow/suprlus cash in column H.* ***If distribution of surplus cash is not allowed under MOHCD agreements or other funder agreements, enter N/A in the box below.***				
142					
143	**USES OF SURPLUS CASH THAT ARE AUTHORIZED TO BE PAID PRIOR TO CALCULATION OF RESIDUAL RECEIPTS PAYMENTS (IF APPLICABLE)**			**Distribution Priority** (select below)	**Leave cells below blank if Surplus Cash is <= $0.**
144	**5. Operating Reserve Replenishments** (Deposits made out of surplus cash to satisfy minimum balance requirements).				
145	**6. "Below-the-line" Asset Mgt fee** (prior written authorization from City/SFRA may be required, see Asset Mgt. Fee Policy).				
146	**7a. Partnership Management fee due from this reporting period. if any** (tax credit projects only; not allowed if project is beyond 15-year compliance period).				
147	**7b. Partnership Management fee accrued but unpaid from PRIOR reporting periods, if any** (tax credit projects only; per City policy, typically must be paid out of owner distribution, entries usually not allowed here).				
148	**8a. Investor Services Fee (aka LP Asset Management Fee) due from this reporting period. if any** (tax credit projects only; per City policy, not allowed if project is beyond 15-year compliance period).				
149	**8b. Investor Services Fee (aka LP Asset Management Fee) accrued but unpaid from PRIOR reporting periods, if any** (tax credit projects only; per City policy, typically must be paid out of owner distribution, entries usually not allowed here)).				
150	**9. Deferred Developer fee, if any**				
151	**10. Other payments:** use question #1 on the Narrative (worksheet #4) to provide details about any fees or other payments, including ground lease residual rent payments for a non-MOHCD/OCII ground lease. Failure to provide details will result in disallowance of this expense. You may only include payments that were approved by MOHCD at time of funding that are also explicitly authorized by a Partnership Agreement or similar project document.	Go to ws4 Narrative question #1			
152	**11ai. Debt Pmt to other lender1: Principal Paid** (note lender name to right)				
153	**11aii. Debt Pmt to other lender1: Interest Paid**				
154	**11bi. Debt Pmt to other lender2: Principal Paid** (note lender name to right)				
155	**11bii. Debt Pmt to other lender2: Interest Paid**				
156	**Total Payments preceding Residual Receipts Calculation:**				**$0.00**
157					
158	**12. RESIDUAL RECEIPTS**				**$0.00**
159				**Distribution Priority** (select below)	**Leave cells below blank if Surplus Cash is <= $0.**
160	12a. MOHCD Residual Receipts Due for Loan Repayment				
161	12b. MOHCD Residual Receipts Due for Ground Lease Residual Rent Payment				
162	*12c. Subtotal Residual Receipts Payments to MOHCD*				***$0.00***
163	12d. Residual Receipts Debt Pmt to other lender3 (note lender name to right)				

	B	D	F	H	J
15	**Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development**				
164	12e. Residual Receipts Debt Pmt to other lender4 (note lender name to right)				
165	12f. Residual Receipts Debt Pmt to other lender5 (note lender name to right)				
166	**Total Residual Recipts Payments:**				**$0.00**
167					
168	***DO NOT SUBMIT YOUR PROPOSED RESIDUAL RECEIPT PAYMENT TO MOHCD WITH THIS AMR. MOHCD WILL REVIEW YOUR PROPOSED PAYMENT AND GENERATE AN INVOICE IF THE CALCULATION CAN BE VERIFIED AS APPROPRIATE; IF THE CALCULATION CANNOT BE VERIFIED, MOHCD WILL CONTACT YOU.***				
169	**Remaining Balance**				**$0.00**
170					
171	**Proposed Owner Distributions** (provide description in column D and enter amount in column J. If an amount is entered, a description is required.)				
172	**Proposed Other Distributions/Uses** (provide description in column D and enter amount in column J. If an amount is entered, a description is required. If you had a Calendar Year LOSP surplus, please acknowledge that and note exact amount.)				
173					
174	**Final Balance: should be ZERO except when Surplus Cash (cell J140) is negative**				**$0.00**
175					
176	**RESERVE ACCOUNT DETAILS**				
177					
178	**OPERATING RESERVE** *(Do not leave blanks for any questions asking for a number, enter zero instead.)*				
179	**Minimum Required Balance:**				
180	**Beginning Balance:**				
181	**Actual Annual Deposit from Operating Budget in Current Reporting Period** (not editable, data entered in cash flow above, account number 1365):	*$0.00*			
182	**Additional Deposit** (use ONLY to record deposits form the Op Budget attributable to a prior reporting period, or deposits made from an external source)				
183	**Interest Earned:**				
184	**Annual Withdrawal Amount** (enter as negative number):				
185	**Ending Balance** (don't edit cell -- calculated):	$0.00			
186	**Required Annual Deposit:**				
187	**Total Operating Expenses plus debt service** (don't edit cell -- calculated)	*$0.00*			
188	If the calculated percentage shown to the right (Op Reserve Account Ending Balance divided by Total Op Expenses) is less than 23.5%, you must describe how the project will remedy the shortfall in the adjacent cell. If the calculated percentage shown to the right is greater than 26.5%, you must explain why the Op Reserve balance exceeds MOHCD's requirement in the adjacent cell.	*0.000%*			
189					
190	**REPLACEMENT RESERVE** (Do not leave blanks for any questions asking for a number, enter zero instead.)				
191	**Minimum Required Balance:**				
192	**Beginning Balance**:				
193	**Actual Annual Deposit:**				
194	**Interest Earned:**				
195	**Annual Withdrawal Amount** (enter as negative number):				
196	**Ending Balance** (don't edit cell -- calculated):	$0.00			
197	**Required Annual Deposit** (do not edit - taken from page 1 account number 1320):	*$0.00*			
198	**Describe how the amount of annual deposit and the minimum required balance is determined**.				
199					
200	**CHANGES TO REAL ESTATE ASSETS**				
201	Enter Beginning and Ending Balances in each of the categories listed below. Changes in asset categories will auto calculate.		**Balance, 1/00/1900**	**Changes**	**Balance, 1/00/1900**
202	Building & Improvements			$0.00	
203	Offsite Improvements			$0.00	
204	Site Improvements			$0.00	
205	Land Improvements			$0.00	
206	Furniture, Fixtures & Equipment			$0.00	
207	Other			$0.00	
208	**Replacement Reserve-Eligible Expenditures:** Provide details below about the Capital and non-Capital Expenditures that are Replacement Reserve-eligible.				

	B	D	F	H	J
15	**Annual Monitoring Report - Fiscal Activity - Reporting Year 2020 - Mayor's Office of Housing & Community Development**				
209	**Capital Repairs and Improvements:** Enter capital repairs and improvement costs associated with the reporting year. For each category in rows 201-207 above that shows a positive change, an entry is requred in each corresponding cateogry in rows 212-217. If the operating account is used initially to fund the repair, and is later reimbursed by the replacement reserve during the reporting year, show the repair cost under "Replacement Reserve". If the operating acount is used to fund the repair and was not reimbursed by the replacement reserve during the reporting year, show the repair cost under "Operating Account." Use the section below to supply a description of the capital repairs and improvements made.				
210		**Capital Repairs and Improvements Funded By:**			
211	Capital Repairs and Improvements - Categories	Replacement Reserve	Operating Account	Other Source	**Total Amount**
212	Building & Improvements				$0.00
213	Offsite Improvements				$0.00
214	Site Improvements				$0.00
215	Land Improvements				$0.00
216	Furniture, Fixtures & Equipment				$0.00
217	Other				$0.00
218	**Total**	**$0.00**	**$0.00**	**$0.00**	**$0.00**
219	Description of Capital Repairs and Improvements				
220					
221	**Non-Capital Replacement Reserve Eligible Expenditures (i.e., labor costs):** Enter the amounts used to fund non-capital replacement reserve eligiblie expenditures. Use section below to supply explanations.				
222	Source				Amount
223	Paid out of Operating Budget, to be reimbursed by RR (shows the amount entered in row 103 above)				*$0.00*
224	Paid Directly from Replacement Reserve				
225	Other Source				
226	Explanation of Non-Capital Replacement Reserve Eligible Expenditures			**Total**	**$0.00**
227					
228	**TOTAL REPLACEMENT RESERVE ELIGIBLE EXPENDITURES:** the Replacement Reserve Withdrawal for the reporting period should not exceed the Total RR-eligible Expenditures. You must provide more details above or an explanation below if the RR withdrawal amount exceeds the Total RR-Eligible Expenditures.	**RR Withdrawal Amount-->**	***$0.00***	**Total RR-Eligible Expenditures--->**	**$0.00**
229	Notes About RR Withdrawal Amount in excess of Total RR-eligible Expenditures:				
230					
231					
232	**FEDERAL PROGRAM INCOME REPORT**				
233	**This section must be completed if the project received any CDBG funding, even if the amount of CDBG program income during the reporting period was zero. For**				
234	**more information, use the following link or copy this web address for manual navigation:**				
235	http://www.sf-moh.org/Modules/ShowDocument.aspx?documentid=5141				
236	**Overview of Federal (HOME and CDBG) Program Income**				
237					
238	**CDBG PROGRAM INCOME**				
239	Proposed amounts to be used to fund eligible CDBG activities as described in the Federal CDBG Program Regulations at 24 CFR 570.201-206 and consistent with the City's 2020-2024 Consolidated Plan, 2020-2021 Action Plans as follows:	AMOUNT	DESCRIPTION		
240	Amount to be used for CDBG eligible activity#1 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
241	Amount to be used for CDBG eligible activity#2 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
242	Amount to be used for CDBG eligible activity#3 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
243	Amount to be deposited for use on future eligible CDBG activities that will be undertaken by June 30, 2019 (provide amount in cell to the right, and activity description and regulation citation in column furthest to the right):				
244	Other (provide amount in cell to the right, plus activity description and regulation citation in column furthest to the right):				
245	**Total CDBG Program Income Calculation**(see instructions for guidance on how to calculate)				
246	***To ensure the eligible use of CDBG Program Income, the recipient of federal CDBG funding hereby requests approval by the Mayor's Office of Housing and Community Development for the use of CDBG program income received during the 2020 reporting period as depicted above.***				

Annual Monitoring Report - Occupancy & Rent Info - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Project Address: | **Data supplied on this worksheet must be from the rent roll of the last month of the reporting period that was entered on worksheet 1A.** | **1/0/1900** | **# Units:** | **0**

- Provide the data requested for the tenant population that was residing in the project at the end of the Reporting Period.
- NEW: for each VACANT unit, in column D, enter the unit number, follow by "- Vac". For example, if Unit 201 was vacant, in column D, enter "201 - Vac."
- Identify manager's unit with the unit number, follow by "- Mgr". For example, if the manager occupies Unit 501, in column D, enter "501 - Mgr."
- For vacant units and manager's units, provide data in columns **D, E, F, Q and R** only.
- For occupied units, provide data in columns D-L, Q-R, T-V. Data may also be required in Cols O, S, X & Y, enter data if any of the cells in those columns are unshaded in the row.
- For tenants who moved in during the reporting period, the data entered in columns G, H & I (at initial occupancy) is likely to be the same as the data entered in columns J, K & L (within reporting period), respectively.
- For tenants who have transferred units within the project, report the initial occupancy data (occupancy date, income, household size) for the first unit that the tenant occupied in the project, i.e. when they first moved in to the building.
- Before using the "paste" function to enter data for Unit Type, Is the Unit Accessibe and Rental Assistance Type, please check the drop-down-menus to ensure that the data you are pasting conforms with the choices of the drop-down menu. This will help prevent you from submitting forms with invalid data. Any forms with invalid data will be returned with instructions to fix and resubmit.

C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
Row Num	Unit No.	Unit Type (Bed / SRO / Studio / 1BR / 2BR / 3BR / 4BR / 5+BR). Use drop-down menu choices ONLY!	Is the Unit Fully Accessible or Adaptable? Use drop-down menu choices ONLY!	Date of INITIAL OCCUPANCY (m/d/yyyy)	Household Annual Income AT INITIAL OCCUPANCY	Household Size AT INITIAL OCCUPANCY (number)	Date Of Most Recent Income Recertification **DURING OR PRIOR TO REPORTING PERIOD** (m/d/yyyy)	Household Annual Income as of Most Recent Recertification **DURING OR PRIOR TO REPORTING PERIOD**	Household Size (number) as of Most Recent Recertification **DURING OR PRIOR TO REPORTING PERIOD**	Min Occupancy for Unit Type (per data entered on worksheet 1A)	Max Occupancy for Unit Type (per data entered on worksheet 1A)	Is the Household Overhoused or Overcrowded?	Overhoused / Overcrowded – Narrative. (Explanation required for each row where indicator is displayed in Column N and Col O cell shows no highlighting. Describe any extenuating circumstances that justify the Overhoused/Overcrowded status; summarize efforts made to transfer HH to unit of appropriate size.)	Is this Unit a HOPWA set-aside unit? (yes/no)	Rental Assistance Type (select "none" if none) Use drop-down menu choices ONLY!	Amount of Rental Assistance	Amount of Maximum Gross Rent Allowed for Unit (enter $0 if n/a)	Amount Tenant Paid Rent for Unit	Utility Allowance **(Enter $0 if all utilities. are included.)**	HH Rent Burden (tenant paid rent plus utility allowance x 12 / hh income): typically between 30-50%; should never exceed 100%.	Date Of Most Recent Rent Increase **WITHIN THE REPORTING PERIOD** (m/d/yyyy) (supply only if the Rental Assistance Type = "none")	Amount of Most Recent Rent Increase **WITHIN THE REPORTING PERIOD** (supply only if the Rental Assistance Type = "none")	%age of Rent Increase (calculated, do not enter; Utility Allowance is factored into this calculation)
1																							
2																							
3																							
4																							
5																							
6																							
7																							
8																							
9																							
10																							
11																							
12																							
13																							
14																							
15																							
16																							
17																							
18																							
19																							
20																							
21																							
22																							
23																							
24																							
25																							
26																							
27																							
28																							
29																							
30																							
31																							
32																							
33																							
34																							
35																							
36																							
37																							
38																							
39																							
40																							
41																							
42																							
43																							
44																							
45																							
46																							
47																							
48																							
49																							
50																							
51																							

Annual Monitoring Report - Demographic Information - Reporting Year 2020 -

Mayor's Office of Housing & Community Development

Project Address:		**1/0/1900**	**# Units:**	**0**

- Provide the data requested below for the tenant population that was residing in the project ***at the end of the Reporting Period*** .
- Select one Gender and one Sexual Orientation category for the head of household.
- Indicate whether or not any one member of the household is 62 years of age or older.
- Enter the number of children under the age of 18 for whom the unit is their primary place of residence.
- If one or more members of the household is/are disabled, indicate the nature of the primary disability of one of those members.
- If unknown, manager's or vacant unit, select "Question Not Asked".
- See the Instructions worksheet for a link to additional info about the City ordinance that requires collection of this data beginning in 2017.

C	D	E	F	G	H	I	J	K	L
Row Num	Unit No.	Unit Type (Bed / SRO / Studio / 1BR / 2BR / 3BR / 4BR / 5+BR)	Household Size (number) as of Most Recent Recertification **DURING OR PRIOR TO REPORTING PERIOD**	Date of INITIAL OCCUPANCY	Gender (select from drop down menu) **for Occupancies AFTER 6/30/2017**	Sexual Orientation (select from drop down menu) **for Occupancies AFTER 6/30/2017**	Elderly Household member? (yes/no)	Number of Children under Age 18 in HH	Disability (anyone in the Household, select one)
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									

Annual Monitoring Report - Summary of Reported Household Demographics - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Project Address:	Last Day of Reporting Period	1/0/1900	# Units:	0

Household Size

	# Reported Households	% of Total
One Person Household	0	
Two Person Household	0	
Three Person Household	0	
Four Person Household	0	
Five Person Household	0	
Six Person Household	0	
Seven or more Person Household	0	
TOTAL Households*	**0**	
TOTAL Residents	0	

*Excludes 0 unit(s) reported as manager's or vacant unit(s).

Other Household Demographics

	# Reported
Elderly Households	0
Households with Children Under 18	0
Number of Children Under 18	0
Households with Tenant with Physical Disability	0
Households with Tenant with Visual Disability	0
Households with Tenant with Hearing Disability	0
Households with Tenant with Mental/Devt Disability	0
Households with Tenant with Other Disability	0
Households with Tenant with More than One Disability	0
Households with Tenant with No Disability	0

Gender

Gender	# Reported Head of HH	% of Total
Female	0	
Male	0	
Genderqueer/Gender Non-binary	0	
Trans Female	0	
Trans Male	0	
Not listed	0	
Declined/Not Stated	0	
Question Not Asked	0	
Total Head of Households	**0**	

Sexual Orientation

Sexual Orientation	# Reported Head of HH	% of Total
Bisexual	0	
Gay /Lesbian/Same-Gender Loving	0	
Questioning /Unsure	0	
Straight/Heterosexual	0	
Not listed	0	
Decline to Answer	0	
Not Stated	0	
Question Not Asked	0	
Total Head of Households	**0**	

Target and Actual Population Served

Target Population		***Actual Population***	
0	*Families*	**0**	*Families*
0	*Persons with HIV/AIDS*	**0**	*Persons with HIV/AIDS*
0	*Housing for Homeless*	**0**	*Housing for Homeless*
0	*Mentally or Physically Disabled*	**0**	*Mentally or Physically Disabled*
0	*Senior Housing*	**0**	*Senior Housing*
0	*Substance Abuse*	**0**	*Substance Abuse*
0	*Domestic Violence Survivor*	**0**	*Domestic Violence Survivor*
0	*Veterans*	**0**	*Veterans*
0	*Formerly Incarcerated*	**0**	*Formerly Incarcerated*
0	*Transition-Aged Youth ("TAY")*	**0**	*Transition-Aged Youth ("TAY")*

Annual Monitoring Report - Narrative - Reporting Year 2020 -
Mayor's Office of Housing & Community Development

Project Street Address:
Reporting Period - Start Date: 1/0/1900
Reporting Period - End Date: 1/0/1900

MOHCD created the questions below to allow project owners to supply additional information about a small number of measurements that may indicate that a project is having difficulties. By providing this information, project owners will help provide context for the conclusions that can be made about the measurements. MOHCD will use the measurements and the information below to prioritize the projects that need closer scrutiny and support. Please supply as much information as is readily available.

1. Explanations & Comments

Use this space to record notes about any peculiarities in the data entry process. For example, if you entered a formula instead of a single number for a field, make a note here re: for which question on which worksheet that was done, and describe the formula & underlying numbers. Also use this field to describe in detail any amounts entered for "Other payments" on the worksheet "2.Fiscal," item 10.

2. Code Violations

Provide the following for any violations or citations of Health or Building or Housing Codes that were issued during the reporting period, or were issued in a prior reporting period but remained open during any time of the current reporting period:

Violation or Citation #	Date Issued	Issued By	Description	Cleared? (y/n)

(add additional rows as needed)

**** ONLY FOR ALL VIOLATIONS THAT WERE NOT RESOLVED by the end of the reporting period: You must also attach a SCANNED copy of each Violation/Citation to your AMR submittal. ****

Violation or Citation #	Date Cleared	Issued By	Description of Remedy

(add additional rows as needed)

**** ONLY FOR ALL VIOLATIONS THAT WERE NOT RESOLVED by the end of the reporting period: You must also attach a SCANNED copy of each Violation/Citation to your AMR submittal. ****

3. Major Repairs

Describe any major repair or replacement needs that have been identified as being required within the next 2 years, and any related plans to pay for whatever is needed.

4. Vacant Unit Rent-Up Time

If the project had an average VACANT UNIT RENT-UP TIME greater than 30 days for question 36 on the worksheet "1A.Prop&Residents," you must supply the following:

a. A description of the work done to analyze the cause/s of the high turnaround time, and what the identified causes are; and

b. A description of the work done to identify means of reducing the turnaround time, and all viable remedies that have been identified; and

c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

5. Affirmative Marketing

Did you conduct any marketing of the project during the reporting period? If yes, please describe the marketing that was conducted, including

a. when the marketing was conducted and how it was intended to reach populations least likely to apply for the project;

b. any advertising, direct mailings, emailings and web postings that were done; and

c. how many households were on the waiting list prior to the marketing and how many were on it after the marketing was completed.

6. Vacancy Rate ------>

If the project had a VACANCY RATE greater than 15%, as may be shown above from the Income Expense section of the worksheet "2.Fiscal," you must supply the following:

a. A description of the work done to analyze the cause/s of the vacancy rate, and what the identified causes are; and

b. A description of the work done to identify means of reducing the vacancy rate, and all viable remedies that have been identified; and

c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

7. Miscellaneous Expenses: Administrative/Operating & Maintenance

If the project had miscellaneous administrative or miscellaneous operating & maintenance expenses greater than $10,000 respectively, you must provide a detailed itemization of these individual expenses below. Total expenses must equal the total amount reported on the worksheet "2.Fiscal."

Misc. Admin Expenses

Expense Description	**Amount**	**HUD Acct #**	**Notes**
Total:	0.00		
Diff. from Fiscal Activity WS:			

Misc. Operating & Maintenance Expenses

Expense Description	**Amount**	**HUD Acct #**	**Notes**
Total:	0.00		
Diff. from Fiscal Activity WS:			

8. Negative Cash Flow

If the project had NEGATIVE CASH FLOW, as may be shown above from the Income Expense section of worksheet "2.Fiscal," you must supply the following:

a. A description of the work done to analyze the cause/s of the shortfall, and what the identified causes are; and

b. A description of the work done to identify remedies for the shortfall, and all viable remedies that have been identified; and

c. A description of the plan to implement any remedies, including specific timelines for the implementation work.

d. If the project has a Project-Based Section 8 Housing Assistance Payments (HAP) contract, please also supply the date of the last increase to the HAP contract, the date when the project will submit the next HAP contract rent increase, and any related comments about whether the project has been diligent in seeking annual increases to the HAP contract.

Annual Monitoring Report - Project Financing - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Provide information about all current financing of the project. Lenders should be listed in lien order, i.e., with the most-senior lender in the first lien position, the most-junior lender in last lien position.

Project Address:

Current Project Financing

Lien Order	**Lender** (and Loan Program if applicable)	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Monthly Debt Service Payment	Outstanding Principal Balance As Of End of Reporting Period	Accrued Interest As Of End of Prior Reporting Period
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Annual Monitoring Report - Services Funding - Reporting Year 2020 - Mayor's Office of Housing & Community Development

Completion of this page is required based on your answers to questions 51 thru 61 on worksheet 1A.Prop&Residents. Supply one row of data for each service that is being provided. (If more than one service is being provided by the same Provider under the same grant, please repeat the data for each service provided.)

Project Address:

Current Services Funding

Service Type	Service Provider Name	Street Address where Service is Provided	Name of Funder of this Service	Grant Amount	Grant Start Date	Grant End Date

Project Street Address:

Schedule of Operating Revenues
For the Year Ended January 0, 1900

		Total
	Rental Income	
5120	Gross Potential Tenant Rents	$0
5121	Rental Assistance Payments (inc. LOSP)	$0
5140	Commercial Unit Rents	$0
	Total Rent Revenue:	**$0**
	Vacancies	
5220	Apartments	$0
5240	Stores & Commercial	$0
	Total Vacancies:	**$0**
	Net Rental Income: (Rent Revenue Less Vacancies)	**$0**
	Other Revenue	
5170	Rent Revenue - Garage & Parking	$0
5190	Misc. Rent Revenue	$0
5300	Supportive Services Income	$0
5400	Interest Revenue - Project Operations (From Operating Acct Only)	$0
5400	Interest Revenue - Project Operations (From All Other Accts)	
5910	Laundry & Vending Revenue	$0
5920	Tenant Charges	$0
5990	Misc. Revenue	$0
	Total Other Revenue:	**$0**
	Total Operating Revenue:	**$0**

Project Street Address:

Schedule of Operating Expenses
For the Year Ended January 0, 1900

		Total
	Management	
6320	Management Fee	$0
	"Above the Line" Asset Management Fee	$0
	Total Management Expenses:	$0
	Salaries/Benefits	
6310	Office Salaries	$0
6330	Manager's Salary	$0
6723	Employee Benefits: Health Insurance & Disability Insurance	$0
	Employee Benefits: Retirement & Other Salary/Benefit Expenses	$0

6331	Administrative Rent Free Unit	$0
	Total Salary/Benefit Expenses:	$0
	Administration	
6210	Advertising and Marketing	$0
6311	Office Expenses	$0
6312	Office Rent	$0
6340	Legal Expense - Property	$0
6350	Audit Expense	$0
6351	Bookkeeping/Accounting Services	$0
6370	Bad Debts	$0
6390	Miscellaneous Administrative Expenses	$0
	Total Administrative Expenses:	$0
	Utilities	
6450	Electricity	$0
6451	Water	$0
6452	Gas	$0
6453	Sewer	$0
	Total Utilities Expenses:	$0
	Taxes and Licenses	
6710	Real Estate Taxes	$0
6711	Payroll taxes	$0
6790	Miscellaneous Taxes, Licenses, and Permits	$0
	Total Taxes and Licenses Expenses:	$0
	Insurance	
6720	Property and Liability Insurance	$0
6721	Fidelity Bond Insurance	$0
6722	Workers' Compensation	$0
6724	Directors & Officers Liabilities Insurance	$0
	Total Insurance Expenses:	$0

Project Street Address:

Schedule of Operating Expenses
For the Year Ended January 0, 1900

	Maintenance and Repairs	**Total**
6510	Payroll	$0
6515	Supplies	$0
6520	Contracts	$0
6525	Garbage and Trash Removal	$0
6530	Security Payroll/Contract	$0
6546	HVAC Repairs and Maintenance	$0
6570	Vehicle and Maintenance Equipment Operation and Repairs	$0
6590	Miscellaneous Operating and Maintenance Expenses	$0
	Total Maintenance and Repairs Expenses:	$0

6900	Supportive Services	$0
	Capital and Non-Capital Expenditures to be Reimbursed from Replacement Reserve	$0
	Total Operating Expenses:	**$0**

Financial Expenses

Enter amounts in yellow highlighted cells. Leave no cells blank. Enter "0" if applicable.

6820	Interest on Mortgage (or Bonds) Payable	
6825	Interest on Other Mortgages	
6830	Interest on Notes Payable (Long Term)	
6840	Interest on Notes Payable (Short Term)	
6850	Mortgage Insurance Premium/Service Charge	
6890	Miscellaneous Financial Expenses	
	Total Financial Expenses:	$0
6000	**Total Cost of Operations before Depreciation:**	**$0**
5060	**Operating Profit (Loss):**	**$0**

Depreciation & Amortization Expenses

Enter amounts in yellow highlighted cells. Leave no cells blank. Enter "0" if applicable.

6600	Depreciation Expense	
6610	Amortization Expense	
	Operating Profit (Loss) after Depreciation & Amortization:	**$0**

Net Entity Expenses

the right.

7190		
7190		
7190		
7190		
7190		
7190		
7190		
7190		
7190		
7190		
	Total Net Entity Expenses:	**$0**

3250	**Change in Total Net Assets from Operations (Net Loss)**	**$0**

Amount computed in cell E139 should match audited financial statement.

Project Street Address:

Computation of Operating Cash Flow/Surplus Cash
For the Year Ended January 0, 1900

		Total
Operating Revenue		$0
Interest earned on restricted accounts		$0
	Adjusted Operating Revenue	$0
Operating Expenses		$0
Net Operating Income		$0
Other Activity		
Ground Lease Base Rent		$0
Bond Monitoring Fee		$0
Mandatory Debt Service - Principal		$0
Mandatory Debt Service - Interest		$0
Mandatory Debt Service - Other Amount		$0
Deposits to Replacement Reserve Account		$0
Deposits to Operating Reserve Account		$0
Deposits to Other Restricted Accounts per Regulatory Agreement		$0
Withdrawals from Operating Reserve Account		$0
Withdrawals from Other Required Reserve Account		$0
	Total Other Activity:	$0
Allocation of Non-Residential Surplus (LOSP only)		
	Operating Cash Flow/Surplus Cash:	**$0**

Distribution of Surplus Cash Ahead of Residual Receipts Payments

Select the Distribution Priority number from Worksheet 2. Fiscal Activity for payments to be paid ***ahead*** *of residual receipts payments.*

	Total
Total Cash Available for Residual Receipts Distribution:	**$0**

Distribution of Residual Receipts

Select the Distribution Priority number from Worksheet 2. Fiscal Activity for payments to be paid with remaining residual receipts.

		Total
	Total Residual Receipts Distributions to Lenders:	$0
	Proposed Owner Distribution	$0
	Proposed Other Distribution/Uses	$0
	Total Residual Receipts Distributions to Lenders and Owners:	**$0**

Project Street Address:

Summary of Replacement Reserve and Operating Reserve Activity
For the Year Ended January 0, 1900

	Replacement Reserve	Operating Reserve
Balance, January 0, 1900	$0	$0
Actual Annual Deposit	$0	$0
Interest Earned	$0	$0
Withdrawals	$0	$0
Balance, January 0, 1900	$0	$0

Annual Monitoring Report - Completeness Tracker - Reporting Year 2020 - Mayor's Office of Housing & Community Development

This checklist is a tool to help you track progress toward completion. NOTE: Do not submit the AMR until all items are "COMPLETED."

Reporting Start Date: *1/0/00*
Reporting End Date: *1/0/00*

Project Address:

Submission Instructions:
Once all worksheets below are "COMPLETED", email the AMR, completed Owner Compliance Certification, along with the attachments required under the Insurance and Tax Certification per page 3 of the Owner Certification, waitlist, and audited financial statements to: moh.amr@sfgov.org.

The waiting list must include the following information for each person or household who has applied to live at the project and is still waiting to be considered for an available unit: name of head-of-household, contact information, date of application, number of people in the household, stated household income and desired unit size. Prior to submittal, the waiting list must be redacted to exclude any private information that should not be shared publicly, for example, Social Security numbers, ID numbers from other forms of identification, information related to disabilities or other health conditions. Please confer with legal counsel and let MOHCD know if you have any questions prior to submitting a copy of the project's waitlist.This requirement is not applicable to transitional housing projects, residential treatment programs, shelters, group homes or permanent supportive housing for homeless people that is leased through a closed referral system.

Worksheet 1A. Property & Residents		**INCOMPLETE**
	Questions 1 thru 4	incomplete
	Questions 5 thru 24	incomplete
	Questions 25 thru 39	incomplete
	Questions 40 thru 46	incomplete
	Questions 51 thru 57	incomplete
Worksheet 1B. Transitional Programs		**To Be Determined**
	Questions 1 thru 11	To Be Determined
	Questions 12 thru 18	To Be Determined
	Questions 19 thru 39	To Be Determined
Worksheet 1C. Eviction Data		**To Be Determined**
	Question 1	To Be Determined
	Questions 2 thru 21	To Be Determined
	Questions 22 thru 41	To Be Determined
	Questions 42 thru 61	To Be Determined
Worksheet 2. Fiscal Activity		**INCOMPLETE**
	Rental Income - Housing Unit GPTR	incomplete
	Vacancy Loss - Housing Units	incomplete
	Operating Expenses	incomplete
	Surplus Cash/Residual Receipts (Rows 140 - 174)	incomplete
	Operating Reserve (Rows 177 - 187)	incomplete
	Replacement Reserve (Rows 189 - 197)	incomplete
	Changes to Real Estate Assets (Rows 202 - 207)	incomplete
	Replacement Reserve Eligible Expenditures (Rows 210 - 229)	incomplete
	Program Income (Rows 240 - 245)	OK
Worksheet 3A. Occupancy & Rent Info		**INCOMPLETE**
	Does number of units entered on Worksheet 3A match total units entered on Worksheet 1A or the total households that can be served in Worksheet 1B?	To Be Determined
	For each row for which a Unit Number is supplied, was data entered in all of the required cells?	To Be Determined
	Narrative Provided for All rows indicating Overhoused or Overcrowded?	To Be Determined
Worksheet 3B. Demographic Information		**To Be Determined**
	Is Gender and Sexual Orientation/Identity selected for each household?	To Be Determined
Worksheet 4. Narrative		**To Be Determined**
	2	To Be Determined
	3	To Be Determined
	4	To Be Determined
	5	To Be Determined
	6	To Be Determined
	7	To Be Determined
	8	To Be Determined
Worksheet 5. Project Financing		**INCOMPLETE**
Worksheet 6. Services Funding		**To Be Determined**

EXHIBIT H

Tenant Selection Plan Policy

This policy is in addition to the obligations to comply with applicable federal, state and local civil rights laws, including laws pertaining to reasonable accommodation and limited English proficiency (LEP),[1] **and the applicable provision of the Violence Against Women Act, Pub. Law 109-62 (January 5, 2006), as amended.**

Application Process

- **Application Materials**. MOHCD will provide an application to be used prior to the housing lottery. The housing provider agrees to use this application to determine lottery eligibility. The housing provider's written and/or electronic application materials should:
  - outline the screening criteria that the housing provider will use;
  - be in compliance with San Francisco Police Code Article 49 or the Fair Chance Ordinance,
  - outline how an applicant may request a modification of the admission process and/or a change in admission policies or practices as a reasonable accommodation;
  - be written in language that is clear and readily understandable,

  .
- **First Interview**. In accordance with the housing provider policies, an initial interview is required to assess each applicant's minimum eligibility requirements for housing units. All applicants will be offered the opportunity for an interview in lottery rank order.
- **Second Interview**. Before issuing a denial, the housing provider should consider offering a second interview to resolve issues and inconsistencies, gather additional information, and assist as much as possible with a determination to admit the applicant.
- **Confidentiality**. All information provided will be kept confidential and be used only by the housing provider, the referring agency and the funding agency for the purpose of assisting and evaluating the applicant in the admission process. All applicant information will be retained for 12 months after the final applicant interview.
- **Delays in the Process**. If delays have occurred or are likely to occur in the application and screening process or the process exceeds the housing provider's normal timeline for application and screening, the housing provider will immediately inform the referring agency and the funding agency, of the status of the application, the reason for the delay and the anticipated time it will take to complete the application process.

---

[1]*See for e.g.*, Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), 42 U.S.C. §§ 3601, et seq.; 24 C.F.R. Part 100; Title VI of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000d-2000d-7; Executive Order 13,166, Improving Access to Services for Persons with Limited English Proficiency (August 11, 2000); Department of Housing and Urban Development Limited English Proficiency Guidance, 72 Fed. Reg. 2732 (Jan. 22, 2007); Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794; 24 C.F.R. Parts 8 and 9; Title II of the Americans with Disabilities Act of 1990, as amended; California Fair Employment and Housing Act, Gov't Code §§ **12,955-12,956.2; Unruh Civil Rights Act, Civil Code § 51; California Disabled Persons Act, Civil Code § 51.4;** Dymally-Alatorre Bilingual Services Act, Gov't Code **§7290-7299.8; San Francisco Language Access Ordinance, No. 202-09 (April 14, 2009)**

- **Problems with the Referring Agency**. If at any point the housing provider has difficulty reaching or getting a response from the applicant and referring agency, the housing provider will immediately contact the referring agency, if possible, and the funding agency, DPH or HSA.
- **Limited English Proficiency Policy.** Throughout the application process, the housing provider will comply with City policy for language access requirements for applicants with limited English proficiency.

Reasonable Accommodation and Modification Policy

Reasonable Accommodation: The application process should provide information about how an applicant may make a reasonable accommodation request. At any stage in the admission process, an applicant may request a reasonable accommodation, if the applicant has a disability and as a result of the disability needs a modification of the provider's rules, policies or practices, including a change in the way that the housing provider communicates with or provides information to the applicant that would give the applicant an equal chance to be selected by the housing provider to live in the unit.

Reasonable Modification: Applicant may request a reasonable modification if he or she has a disability and as a result of the disability needs:

- a physical change to the room or housing unit that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site;
- a physical change in some other part of the housing site that would give the applicant an equal chance to live at the development and use the housing facilities or take part in programs on site.

Response to Request: The housing provider will respond to a request for reasonable accommodation or modification within ten (10) business days. The response may be to grant, deny, or modify the request, or seek additional information in writing or by a meeting with the applicant. The housing provider will work with the applicant and referring agency to determine if there are ways to accommodate the applicant.

The housing provider will grant the request if the provider determines that:

- the applicant has a disability;
- reasonable accommodation or modification is necessary because of the disability; and
- the request is reasonable (i.e., does not impose an undue financial or administrative burden or fundamentally alter the nature of the housing program.)

If the reasonable accommodation request is denied, the rejection will explain the reasons in writing. If the denial of the reasonable accommodation request results in the applicant being denied admission to the unit, the provisions of the section on Notice of Denial and Appeal Process apply.

Notice of Denial and Appeal Process

- The housing provider will:
  - Hold a comparable unit for the household during the entire appeal process.
  - promptly send a written and electronic notice (to the addresses provided) to each applicant denied admission with a written and/or electronic copy to the referring agency and the funding agency. The notice should:
    - list all the reasons for the rejection, including the particular conviction or convictions that led to the decision in cases where past criminal offenses were a reason for rejection;
    - explain how the applicant can request an in person appeal to contest the decision;
    - state that an applicant with a disability is entitled to request a reasonable accommodation to participate in the appeal;
    - inform the applicant that he or she is entitled to bring an advocate or attorney to the in person appeal;
    - provide referral information for local legal services and housing rights organizations;
    - describe the evidence that the applicant can present at the appeal;
  - give applicants denied admission a date within which to file the appeal, which will be at least ten (10) business days from the date of the notice;
  - unless an extension is agreed to by the applicant and the housing provider, hold the appeal within ten (10) business days of the request for the appeal;
  - confine the subject of the appeal to the reason for denial listed in the notice;
  - give the applicant a chance to present documents and/or witnesses showing that he or she will be a suitable tenant;
  - have an impartial supervisor or manager from the housing provider, but who is not the person who made the initial decision or a subordinate of the person who made the initial decision, conduct the appeal;
  - within 5 business days of the in person appeal, provide the applicant with a written decision that states the reason for the decision and the evidence relied upon. A copy of the written decision will be sent (electronically or otherwise) to the referring agency and the funding agency.

- If the rejection is based on a criminal background check obtained from a tenant screening agency, the Fair Chance Ordinance imposes additional notice requirements.

EXHIBIT I

Tenant Screening Criteria Policy

The screening criteria and considerations outlined below encourage providers to “screen in” rather than “screen out” applicants. These requirements are also designed to satisfy the requirements of San Francisco Police Code Article 49, Sections 4901-4920 or the Fair Chance Ordinance. This policy describes a minimum level of leniency; providers are encouraged to adopt less restrictive policies and processes whenever appropriate. For example, providers may opt not to review or consider applicant criminal records at all.

Screening Criteria

- Housing providers will not automatically bar applicants who have a criminal record[2] in recognition of the fact that past offenses do not necessarily predict future behavior, and many applicants with a criminal record are unlikely to re-offend.
- Housing providers will not consider:
    - arrests that did not result in convictions, except for an open arrest warrant;
    - convictions that have been expunged or dismissed under Cal. Penal Code § 1203.4 or 1203.4a;[3]
    - juvenile adjudications.
- Housing providers will consider:
    - the individual circumstances of each applicant; and
    - the relationship between the offense, and
        - (1) the safety and security of other tenants, staff and/or the property; and
        - (2) mitigating circumstances such as those listed below.
    - only those offenses that occurred in the prior 7 years, except in exceptional situations, which will be documented and justified, such as where the housing provider staff is aware that the applicant engaged in violent criminal activity against staff, residents or community members and/or that the applicant intentionally submitted an application with materially false information regarding criminal activity.
    - mitigating factors, including, but not limited to:
        - (1) the seriousness of the offense;
        - (2) the age and/or circumstances of the applicant at the time of the offense;
        - (3) evidence of rehabilitation, such as employment, participation in a job training program, continuing education, participation in a drug or alcohol treatment program, or letters of support from a parole or probation officer, employer, teacher, social worker, medical professional, or community leader;

[2] The policy recognizes that some housing may be subject to mandatory laws that require the exclusion of an applicant based upon certain types of criminal activity.

[3] The purpose of the statute is allow a petitioner to request a dismissal of the criminal accusations, a change in plea or setting aside of a verdict and to seek to have certain criminal records sealed or expunged and a release “from all penalties and disabilities resulting from the offense.”

- (4) if the offense is related to acts of domestic violence committed against the applicant;
- (5) if the offense was related to a person's disability.

EXHIBIT J

Developer Fee Policy

Mayor's Office of Housing and Community Development
Policy on Development Fees For Tax Credit Projects
Effective October 16, 2020

This MOHCD Policy on Development Fees for Tax Credit Projects applies to all developments seeking City funding in conjunction with new Tax Credit financing for the current project, including recapitalization projects with existing MOHCD loans. This does not apply to non-Tax Credit projects such as Small Sites Program (SSP) projects, which are subject to the SSP Program Guidelines. It also does not apply to HOPE SF or RAD projects, which are subject to separate developer fee policies.

Developers may include fees in their project budgets according to the terms below.

I. MINIMUM FEES: 5% of total development costs.

II. MAXIMUM FEES: Notwithstanding any other section of this Policy, the maximum Total Fee that may be included in basis is the Tax Credit limit (currently 15% of Eligible Basis) subject to the additional limitations identified below.

A. **Total Development Fee**
("Total Fee") for different project types are further detailed below, and reflect the sum of the Cash-Out Fee (Base, Additional, and Deferred) and Non Cash-Out Fee (Deferred and General Partner Equity Contribution).

B. **Fee Components**

1. Cash-Out Fee (Base and Additional)

Project Type	**9% Project - Maximum Cash-Out Fee**	**4% Project - Maximum Cash-Out Fee**	**Notes**
New Construction	TCAC Maximum	The lesser of TCAC Maximum or $2,200,000 (Base) + $10,000 per unit over 100 units (Additional), if additional cash-out requires no additional MOHCD gap funding.	
Newly Acquired and Substantially Rehabilitated (Per unit Hard Cost >= $75,000)	TCAC Maximum	Same as new construction fee.	-Hard Cost is defined as "Total Construction Costs" summed in the MOHCD Application in cell K37, Tab 4b-PermS&U.
Substantial Rehabilitation (Per unit Hard Cost >=$75,000) by Existing or Affiliate GP -- **Includes New City Funds or Re-structured City Debt**	50% TCAC Maximum	The lesser of TCAC maximum or $1,100,000 (Base) + $10,000 per unit over 100 units (Additional), if additional cash-out requires no additional MOHCD gap funding.	-Sponsor may take the allowable fee for Newly Acquired and Rehabilitated projects described above if 1) in the project's original syndication, sponsor did not take the maximum allowable developer fee; or 2) sponsor adds new affordable units to the project.

			-Hard Cost is defined as "Total Construction Costs" summed in the MOHCD Application in cell K37, Tab 4b-PermS&U. -Sponsor cash out permissible only per MOHCD Cash Out Acquisition/Rehabilitation, Resyndication, and Refinancing Policy.
Recapitalization, acquisition, or transfer with less than $75,000 Per unit hard cost capital improvements	No Fee	No Fee	-Hard Cost is defined as "Total Construction Costs" summed in the MOHCD Application in cell K37, Tab 4b-PermS&U. -Sponsor cash out permissible only per MOHCD Cash Out Acquisition/Rehabilitation, Resyndication, and Refinancing Policy.

a. A note about Cash-Out Additional Fee: If Eligible Basis is less than Threshold Basis, projects over 100 units may take up to $10,000 per unit over 100 as cash-out fee, but only if such cash payment does not require additional gap funding from MOHCD (see MOHCD Application, Tab 8-DevFeeCalc, for calculation).

2. Cash-Out Fee (Deferred): If Eligible Basis is less than Threshold Basis, Developers may include a Cash-Out Deferred Fee component in the Total Fee up to the aggregate of 50% of surplus cash flow taken over the project's first 15 years of operation (after typical payments of base ground rent, the general partner management fee, and investor asset management fee, if applicable). Cash-Out Deferred Fee is shown as both a source and a use of funds in the capital budget. Developers may use industry standard inflators of income and expenses to calculate Cash-Out Deferred Fee.
   a. Distributions of surplus cash as Deferred Fee are in lieu of (not in addition to) the typical 33.3% distribution of surplus cash to the Sponsor. At Year 15 of operations, or earlier if the Deferred Fee is fully repaid before then, a surplus cash distribution shall commence at 33.3% of surplus cash (after typical payments of base ground rent, the general partner management fee, and investor asset management fee, if applicable).
   b. For projects supported by the Local Operating Subsidy Program, Cash-Out Deferred Fee must be taken over a minimum time period of 5 years.

3. Non-Cash Out Fee (Deferred and General Partner Equity Contribution): Where Eligible Basis is less than Threshold Basis, Developers should include in Total Fee the maximum amount available for re-contribution as General Partner Equity or as Non-Cash Out Deferred Fee. It is

MOHCD's intent to use Deferred Fee and General Partner Equity Contribution up to 15% of Eligible Basis to reduce MOHCD's overall contribution to projects, so that MOHCD may invest its funds in the most projects possible. MOHCD will work with developers, lenders, and investors to ensure that the developer fee structure meets MOHCD financing goals and feasibility considerations.

4. Commercial Developer Fee is not addressed in this Policy. Please see MOHCD's Commercial Underwriting Guidelines for information regarding development fees associated with Commercial, Community Serving Commercial, and Public Benefit Use spaces.

III. FEE DISTRIBUTION: The Cash-Out Base Fee shall be divided equally between "Project Management Fee" and "At-Risk Fee" (subject to the "At-Risk Fee Adjustment" described below). Any Cash-Out Additional Fee will be distributed as At-Risk Fee. Cash-Out Fees (Base and Additional) shall be distributed according to achievement of certain development milestones, as follows:

Example below assumes Base Fee is $2.2 M and Additional Fee is $300,000.

Project Management Milestone	% of Fee Distributed	Fee Amount
Acquisition, if applicable, or predevelopment loan closing (or another agreed-upon milestone if acquisition is not applicable, e.g. being awarded a City-owned site through a RFQ/RFP process)*	15%	$165,000
During Predevelopment with no more than 50% of the total Project Management Fee to be disbursed prior to construction closing*	35%	$385,000
At Construction Closing	20%	$220,000
During Construction (disbursed upon request depending on % of construction completion) or at Completion of Construction	20%	$220,000
Project Close-Out: Placed-In-Service application; 100% lease-up; City approval of sponsor's project completion report and documents; and City acceptance of final cost certification.	10%	$110,000
TOTAL PROJECT MANAGEMENT FEE	**100%**	**$1,100,000**

***Joint Venture development team partners must split all Fee during the pre-development period 50%-50%. This helps ensure the new or emerging partner has access to Fee upfront to support their participation in the project and their capacity building.**

At-Risk Fee Milestone	% of Fee Distributed	Fee Amount
Qualified Occupancy (95% Leased up and Draft Cost Certification Audit)	20%	$280,000
Permanent Loan Closing/Conversion (Final Cost Certification Audit)	50%	$700,000
Project Close-Out: Placed-In-Service application; 100% lease-up; City approval of sponsor's project completion report and documents; and City acceptance of final cost certification.	30%	$420,000
TOTAL AT-RISK FEE	**100%**	**$1,400,000**

A. At-Risk Fee Adjustment

When outside funding sources limit the Cash Out Fee to a value less than allowed under this Policy (e.g., California's Department of Housing and Community Development), the Developer may still be paid a maximum of $1.1M as a Project Management Fee and the At-Risk Fee shall be reduced to bring the total Cash-Out Fee (Base and Additional) in line with the outside funding source cap.

IV. WAIVERS OF THE DEVELOPER FEE POLICY

The Citywide Affordable Housing Loan Committee may approve a waiver or modification of any portion of this Policy for the purpose of assuring project feasibility. All recommendations related to this Policy are subject to the Mayor's approval in his or her sole discretion.

V. CDBG or HOME REQUIREMENTS

If MOHCD uses CDBG or HOME funds to pay the development fee, it is considered "program income", and, should MOHCD request it, the Sponsor must provide a report to MOHCD on its use of developer fees.

Recipients of CDBG administrative funding may not also receive a Project Management Fee for the same project covering the same time period.

VI. POLICY IMPLEMENTATION

This Policy applies to any development that has not received its gap financing commitment or debt re-structuring approval from MOHCD by the effective date of the Policy.

EXHIBIT K

Hold Harmless Policy

Mayor's Office of Housing and Community Development
City and County of San Francisco

London N. Breed
Mayor

Kate Hartley
Director

Hold Harmless Policy for MOHCD's Income Limits & Maximum Rents
Effective: 5/3/2019 *(update to the initial policy that was effective 2/19/2016)*

Background

Every year, the United States Department of Housing and Urban Development ("HUD") publishes area median income ("AMI") data for jurisdictions across the United States. The City and County of San Francisco, acting through its Mayor's Office of Housing and Community Development ("MOHCD"), is a part of the San Francisco HUD Metropolitan Fair Market Rent Area ("SF HMFA"), which contains San Francisco, San Mateo and Marin County. MOHCD uses HUD's unadjusted AMI for SF HMFA as opposed to adjusted AMI, which is inflated to reflect high cost factors, to establish the income limits, maximum rents and sales prices that apply to affordable housing projects and programs regulated by MOHCD.

In 2016, MOHCD established a Hold Harmless Policy which stated that in any year when AMI decreased, MOHCD would maintain the income limits, maximum rents and sales prices at the previous year's levels in order to protect the operational integrity of affordable and inclusionary housing developments.

Purpose

This update to the Hold Harmless Policy (this "Policy") adds a limit to annual increases to income limits, maximum rents and sales prices published by MOHCD in order to mitigate the significant financial burden on low- and moderate-income tenants and homebuyers during periods of high escalation of AMI in San Francisco.

This Policy establishes the following:

- Limit annual increases to income limits, maximum rents, and sale prices to a maximum of 4%[i]
- Uphold the current policy of maintaining income limits, maximum rents and sales prices at the previous year's levels in years when AMI, as published by HUD, has decreased.

This Policy is intended to limit harm by:

1. Protecting tenants from displacement due to annual rent increases that would cause a significant financial burden; and

2. Protecting the operational integrity of housing developments so that owners are able to cover operating costs that typically increase annually, even when AMI decreases; and

1 South Van Ness Avenue, 5th Floor, San Francisco, CA 94103
Phone: (415) 701-5500 Fax: (415) 701-5501 TDD: (415) 701-5503 www.sfmohcd.org

3. Ensuring that San Francisco's low-, moderate- and middle-income workforce retain access to homeownership opportunities.

Hold Harmless Limits

For the purpose of this Policy:

"HUD SF AMI" means the maximum income by household size, maximum rent by unit type, and maximum sales prices as published annually by MOHCD, derived from the median income determined by HUD for the San Francisco area, adjusted solely for household size, but not high housing cost area, also referred to as "Unadjusted Median Income".

"**MOHCD AMI**" means the maximum income by household size, maximum rent by unit type, and maximum sales prices as published annually by MOHCD under this Policy.

"**Housing Provider**" means any person or entity that owns a multi-family property that is restricted for the purpose of affordable housing and/or subject to MOHCD administration, regulations, or policies.

Limited Increases: Annual increases to MOHCD AMI shall be limited to the lesser of: (1) the percentage amount necessary to adjust MOHCD AMI to match the then-current year's HUD SF AMI, or (2) four percent (4%)[i]. This Policy limits year-over-year increases to MOHCD AMI to 4% in periods of high HUD SF AMI escalation, while allowing MOHCD AMI to "catch up" to HUD SF AMI during periods when HUD SF AMI grows slowly, is static, or decreases.

Limited Decreases: This update to the Policy does not eliminate the Hold Harmless Policy adopted in 2016. In years when the MOHCD AMI matches the HUD SF AMI, and the subsequent year's HUD SF AMI decreases, MOHCD will maintain the MOHCD AMI from the previous year. If, in subsequent years, HUD SF AMI decreases again, stays flat, or increases to a level that is still lower than before the initial decrease, MOHCD will maintain its published AMI until such time as the HUD SF AMI increases to a level that is greater than the MOHCD AMI.

The application of this Policy may result in the creation of a calculation of MOHCD AMI that is different than the HUD SF AMI. The below chart demonstrates how this Policy would be applied over a hypothetical 6-year period:

	Base Year	Year 2		Year 3		Year 4		Year 5		Year 6	
	AMI	AMI	% Change	AMI	% Change	AMI	% Change	AMI	% Change	AMI	% Change
HUD SF AMI	100.0	108.0	8.0%	107	-0.9%	111	3.9%	109.0	-2.0%	112.5	3.2%
MOHCD AMI	100.0	104.0	4.0%	107	2.9%	111	3.9%	111	0.0%	112.5	1.2%

Utility Allowances

Notwithstanding anything to the contrary in this Policy, it is important to note that a Housing Provider will be required to lower net rents (i.e. tenant-paid rent) as the result of increases in utility allowances in years when the MOHCD AMI matches the HUD SF AMI, and HUD SF AMI has decreased or remained flat. MOHCD AMI establishes the limits for maximum gross rent (aka "Tier 2 rent" under the City's Inclusionary Housing Manual)," which consists of tenant rent plus utility allowance. If HUD SF AMI decreases or remains flat, and therefore MOHCD AMI remain the same as the previous year, an increase in the utility allowance means that the tenant rent would have to be lowered.

Limited Hardship Waiver

MOHCD will consider, in its sole discretion, a waiver of this Policy from a Housing Provider with rental units restricted under contracts (i.e., loan agreement, grant agreement, or other agreement for funding from the City) with MOHCD upon demonstration that: (1) the MOHCD AMI imposes a financial hardship that puts at risk the Housing Provider's ability to cover reasonable operating costs and debt service, (2) existing tenants will not be unreasonably financially burdened by the Housing Provider's proposed rent increases, and (3) the Housing Provider is not in default under any contract with MOHCD. Any waiver from this Policy approved by MOHCD, in its sole discretion, shall apply for only one year. Housing Providers are solely responsible for providing MOHCD with any documentation requested by MOHCD to support a hardship waiver of this Policy.

---

[i] The application of the 4% increase is made on the amount for the 100% AMI level for a 4-person family. MOHCD continues to using rounding to the nearest $50 on the calculations for all of the other income levels and household sizes. The use of rounding may create nominal differences in the percentage increases for all of the other max income levels and household sizes, as well as for all of the maximum rents.

EXHIBIT L

Insurance Requirements

Subject to approval by the City's Risk Manager of the insurers and policy forms Borrower will obtain and maintain, or caused to be maintained, the insurance and bonds as set forth below from the date of this Agreement or other applicable date set forth below throughout the Compliance Term at no expense to the City:

1. Liability Insurance. Borrower will obtain and maintain, or cause its contractors, subcontractors, property managers and/or agents, as appropriate for each, to obtain and maintain, insurance and bonds as follows:

(a) to the extent Borrower or its contractors and subcontractors have "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars ($1,000,000) each accident, injury or illness;

(b) commercial general liability insurance, with limits no less than Two Million Dollars ($2,000,000) combined single limit per occurrence and Four Million Dollars ($4,000,000) annual aggregate limit for bodily injury and property damage, including coverage for contractual liability; personal injury; fire damage legal liability; advertisers' liability; owners' and contractors' protective liability; products and completed operations; broad form property damage; and explosion, collapse and underground (XCU) coverage during any period in which Borrower is conducting any activity on, alteration or improvement to the Site with risk of explosions, collapse, or underground hazards;

(c) business automobile liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) professional liability insurance of no less than Two Million Dollars ($2,000,000) per claim and Four Million Dollars ($4,000,000) annual aggregate limit covering all negligent acts, errors and omissions of Borrower’s architects, engineers and surveyors. If the professional liability insurance provided by the architects, engineers, or surveyors is “Claims made” coverage, Borrower will assure that these minimum limits are maintained for no less than three (3) years beyond completion of the constructions or remodeling. Any deductible over Fifty Thousand Dollars ($50,000) each claim will be reviewed by Risk Management; and

(e) a crime policy or fidelity bond covering Borrower's officers and employees against dishonesty with respect to the Funds of no less than Seventy Five Thousand Dollars ($75,000) each loss, with any deductible not to exceed Five Thousand Dollars ($5,000) each loss, including the City as additional obligee or loss payee;

(f) as applicable, pollution liability and/or asbestos pollution liability covering the work being performed with a limit no less than Two Million Dollars ($2,000,000) per claim or occurrence and Two Million Dollars ($2,000,000) annual aggregate per policy. This coverage will be endorsed to include Non-Owned Disposal Site coverage. This policy may be provided by the Borrower's contractor, provided that the policy will be "claims made" coverage and Borrower will require Borrower's contractor to maintain these minimum limits for no less than three (3) years beyond completion of the construction or remodeling.

2. Property Insurance. Borrower will maintain, or cause its contractors and property managers, as appropriate for each, to maintain, insurance and bond as follows:

(a) Prior to construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all improvements prior to commencement of construction and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing; and with a deductible not to exceed Ten Thousand Dollars ($10,000) each loss, including the City and all subcontractors as loss payees.

(b) During the course of construction:

(i) Builder's risk insurance, special form coverage, excluding earthquake and flood, for one hundred percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor, including coverage in transit and storage off-site; the cost of debris removal and demolition as may be made reasonably necessary by such covered perils, resulting damage and any applicable law, ordinance or regulation; start up, testing and machinery breakdown including electrical arcing, copy of the applicable endorsement to the Builder's Risk policy, if the Builder's Risk policy is issued on a declared-project basis; and with a deductible not to exceed Ten Thousand Dollars ($10,000) each loss, including the City and all subcontractors as loss payees.

(ii) Performance and payment bonds of contractors, each in the amount of One Hundred Percent (100%) of contract amounts, naming the City and Borrower as dual obligees or other completion security approved by the City in its sole discretion.

(c) Upon completion of construction:

(i) Property insurance, excluding earthquake and flood, in the amount no less than One Hundred Percent (100%) of the replacement value of all completed improvements and City property in the care, custody and control of the Borrower or its contractor. For rehabilitation/construction projects that are unoccupied by residential or commercial tenants, Tenant will obtain Property Insurance by the date that the project receives a Certificate of Substantial Completion.

(ii) Boiler and machinery insurance, comprehensive form, covering damage to, loss or destruction of machinery and equipment located on the Site that is used by Borrower for heating, ventilating, air-conditioning, power generation and similar purposes, in an amount not less than one hundred percent (100%) of the actual replacement value of such machinery and equipment with a deductible not to exceed Ten Thousand Dollars ($10,000) each loss, including the City as loss payee.

The following notice is provided in accordance with the provisions of California Civil Code Section 2955.5: Under California law, no lender will require a borrower, as a condition of receiving or maintaining a loan secured by real property, to provide hazard insurance coverage against risks to the improvements on that real property in an amount exceeding the replacement value of the improvements on the property.

3. Commercial Space. Borrower will require that all nonresidential tenants' liability insurance policies include Borrower and the City as additional insureds, as their respective interests may appear. Throughout the term of any lease of Commercial Space in the Project, Borrower will require commercial tenants to maintain insurance as follows:

(a) to the extent the tenant has "employees" as defined in the California Labor Code, workers' compensation insurance with employer's liability limits not less than One Million Dollars ($1,000,000) each accident;

(b) commercial general liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence, combined single limit for bodily injury and property damage, including coverage for contractual liability; personal injury; advertisers' liability; including coverage for loss of income due to an insured peril for twelve (12) months; owners' and contractors' protective; broadform property damage; explosion, collapse and underground (XCU); products and completed operations coverage;

(c) business automobile liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence, combined single limit for bodily injury and property damage, including owned, hired and non-owned auto coverage, as applicable;

(d) with respect to any tenant who has (or is required by Law to have) a liquor license and who is selling or distributing alcoholic beverages and/or food products on the leased premises, to maintain liquor and/or food products liability coverage with limits not less than One Million Dollars ($1,000,000), as appropriate;

(e) special form coverage insurance, including vandalism and malicious mischief, in the amount of 100% of the full replacement cost thereof, covering all furnishings, fixtures, equipment, leasehold improvements, alterations and property of every kind of the tenant and of persons claiming through the tenant; and

(f) full coverage plate glass insurance covering any plate glass on the commercial space.

4. General Requirements.

(a) Required Endorsements. Borrower's insurance policies will include the following endorsements:

(i) Commercial General Liability and Commercial Automobile Liability Insurance policies will be endorsed to name as "Additional Insured" the City and County of San Francisco, its officers, agents, and employees.

(ii) The Workers' Compensation policy(ies) will be endorsed with a waiver of subrogation in favor of the City for all work performed by the Borrower, its employees, agents, contractor(s), and subcontractors.

(iii) Commercial General Liability and Commercial Automobile Liability Insurance policies will provide that such policies are primary insurance to any other insurance available to the "Additional Insureds," with respect to any claims arising out of this Agreement, and that the insurance applies separately to each insured against whom claim is made or suit is brought.

(iv) All policies will be endorsed to provide thirty (30) days' advance written notice to the City of cancellation for any reason, intended non-renewal, or reduction in coverages. Notices will be sent to the City address set forth in **Section 21.1** of the Agreement.

Borrower will provide the City with copies of endorsements for each required insurance policy and make each policy available for inspection and copying promptly upon request.

(b) Certificates of Insurance. By no later than Loan closing and annually thereafter, Borrower will furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Approval of the insurance by City shall not relieve or decrease Borrower's liability under this Agreement.

(c) Waiver of Subrogation – Property Insurance. With respect to any property insurance, Borrower hereby waives all rights of subrogation against the City to the extent of any loss covered by Borrower's insurance, except to the extent subrogation would affect the scope or validity of insurance.

(d) Claims Based Policies. All claims based on acts, omissions, injury or damage occurring or arising in whole or in part during the policy period must be covered. If any required insurance is provided under a claims-made form, Borrower will maintain coverage as follows:

(i) for builder's risk, continuously for a period ending no less than three (3) years after recordation of a notice of completion without lapse, to the effect that, if any occurrences give rise to claims made after completion of the Project, then those claims will be covered by the claims-made policies; or

(ii) for all other insurance under this Exhibit L, continuously through the Compliance Term and, without lapse, for a period of no less than three (3) years beyond the expiration of the Compliance Term, to the effect that, if any occurrences during the Compliance Term give rise to claims made after expiration of the Agreement, then those claims will be covered by the claims-made policies.

(e) Additional Requirements.

(i) If any of the required insurance is provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit will be double the occurrence or claims limits specified above.

(ii) Any and all insurance policies required under this Exhibit L will contain a clause providing that the City and its officers, agents and employees will not be liable for any required premium.

(iii) On City's request, Borrower and City will periodically review the limits and types of insurance carried under this Exhibit L. If the general commercial practice in the City and County of San Francisco is to carry liability insurance in an amount or coverage materially greater than the amount or coverage then being carried by Borrower for risks comparable to those associated with the Permit Area, then City in its sole discretion may require Permittee to increase the amounts or coverage carried by Borrower to conform to the general commercial practice, unless Borrower demonstrates to the City's satisfaction that the increased coverage is commercially unreasonable and unavailable to Borrower.

(iv) Borrower's compliance with the insurance requirements under this Exhibit L will in no way relieve or decrease Borrower's indemnification obligations under this Agreement or any of Borrower's other obligations under this Agreement.

Exhibit M

Reserved

EXHIBIT N

Reserved

EXHIBIT O

Commercial Underwriting Guidelines

City and County of San Francisco
Mayor's Office of Housing and Community Development
Commercial Space Underwriting Guidelines

Effective March 3, 2023

The following Mayor's Office of Housing and Community Development Commercial Space Underwriting Guidelines (these "Guidelines") are intended to assist applicants ("Sponsors") for capital financing to prepare financing requests to the City and County of San Francisco (the "City"), represented by the Mayor, acting by and through the Mayor's Office of Housing and Community Development ("MOHCD"). These Guidelines, along with MOHCD's Underwriting Guidelines, will also be used by MOHCD staff to evaluate funding requests and present them to the Citywide Affordable Housing Loan Committee ("Loan Committee") for consideration. The intent of these Guidelines is to support consistency of final loan terms across projects, and to ensure long-term affordability and physical and financial sustainability throughout a project's loan term.

MOHCD's Commercial Loans are designed to be paired with residential/affordable housing new construction loans. The Loan Committee maintains the right to set final terms and conditions for a commitment of funds based on the actual circumstances of each project. MOHCD may review and approve any requests for a waiver to these Guidelines in its sole and absolute discretion. These Guidelines will be updated from time to time.

Note: the income and rent limits referenced in these Guidelines are determined and published annually by MOHCD for all multifamily rental housing developments under MOHCD's purview, including Small Sites, PASS and other rehabilitation-funded projects. All income and rent limits are expressed in MOHCD Area Median Income (AMI).

To the extent that commercial space is required in an affordable housing project, the following guidance is applicable.

A. <u>Intent</u>

1. To support culturally vibrant and inclusive neighborhoods by prioritizing Public Benefit Uses, Community Serving Uses, and other benefits that support the affordable housing residents and surrounding community.
2. To maximize benefit to residents of the affordable housing, followed by creation of benefit for the surrounding community. For example, where the housing is designed for families, seek to provide childcare.
3. Provide City resources to support the following areas:
    a. Economic Development

b. Community and Social Development
c. Sustainable Job Creation and Retention and Wealth Creation
d. Investment Diversification and Partnerships Development
e. Environmentally Sustainable Outcomes.

4. To align with the City's Consolidated Plan and the policy priorities outlined in the applicable procurement (RFQ, RFP, NOFA) related to anti-displacement measures for residents and businesses. This may include facilitating community and/or nonprofit ownership.
5. To leverage commercial funding sources from other City departments, foundations, and financial institutions to support Public Benefit Uses and Community Serving Uses in an effort to remove barriers to successful business development in MOHCD-supported residential buildings.
6. To maintain the financial viability of the affordable housing and vitality of the surrounding neighborhood by avoiding vacancies.

B. Project Eligibility/Applicability

These Guidelines apply to new construction projects only. These Guidelines assume MOHCD owns the land on which the Project is located. In the rare scenario in which that is not the case, MOHCD and the Housing Owner will adjust these Guidelines accordingly to achieve the goals articulated in Section A and the same financing principles related to the use of MOHCD funds.

C. General Loan/Grant Terms

Please see the MOHCD Development Underwriting Guidelines for guidance on the interest rate, term, and other conditions generally associated with MOHCD financing for new construction. Section E provides further details according to the proposed use, funding type and deal structure.

D. Definitions

1. **Affiliated Entity**: An entity that is either controlled by the Housing Owner, controls the Housing Owner, or is under common control with Housing Owner. Control, as used in the previous sentence, means the ownership, directly or indirectly, of the right to vote in or direct the ordinary operations of the entity.
2. **Cold Shell:** Commercial Space improvements as defined in detail in Attachment A.
3. **Commercial Entity**: A legal entity, separate from the Housing Owner, that may either master lease the Commercial Space from the Housing Owner or ground lease the Commercial Space directly from the City, as provided in Permitted Legal Structures, defined below.
4. **Commercial Project Costs:** The total of all hard (construction) and soft costs associated with the development of the Commercial Space.

5. **Commercial Space:** An entire undifferentiated (ie. not divided into different spaces) commercial area for Public Benefit Use, Community Serving Commercial Use, or Commercial Use. If the Project is subdivided, then the Commercial Space would be a condominium or air rights parcel, separate from the Residential Space. It is possible to have more than one Commercial Space in a Project because the developer may intend different uses (for example, a space is finished to Warm Shell for Public Benefit Use, while another area is finished to Cold Shell and Commercial Use is intended). A Commercial Space may be demised (ie. physically divided into separately leased spaces) into more than one Individual Tenant Space as appropriate.
6. **Commercial Space Master Tenant:** A Commercial Entity that is an Affiliated Entity and that leases the Commercial Space from the Housing Owner and subleases Individual Tenant Space(s) to Individual Commercial Tenant(s).
7. **Commercial Use**: A land use, typically retail or other sales and services use, with the sole or chief emphasis on financial gain and that is not a Public Benefit Use or Community Serving Use as defined below. Commercial Uses shall not include uses that, in MOHCD's sole discretion, are inconsistent with fostering a stable environment for families and children, including, but not limited to, bars, liquor stores, tobacco product stores, recreational cannabis shops (medical cannabis dispensaries may be permitted in MOHCD's sole discretion, but only to the extent permitted by funding sources and applicable local, state, and federal law) or other uses that cater exclusively to adults.
8. **Community Serving Use:** A land use, typically retail or other sales and services use, that provides a direct benefit to the community, as determined by MOHCD in its sole discretion. Such use to be documented through a Community Commercial Services Agreement and reported on annually through the MOHCD Annual Monitoring Report. Dimensions of benefit to include:
    a. Economic Development
    b. Community and Social Development
    c. Sustainable Job Creation and Retention and Wealth Creation
    d. Investment Diversification and Partnerships Development
    e. Environmentally Sustainable Outcomes

    Examples include:
    i. Early childhood education center,
    ii. Nonprofit office/services provision,
    iii. Food market with affordable and healthy produce and other goods,
    iv. Community banking,
    v. Restaurant offers low-cost meals,
    vi. Business hires low-income workers,
    vii. Business owned by underrepresented community, or
    viii. Other neighborhood serving uses that have a demonstrated benefit to the residents of the Project.

9. **Housing Owner**: The owner, often a Limited Partnership entity, of the residential improvements at the Project.
10. **Individual Commercial Tenant:** An occupant of Commercial Space rented from the Housing Owner or Commercial Entity (depending on legal structure).
11. **Individual Tenant Space:** Demised portion (ie. physical boundary of space being leased) of the Commercial Space for lease to an Individual Commercial Tenant.
12. **Net Commercial Cash Flow:** Commercial Operating Income less the Commercial Operating Expenses for a Lease Year (or portion thereof). **Commercial Operating Expenses** means the reasonable and customary expenses of reasonable operating and routine maintenance and repair expenses incurred by the Housing Owner or Commercial Entity (depending on legal structure) in the operation of the Commercial Space, debt service, and MOHCD-approved reserves. These expenses may include utilities, insurance, equipment maintenance, security, fees (asset management, audit, taxes), debt service, and operating and replacement reserves, all subject to the approval of MOHCD.. **Commercial Operating Income** means all income and receipts in any form received by the Housing Owner or Commercial Entity (depending on legal structure) from the operation of the Commercial Space, including rents, fees, deposits, and reimbursements.
13. **Project**: A mixed-use, multifamily residential and commercial project, which may include one or more subdivided residential condominium/air rights parcels and commercial condominium/air rights parcels.
14. **Public Benefit Use:** A land use, typically programs or services, that primarily benefits low-income persons, is implemented by one or more 501(c)(3) public benefit corporations, and has been identified by the City or community as a priority use. Examples include, but are not limited to, childcare centers, adult day health centers, office space for non-profit organizations, supportive services for the residents of the affordable housing development, health clinics that serve the local community at no or low cost, arts-related spaces that provide programs, and classes and/or exhibition spaces available to community members at no or low cost.
15. **Residential Space**: The entire undifferentiated (ie. not divided into different units/spaces) residential area for future demising (ie. physically dividing into separately leased spaces) and occupancy by residential tenants. If the Project is subdivided, then the Residential Space would be a condominium or air rights parcel, separate from the Commercial Space(s).
16. **Tenant Improvements:** The Commercial Space improvements paid for by the Individual Commercial Tenant.
17. **Warm Shell:** Commercial Space improvements as defined in detail in Attachment A.

E. Key Terms for Public Benefit and Community Serving Commercial Uses

In alignment with MOHCD's goals in Section A, MOHCD offers the following capital financing and below market terms for Commercial Space developed for Public Benefit or Community Serving Commercial Uses:

1. Eligible use of MOHCD funds. MOHCD funds may be used for the following Commercial Project Costs:

   a. Hard Costs:
      - Commercial Warm Shell (see definition in Attachment A)
      - 5% hard cost contingency on *warm shell costs* and cold shell costs
      - May include a "Warm Shell Allowance" of up to $1 million, for warm shell costs (see Attachment A) that are to be determined. Warm Shell Allowance funds must be spent within 2 years of main building permit TCO, and any unspent funds placed in a controlled bank account.

   b. Soft Costs:
      - Architecture, construction management and consulting fees for coordination of Tenant Improvements with shell design and construction
      - Pro rata share of Project soft costs that should be split between residential and commercial, as calculated by Project financial consultant
      - Market study and broker fees
      - Permit fees
      - No furnishings, fixtures or equipment (FF&E)

   c. Capitalized Commercial Reserve:
      - $10,000 plus $5/sf capitalized Commercial Reserve for lease up/operations period vacancy (eligible uses, for example, include utilities, real estate taxes, insurance), and/or replacement reserve needs (post-initial occupancy).

   d. Commercial Tenant Planning Funds:
      - Up to $50,000 (or 50% of Individual Commercial Tenant(s) annual operating revenue from the last completed fiscal year, whichever is less) per Commercial Tenant to Individual Commercial Tenant(s) to support their design and permitting process and fundraising strategy once MOHCD-approved Letter/s of Intent (LOI) has been executed. Professional fees are allowed and may include Construction Manager/Property Manager and Permit Coordinator.

   e. Commercial Space Developer Fee:
      - Allowed in addition to Residential Developer Fee, so long as the sum of the Commercial Developer Fees and Residential Developer Fee do not exceed the developer fee limits allowed by TCAC or other funding agencies.

- Up to $350,000 per Project, including Project Management and At-Risk fees.
- $75,000 per Project in additional fee will be allowed for completing the condominium or air rights subdivision, subject to MOHCD approval of the subdivision and legal structure
- Milestones for disbursement are as follows:
    - $75,000 – At subdivision completion, if applicable
    - $175,000 – For Project Management, earned pro rata at milestones such as approval of the Commercial Space Plan, signing of Letter of Intent with Tenant and execution of Individual Commercial Tenant/s lease/s
    - $175,000 – At-Risk earned at milestones that may include signing of tenant leases (up to half) and completion of Tenant Improvements and Tenant Occupancy (split pro-rata)
- Commercial Developer's Responsibilities: Please see Attachment B for description of responsibilities related to commercial space development.

2. Due diligence.

a. Commercial Space Plan, Commercial Proforma, Tenant Improvement Build-out Summary:

i. Commercial Plan: Developer must prepare and submit to MOHCD for approval prior to receipt of first installment of Project Management developer fee.
ii. Commercial Proforma: Developer must prepare both a capital Sources and Uses Budget as well as a commercial operating budget.
iii. Tenant Improvement Buildout Summary: Developer must provide an Excel matrix that includes all data points that will inform the LOI.

b. Market Study: A market study must be provided by a third party (e.g. a broker, appraiser, or market analyst). This should inform the setting of these terms:

i. Rent, Rent Growth, Annual Rent Adjustments
ii. Rent Concessions and/or Tenant Improvement Allowances
iii. Vacancy Rate
iv. Expenses and Expense Growth Rate
v. Commercial Property Management Fees, Leasing Agent Fees
vi. Reserves.

The Marketing Study should include:

i. Analysis of neighborhood commercial rents including at least three (3) comparable transactions
ii. Summary of market tenant improvement allowances

iii. Summary of immediate submarket/vacancy
iv. Summary of businesses in the particular neighborhood / voids and concentration
v. Opinion on whether a certain business (type or name to be provided by client) will succeed in a particular area

c. Commercial Costs in Basis: Evidence that Developer has analyzed whether commercial space is eligible to be included in eligible basis for use of LIHTC (e.g. whether located in a Qualified Census Tract and use is compliant)

3. Permitted legal structures.

a. Direct Lease: Housing Owner leases directly to Individual Commercial Tenant(s).

b. Commercial Master Lease: Housing Owner leases the Commercial Space to the Commercial Entity (which must be an Affiliated Entity) (the "Commercial Space Master Tenant"). The Commercial Space Master Tenant would then sublease the Individual Tenant Space(s) to Individual Commercial Tenant(s).

c. Subdivision: The City ground leases the Residential Space to the Housing Owner. The City separately ground leases the Commercial Space to the Commercial Entity. The Commercial Entity must be an Affiliated Entity or Individual Commercial Tenant (the latter per the terms below in Section D.7.). Subdivision is permissible only under certain circumstances – for example:

- When there is more than 5,000 square feet of commercial space and multiple tenants
- When doing so leverages additional/non-City sources to the project, to facilitate tenant ownership, or to increase competitiveness for non-City financing.

4. Use Restrictions. MOHCD will restrict the use, in the ground lease, of all Commercial Spaces for which the Borrower applies for financing under Section E. Any change in use requires MOHCD approval. MOHCD will also prohibit certain specific uses, such as bars and retail liquor sales, in the ground lease.

5. Letters of Intent (LOI) and Master Lease Terms. All LOIs and leases, including the Commercial Master Lease and Individual Commercial Tenant subleases and Direct Leases, are subject to review and approval by MOHCD, in accordance with these Guidelines.

a. LOIs: LOIs should conform to the requirements below in subsection c.

b. Commercial Master Lease: For projects constructed on a single parcel (see below for subdivided parcels), Commercial Master Lease rent will be structured so that 40% of Net Commercial Cash Flow, if any, will be paid by Commercial Entity to Housing Owner, and 60% of Net Commercial Cash Flow is paid to the Commercial Entity (ie. the Commercial Space Master Tenant). The Commercial Entity/Commercial Space Tenant must be an Affiliated Entity. (If 40% of Net Commercial Cash Flow is significant, MOHCD may establish an additional rent, based on 40% of Net Commercial Cash Flow projections, in the MOHCD residential ground lease.)

c. Direct Leases and Individual Commercial Tenant Subleases: Commercial rents and/or Common Area Maintenance (CAM) charges should be sized so as to cover the direct, shared, and allocated costs attributable to commercial use, including utilities payable by the property for the Commercial Space, commercial management fees, commercial reserves, and property taxes and insurance attributable to the Commercial Space. Rent adjustments, beyond typical annual escalations to cover expenses, at renewal periods are prohibited. Lease deposits are prohibited (although tenants may be required to pay for damages), assuming Individual Commercial Tenant/s are responsible for funding Tenant Improvements. The term of the lease between an Individual Commercial Tenant(s) and the Housing Owner or Commercial Space Master Tenant cannot exceed the term of the MOHCD financing on the Project (ie. typically, 55 years).

6. MOHCD Commercial Ground Lease and Loan Terms. When the Commercial Space has been subdivided from the Residential Space, MOHCD will convert the Commercial Space development costs funded by MOHCD into a MOHCD Commercial Loan which is executed at permanent conversion. Additionally, MOHCD will enter into a MOHCD Commercial Ground Lease with the Commercial Entity.

a. Commercial Loan Terms: 55-year term. 0% interest rate. Repayment through residual receipts from commercial space only.

b. Commercial Ground Lease Terms: 75-99-year term. Base rent equal to $1/year. Residual rent will be 40% of Net Commercial Cash Flow to the City. For other key terms, please see the Underwriting Guidelines applicable to residential use. See the Ground Lease Policy.

7. Transfer of Commercial Space Ownership. Any transfer or sale of the Housing Owner's or Commercial Owner's interest in the Commercial Space parcel is subject to MOHCD approval. Under Section E, the ownership of the Commercial Space parcel may only be transferred to an Individual Commercial Tenant if a) the MOHCD Commercial Loan balance has been fully paid, or b) the MOHCD Commercial Loan has been assigned to the Individual Commercial Tenant. If the MOHCD Commercial Loan is assigned to the Individual Commercial Tenant that is a nonprofit, 501(c)(3) exempt organization, MOHCD may forgive 10% of the Loan each year to such Individual Commercial Tenant that is actively in business and contributing to Intent 1 in Section A. As discussed in Section E.4., MOHCD will continue to restrict the use of the Commercial Space through its Commercial Ground Lease.

F. Terms for Commercial Uses

MOHCD offers the following capital financing terms for Commercial Space developed for Commercial Uses not included in Section E:

1. Eligible use of MOHCD funds. MOHCD funds may be used for the following Commercial Project Costs:

   a. Hard Costs:
      - Commercial Cold Shell (see definition in Attachment A)
      - 5% hard cost contingency on cold shell costs

   b. Soft Costs:
      - Construction management and consulting fees for coordination of Tenant Improvements with shell construction
      - Pro rata share of Project soft costs that should be split between residential and commercial, as calculated by Project financial consultant
      - No furniture, fixtures or equipment (FF&E)

   c. Reserves:
      - Capitalized commercial reserve for lease up, tenant improvements, and/or replacement reserve needs consistent with the Market Study (see Section E.2.a. below)

   e. Commercial Space Developer Fee:
      - Allowed in addition to Residential Developer Fee, so long as the sum of the Commercial Developer Fees and Residential Developer Fee do not exceed the developer fee limits allowed by TCAC or other non-City funding sources.
      - $200,000 per Project
      - $75,000 in additional fee will be allowed for completing the condominium or air rights subdivision, subject to MOHCD approval of the subdivision and legal structure
      - Milestones for disbursement are as follows:
        - $75,000 – At subdivision completion, if applicable
        - $100,000 – For Project Management, earned pro rata at milestones such as approval of the Commercial Space Plan, signing of Letter of Intent with Tenant and execution of Individual Commercial Tenant/s lease/s
        - $100,000 – At-Risk earned at milestones that may include signing of tenant leases (up to half) and completion of Tenant Improvements and Tenant Occupancy (split pro-rata)

2. Due diligence. Same as for Public Benefit.

3. Permitted legal structures. Same as for Public Benefit.

4. Use Restrictions. Same as for Public Benefit.

5. Letters of Intent (LOI) and Lease Terms. All LOIs and leases, including the Commercial Master Lease and Individual Commercial Tenant subleases and Direct Leases, are subject to review and approval by MOHCD, in accordance with these Guidelines.

   a. LOIs: LOIs should conform to the requirements below in subsection c.

b. Commercial Master Lease: Commercial Master Lease rent will be structured so that 40% of Net Commercial Cash Flow, will be paid by Commercial Entity to Housing Owner, and 60% of Net Commercial Cash Flow is payable to the Commercial Entity (ie. the Commercial Space Master Tenant). The Commercial Entity must be an Affiliated Entity. (If 40% of Net Commercial Cash Flow is significant, MOHCD may establish an additional rent, based on Net Commercial Cash Flow projections, in the MOHCD residential ground lease.)

c. Direct Leases and Individual Commercial Tenant Subleases: Commercial rents and/or Common Area Maintenance (CAM) charges should be based on the proposed use and market conditions consistent with the Market Study. Commercial rents charged must be sufficient to cover all direct, shared, and allocated costs attributable to commercial use. Commercial operating expenses shall include all utilities payable by the property for the Commercial Space, commercial property management fees, commercial reserves, and property taxes and insurance attributable to the Commercial Space. The term of the lease between an Individual Commercial Tenant(s) and the Housing Owner or Commercial Space Master Tenant should be consistent with the Market Study.

6. MOHCD Commercial Ground Lease and Loan Terms. When the Commercial Space has been subdivided from the Residential Space, MOHCD will convert the Commercial Space development costs funded by MOHCD into a MOHCD Commercial Loan which is executed at permanent conversion. Additionally, MOHCD will enter into a MOHCD Commercial Ground Lease with the Commercial Entity.

a. Commercial Loan Terms: 55-year term. 3% interest rate. Residual receipts, with 40% Net Commercial Cash Flow due to MOHCD.

b. Commercial Ground Lease Terms: 99-year term. Base rent equal to $1/year. Residual rent based on residual receipts, with 40% Net Commercial Cash Flow due to MOHCD once MOHCD Commercial Loan balance has been fully paid.

7. Transfer of Commercial Space Ownership. Any transfer or sale of the Housing Owner's or Commercial Owner's interest in the Commercial Space parcel is subject to MOHCD approval. Under Section E, the ownership of the Commercial Space parcel may only be transferred to an Individual Commercial Tenant if the MOHCD Commercial Loan balance has been fully paid. As discussed in Section E.3., MOHCD will continue to restrict the use of the Commercial Space through its Commercial Ground Lease.

G. Applicability of Accessibility, Procurement, Prevailing Wage, and Workforce Requirements

For the scope of the Commercial Space that is being funded by MOHCD and/or is being built out under the Project's construction contract, all City accessibility, procurement, prevailing wage, and workforce requirements related to the Project will apply.

Tenant Improvements that are being built out under a construction contract separate from the Project's and are not funded by MOHCD, and executed on City or other government land, regardless of the source of financing, are subject to all applicable City accessibility, procurement, prevailing wage and workforce requirements to which the housing Project was subject (with limited exceptions associated with funding sources and thresholds pertaining to construction contract value).

The Mayor's Office on Disability and the Department of Building Inspections are responsible for accessibility requirements. The Contract Monitoring Division is responsible for procurement, the Office of Economic and Workforce Development is responsible for workforce requirements, and the Office of Labor Standards Enforcement oversees the provision of prevailing wages.

If the Individual Commercial Tenant's Tenant Improvements are funded with money from other City agencies (ie. Office of Economic and Workforce Development grants awarded through Community Vision), all requirements pertaining to that funding source will apply.

If the Individual Commercial Tenant's Tenant Improvements are not funded by any public dollars, and not executed on government-owned land or leased land, please consult with MOHCD on the applicability of City accessibility, workforce and prevailing wage requirements.

H. Real Estate Resources for Nonprofit and Small Business Entities

Loans, grants, and technical assistance for nonprofits and small businesses:

a. San Francisco Arts Commission – Arts Commission
b. Office of Economic and Workforce Development – Nonprofit sector business development
c. Office of Economic and Workforce Development – Find a grant
d. Office of Economic and Workforce Development – Office of Small Business - https://sf.gov/departments/office-economic-and-workforce-development/office-small-business
e. San Francisco Small Business Development Center (Small Business Administration) - https://www.sfsbdc.org/
f. Community Vision - https://communityvisionca.org/real-estate-solutions/

I. WAIVER REQUESTS

All waiver requests are subject to the approval of MOHCD staff and the Citywide Affordable Housing Loan Committee, each at its own discretion. Any requests from the Sponsor to waive any part of these Underwriting Guidelines must be submitted in writing to the MOHCD project manager.

ATTACHMENT A

Scope/Trade	Cold Shell	Warm Shell (Cold Shell plus the following)
Walls/Doors	Exterior/perimeter walls and doors, including, where required, automatic door actuator(s) at entrance(s). Exterior/perimeter walls must be finished with gyp and fire taping to Code. No partition walls or corresponding doors within demised spaces.	Partition walls and doors demising Individual Tenant Space(s). Partition walls, doors and locks for restrooms and kitchenette based on Individual Commercial Tenants and Code requirements. No other partition walls or doors.
Finish	Exposed concrete slab with rough-in Plumbing, depressed to allow for anticipated use (floor sinks, drains). Temporary ramps for Certificate of Completion, as required.	Finished floor and base to minimum specification of Individual Commercial Tenant or exposed slab with clearance to install flooring to level landing at door. Provide wall, floor, and ceiling finish in restrooms. Kitchenette finishes not included.
Specialties	Code required signage. Exterior commercial signage program developed and approved by Planning and MOHCD. Exterior infrastructure (conduit to anticipated location, cabling, and bracket embeds).	Restroom accessories (soap dispenser, diaper changing station, hand dryer or towel dispenser, garbage receptable, toilet partitions). Exterior signage (not including marquee or specialty) corresponding to Commercial Signage Program provided in Cold Shell graphics, shop drawings, fabrication, and installation. Kitchenette specialties (cabinets, countertops, lighting, appliances, and plumbing) not included. Drop ceilings.
Structural	Anchors for drop-ceiling. Anchors must be cast-in slab minimum 4' on center in each direction or per Code-required minimum details by licensed structural engineer. Coring or block-out for assumed HVAC rough-in. Steel embed brackets for exterior signage connection.	Code required ramps and railings to assumed final finish floor and level landing at entrance(s).

Elevator / Lift	No	As required.
Mechanical	Stub out for heat-pump, space on roof for equipment, and waterproofed pad (or sidewall where possible). Condensate line installation if roof mounted system anticipated. Fire rated shaft for later ducting of restaurant hood(s); supply air / louver on exterior wall.	Exhaust venting of restroom(s) and kitchenette(s). Ductwork to connect location of mechanical equipment to exterior. Condensate line installation if roof mounted system anticipated. Code-required smoke control. In the case of an approved restaurant use, minimum of one (1) grease duct plus make up air (MUA) duct to accommodate Type 1 hood. Type 2 hood shaft and venting may be considered. Does not include water heating (except for code required restrooms) and all other mechanical equipment.
Plumbing	Stub-out for domestic water supply and water meter in meter room. Storm sewer 4". Stub out all plumbing (supply and waste) to minimum Code-required restroom location(s), including floor drains. SFPUC water meters based on fixtures shown in base building permit drawings. Includes sub panel with breakers. No finish.	SFPUC water meters based on establishment of Individual Commercial Tenant/s. Distribution piping for domestic water (hot and cold), waste and vents to plumbing fixture locations within Individual Tenant Space(s). Floor drains and code-required restroom plumbing fixtures (lavatory(ies), water closet(s), urinal(s)). Does not include finish plumbing of stand-alone fixtures and water heating or garbage disposal (except for restroom fixtures).
Electrical	Provide main service. Dedicated meter in electrical room with service to Commercial Space, including sub-breaker panel. Stub out and conduit on ceiling for mechanical. Perimeter walls to have Code-required wall receptacles. Light fixtures in space connected to Commercial Splace meter to meet Certificate of Completion requirements only. Emergency lighting back-up power, connect to Lift or	Installation of sub panel at Individual Tenant Space/s. Interior partition wall outlets as required by Code. Bathroom and kitchenette lighting GFCI outlets per Code. Provide outlets for kitchenette appliances, do not include garbage disposal.

	Elevator (where applicable). Fire alarm distribution from panel, zoned and programmed. Exterior lighting for safety and continuity of design. Provide conduits (as needed for commercial HVAC units) from Commercial Space to roof.	
Telephone/Data	Two (2) 2" conduits from MPOE to space for telecom/data/security. Perimeter walls to have data receptacle rings and conduits to space above ceiling adjacent to-required electrical wall receptacles. Temporary security camera connected to residential system until Commercial Space is occupied.	Conduit to IDF for data / fiber and telephone / security, as needed. 4' by 4' ¾" plywood backer board for telcom/data/security systems for each demised space. Interior partition walls to have data receptacle rings and conduits to space above ceiling adjacent to-required electrical wall receptacles
Fire Protection/ Alarm	Building Fire Alarm shall be sized, zoned, programmed and tested to include Commercial Space. State and Local SFFD Code requirements for Completion and Certificate of Occupancy must be met. Sprinkler shall be installed, activated and monitored. Sprinkler heads should be "arm-over" configuration to allow for coordination with future ceiling and lighting layout. Sprinkler system should have sufficient capacity and connection points to allow for additional heads required by future room layouts. Fire extinguishers and cabinets installed. Specialty restaurant fire suppression systems not included.	Zoning of Fire Alarm to Individual Tenant Space/s and re-configuration / programming and testing of main building fire panel. Specialty restaurant fire suppression systems not included. Code required bathroom and kitchenette fire alarm items as required. Sprinkler systems should have additional heads as required to conform to the layout of the demising partition(s), restroom(s) and kitchenette(s).

Site Work		No	Where required by regulation or Code, consideration of site work within the Warm shell (e.g., fencing and gates, lighting, curb cuts, curb painting, parking).

Attachment B

Commercial Developer's Responsibilities include:

1. Establishing the vision for any non-residential spaces that aligns with Section A as well as the applicable procurement (RFQ, RFP, NOFA) through which the developer was selected
2. Developing and iterating commercial objectives and strategies
3. Creating a Commercial Plan including working with brokers and partners to understand the projected market
4. Working with design team to determine designs for commercial units
5. Developing and iterating Commercial Proforma
6. Developing and iterating a Tenant Improvement Summary (final to be submitted upon completion)
7. Working with in-house asset management team and operations team to develop common area maintenance charges and specific property expenses including insurance, real estate taxes, and reserves.
8. Developing commercial marketing materials and distributing materials to various platforms
9. Consistent community engagement and stakeholder conversations and presentations
10. Working with legal teams to create and finalize documents including commercial tenant leases, master leases, CC&Rs, REAs, and Commercial Ground Leases
11. Cultivating relationships with potential commercial tenants
12. Showing commercial spaces to potential tenants
13. Reviewing commercial tenant applications
14. Creating Letters Of Intent (LOIs) and Leases (often requires multiple LOIs for each unit because tenants frequently back out)
15. Collecting required documents for construction
16. Overseeing tenant improvement buildout
17. Collecting required final documents after successful inspections
18. Regular (at least annual) reporting to MOHCD on satisfaction of goals outlined in Community Commercial Services Agreements and/or the loan agreement.

EXHIBIT P

Residual Receipts Policy

Mayor's Office of Housing and Community Development
Residual Receipts Policy
Effective April 1, 2016

INTRODUCTION

The Mayor's Office of Housing and Community Development (MOHCD) typically requires annual payments under the Ground Leases and Loans provided for the purpose of developing or preserving affordable housing to the extent that making payments is feasible and does not jeopardize the long-term affordability or maintenance of safe and secure housing for its residents. Payments may be required under one or a combination of several structures, including amortization, deferral, or payment from residual receipts, depending on the circumstances.

When a development financed by MOHCD is projected to enjoy more income than is needed to pay expenses, service other debt, fully fund its reserves, and make approved payments out of surplus, it is MOHCD's policy that a portion of the remaining "residual" income be directed toward repayment of MOHCD's investment.

MOHCD also permits a modest portion of "residual" income to be distributed by the borrower. Distribution of any portion of "residual receipts" is conditioned on MOHCD's annual determination that certain performance standards and benchmarks have been met.

SUMMARY (see below for detailed requirements)

I. Definition of Residual Receipts	As depicted in the approved MOHCD Operating Budget Proforma for each project, the amount remaining in the annual operating budget after calculation of Net Operating Income (Project Income less Project Expenses) and allowable payments of surplus. .
II. Annual Residual Receipts Payments Due to MOHCD	Generally, 2/3^rds^ of residual receipts is payable to the City. Larger Tax Credit projects may be eligible to use an alternative ½ - ½ split for up the first 10 years of a new tax credit period, see the Developer Fee Policy for more details.
III. When more than one MOHCD contract requires residual payments	The approved MOHCD Operating Budget Proforma is a required exhibit to the last-executed MOHCD contract and must reflect a comprehensive summary of approved cash flow waterfall, listing of all lenders, relative lien positions, underlying loan terms and amounts owed to MOHCD annually across all MOHCD contracts.
IV. When a project has other Lenders in addition to MOHCD that require residual payments	The portion to be repaid to each Lender is typically determined by the proportional amount of capital funded under each loan. The approved MOHCD Operating Budget Proforma must include a list of all loans and details about projected amounts owed annually, including how the portion of residual receipts to be paid to each lender will be calculated, if not based on a proportional amount.
V. Conditions to Distribution of Residual Receipts to Borrower	Distribution of Residual Receipts may be made only upon: (1) MOHCD approval of Annual Monitoring Report; (2) determination by MOHCD that borrower is not in default; and (3) approval by MOHCD of amount of

	Distribution.
VI. Use of Residual Receipts Distributed to the Borrower	MOHCD strongly encourages borrowers to use distributions for activities in San Francisco that would be eligible uses under the CDBG Program Income rules (except to the extent that those rules may prohibit the use of funds for new construction).
VII. Uses of Project Income for Services and other Extraordinary Costs Associated with the Project	Any other use of the income derived from housing developed or preserved with MOHCD financing apart from ordinary and routine operating expenses, debt service or required reserves must be approved by the Loan Committee and the Mayor at the time MOHCD financing is committed and approved.
MOHCD Repayment Waiver Option	The repayment waiver option has been terminated.

I. Definition of Residual Receipts

A. Residual Receipts is the amount remaining in the annual operating budget after calculation of Net Operating Income (Project Income less Project Expenses) and allowable payments from surplus.

B. The project-specific Funding Agreements and/or Ground Leases define what Project Income entails and which Project Expenses are allowable. In general, the definition of allowable Project Expenses will include mandatory or “hard” debt service payments, minimum or Base Rent owed under a Ground or Land lease, and required annual payments into Reserve accounts. Each MOHCD contract will include a copy of the approved Operating Budget Proforma.

C. When MOHCD requires repayments from Residual Receipts, the formula usually requires payment of a portion of the available Residual Receipts. The use of a proportional formula makes it is essential to clearly define which uses of surplus cash have been approved for payment prior to the calculation of the amount owed to MOHCD.

D. The approved uses of any available surplus may also be referred to as the cash flow waterfall. The approved MOHCD Operating Budget Proforma is used to document the approved cash flow waterfall. In general, the following expenses may be a part of a cash flow waterfall:
   1. Fees payable to the project, the GP, the LP or the parent entity
   2. Fees payable to project funders
   3. “Soft” debt repayments to lenders / lessors

   Please see the City’s Developer Fee Policy and Operating Fees Policy for a list of allowable fees and any applicable limits.

E. Limited Partnership Agreements may also provide a narrative summary of the cash flow waterfall. In the event that a Limited Partnership Agreements is found to be inconsistent with the MOHCD Funding Agreement and/or the approved MOHCD Operating Budget Proforma, the MOHCD documents shall control.

II. Annual Residual Receipts Payments due under MOHCD Ground Leases & Loans

Except as recommended by the Loan Committee and approved by the Mayor on a project by project basis, the portion to be paid to the City shall be 2/3rds of Residual Receipts. Larger Tax Credit projects may be eligible to use an alternative ½ - ½ split for up the first 10 years of a new tax credit period and the borrower's portion of Residual Receipts shall be considered payment of Deferred Developer Fee. See the Developer Fee Policy for more details.

Any residual receipts payments shall be applied toward the unpaid balance of MOHCD loan/s according to the terms in the Promissory Note and/or Funding Agreement, and toward the payments required under the MOHCD Ground Lease.

III. When more than one MOHCD contract requires residual payments:

Some projects supported by MOHCD may be governed by more than one MOHCD contract. The MOHCD Operating Budget Proforma provides a comprehensive summary of the approved cash flow waterfall, a listing of all lenders, the relative position of each lien, the amounts owed and the relevant repayment terms, and will also reflect the cumulative amount of repayments owed to MOHCD annually across all MOHCD contracts. Projects governed by more than one MOHCD contract that extend or initiate a MOHCD contract after the effective date of this policy will be required to get approval of a new MOHCD Operating Budget Proforma.

IV. When a project has other Lenders in addition to MOHCD that require residual payments

A. If any other project lenders besides MOHCD require repayment from residual receipts, the portion to be repaid to each Lender will typically be determined by the proportional amount of capital supplied under each loan. For example, if a project received a $2 million loan from MOHCD and a $3 million loan from another lender, MOHCD would receive 2/5ths of the amount available to be repaid, and the other lender would receive 3/5ths of the amount available to be repaid. The approved MOHCD Operating Budget Proforma must include a list of all Loans and provide an appropriate amount of detail about the projected amounts owed annually including details about how the portions to be paid to each lender will be calculated. If a project makes an agreement with any other lender/s after executing a MOHCD contract containing the final MOHCD-approved Operating Budget Proforma, prior to making any payments to such other lender/s, the project must request and be approved in writing to amend the MOHCD-approved Operating Budget Proforma to include the new lender/s.

B. During operations, MOHCD will require Residual Receipts payments using MOHCD's method of calculating surplus and any amounts owed to the MOHCD. If there is a difference in the amount calculated to be owed to any other lenders under another lender's repayment calculation method when compared to MOHCD method, then each lender will be paid according to its calculation, so long as doing so would not result in a reduction in the amount payable to MOHCD.

V. Conditions to Distribution of Residual Receipts to Borrower

A. Distribution of Residual Receipts to the borrower of a MOHCD loan, or lessee of a MOHCD ground lease, may be made only upon:
   1. MOHCD approval of the Annual Monitoring Report submitted for that year; and
   2. Determination by MOHCD that the borrower is not in default under terms of the Loan; and

3. Approval by MOHCD of the amount to be distributed.

B. No distribution of Residual Receipts shall be made under any of the following circumstances:

1. When a written notice of default has been issued by any lender or investor and such default has not been cured; or
2. When the City determines that the borrower or the borrower's management agent has failed to maintain the housing and its surroundings in a safe and sanitary manner in accordance with local health, building, and housing codes; or
3. If any operating expense, including debt service on non-City loans remains unpaid; or
4. If any required reserve account is not fully funded according to the terms of the MOHCD contract/s; or
5. In the event of any other material failure to comply with the provisions of the MOHCD contract/s.

VI. Use of Residual Receipts Distributed to the Borrower

MOHCD strongly encourages borrowers to use the portion of Residual Receipts that is not applied toward repayment of MOHCD's loan or payment of residual rent under a MOHCD ground lease for activities in San Francisco that would be eligible uses under the CDBG Program Income rules (except to the extent that those rules may prohibit the use of funds for new construction).

VII. Uses of Project Income for Services and other Extraordinary Costs Associated with the Project

A. With the exception of Residual Receipts retained by a borrower pursuant to this policy, any other use of the income derived from housing developed or preserved with MOHCD financing apart from ordinary and routine operating expenses, debt service or required reserves must be approved by the Loan Committee and the Mayor at the time MOHCD financing is committed and approved.

B. The Loan Committee may approve variations of this policy on a project-specific basis, including the payment of costs associated with the provision of social, educational, vocational, counseling or other supportive services to residents either as a project expense or out of that portion of Residual Receipts that would otherwise be repaid to the City.

NOTICE OF FUNDING AVAILABILITY

Site Acquisition and Predevelopment Financing for NEW AFFORDABLE RENTAL HOUSING

Issue Date: January 27, 2023
Application Due Date: April 7, 2023

Issued by the Mayor's Office of Housing and Community Development of the City and County of San Francisco (City)

Available Funds: up to **$40,000,000** for site acquisition and predevelopment for new construction projects serving low-income households, including homeless households

TABLE OF CONTENTS

I. INTRODUCTION

In order to promote the development of permanent affordable housing for residents in San Francisco, including families, homeless households, veterans, and seniors—communities that have traditionally been underserved by new housing production—the Mayor's Office of Housing and Community Development (MOHCD) announces the availability of predevelopment and acquisition funding for sites suitable for the development of new, permanent affordable housing.

The approved FY22-23 City Budget includes $112 million for new housing and community development programs, including $40 million for site acquisitions to be sourced by the issuance of Certificates of Participation (COPs) through the Controller's Office of Public Finance.

This Notice of Funding Availability (NOFA) will help build the City pipeline of affordable housing, which is especially important at this time given the ambitious production goals of the General Plan's Housing Element. For sites acquired under this NOFA, MOHCD will make predevelopment loans in 2023, with target construction start dates in 2026 and lease up complete in 2028. Additional development funds will need to be identified in FY2025 to construct the projects.

MOHCD will select proposals that meet the following eight outcomes.

1. MOHCD will prioritize affordable housing projects best positioned to secure funding from the CA Debt Limit Allocation Committee (see: CDLAC Procedures and Application Instructions) by falling into one of three (3) priority funding categories.
    - Site development will produce at least 25% 2-bedroom and 25% 3-bedroom units, so that development will qualify as High/Highest Resource family development.
    - Site development will include at least 45% units set aside for referrals of homeless households from HSH's Coordinated Entry System, so that development will qualify as Homeless.
    - Site will be developed by a team that qualifies for the CDLAC BIPOC funding pool.

2. The proposed project must maximize density and unit count that may be built "as of right" using all available tools.
    - Use streamlined ministerial approval processes and maximize density per as-of-right zoning. For example, SB35 may be used in conjunction with the Affordable Housing Density Program or the State Density Bonus Program.
    - Adjust unit sizes to serve the proposed target populations.
    - Note: The City may determine, at its sole discretion, whether any projects with an existing entitlement meets this requirement.

3. The proposal must implement an interim use plan for the site that outlines contingencies for construction start delays of up to three years that includes:

- Retention, where possible, of existing active uses.
- Active site management to prevent unsafe conditions.
- Any proposed interim uses that will activate the site. Note that costs to sustain any interim uses are not eligible uses for funding from this NOFA.

4. The proposal must maximize the benefit of the City's subsidy dollars through demonstrated **Cost-Effectiveness**, whether via low-to-no land costs, use of efficient construction techniques and/or materials, or other identified cost-saving measures.
    - The site's development plan must accommodate funding constraints, namely, a maximum $350,000 of City subsidy per unit, including land.
    - The proposal must secure construction and permanent financing that minimizes and leverages City resources to the greatest extent possible, e.g. a State of California, Housing & Community Development (HCD) loan and/or philanthropic contribution

5. The proposal must designate a minimum of 25% of units for **Households Experiencing Homelessness**, subsidized by the City's Local Operating Subsidy Program.

6. The proposal must align with the implementation of **City policies** on anti-displacement, racially inclusive communities, and creating stable housing for vulnerable populations, as described below in Section III.

7. The proposal must create opportunities for the growth of **Emerging Developers** in primary development roles, as members of the development team, or as key members of selected development teams.

8. Serve at least 30% Extremely Low Income (ELI) households, eg $29,100 for a single person household, or $41,550 for a family of four.
    - This may be homeless households referred through the Coordinated Entry System or income restricted units that are subject to the Chapter 47 Preferences.
    - Maximize the number of target population placements into the Project (COP holders, etc.).

Funds issued under this NOFA will be available in late Summer 2023. MOHCD reserves the right to select any number of Projects it determines appropriate, given available resources for housing development and in order to fulfill the express goals of the NOFA.

**** Note: the availability of funds may be subject to the Board of Supervisors' approval of the bond issuance.***

II. IMPORTANT DATES AND SUBMISSION PROCESS

A. IMPORTANT DATES

NOFA Issued	JANUARY 27, 2023
Pre-submission conference via Zoom or MS Teams	FEBRUARY 9, 2023
Deadline for questions and requests for additional information	MARCH 17, 2023
Proposal Submissions Due	APRIL 7, 2023
Notification to Project teams who met submission requirements	APRIL 28, 2023
Project team interviews, if necessary	EARLY MAY 2023
Announcement of selection of projects	MID-MAY 2023
Deadline for Objections	LATE MAY 2023
Loan Committee	LATE SUMMER 2023
Execute Loans	LATE FALL 2023*
Estimated Site Entitlement	No later than December 31, 2024

* Note: the availability of funds may be subject to the Board of Supervisors approval of the bond issuance.

B. PRE-SUBMISSION MEETING

MOHCD will hold a pre-submission conference via ZOOM or Microsoft Teams on **February 9 at 2:00 p.m**. The purpose of the meeting is to ensure that interested developers understand the minimum qualifications requirements and the selection process.

Questions raised at the conference may be answered verbally at that time. If any substantive new information is provided in response to questions raised at the pre-submission conference, MOHCD will issue a written addendum to the NOFA (in the form of a Question and Answers document) with this information to all parties that have registered for the NOFA. No questions or requests for interpretation will be accepted after March 17, 2023. Attendance at the pre-submission conference is highly recommended but not mandatory. Please see **Attachment C – NOFA Registration Form** for information on registering for the pre-submission conference.

C. REGISTRATION FOR NOFA REQUIRED

To receive MOHCD's responses to requests for additional information and to questions about this NOFA, and to submit a proposal, all interested parties must submit a completed NOFA Registration Form to MOHCD by March 3, 2022. All addenda, responses and instructions for electronic submission will be distributed to all parties who have submitted a registration form in accordance with Section IIB above. MOHCD reserves the sole right to determine the timing and content of the response, if any, to all questions and requests for additional information. Questions and information requests should be submitted to the contact person identified in Section IIE below.

D. QUESTIONS AND REQUESTS FOR INFORMATION

All questions and requests for additional information regarding this NOFA must be submitted by e-mail to **mohcdHFOpps@sfgov.org.** Questions received after the deadline may not be answered. All addenda, responses, and additional information will be distributed to all parties who have submitted a registration form in accordance with Section IIB.

E. CONTACT PERSON, SUBMISSION DEADLINE AND PLACE

All communications about this NOFA should be directed to Mara Blitzer, Director of Special Projects at MOHCD, at **mohcdHFOpps@sfgov.org.**

Respondents to this NOFA must submit one (1) electronic copy of each of their proposals to MOHCD no later than 4:00 PM, April 7, 2023. **Proposals are to be delivered by email at mohcdHFOpps@sfgov.org by providing a DropBox link. Respondents who submit registration forms will be advised of any information necessary for the electronic submittal process.**

F. FINAL REVIEW AND COMMITMENT OF FUNDS

Selected applications will be scheduled for review and funding commitment by the Citywide Affordable Housing Loan Committee. All commitments recommended by the Loan Committee are subject to final approval by the Mayor. Commitments may be conditional; actual closings and disbursements of funds may be contingent on applicants' achievement of certain development benchmarks or performance goals. The availability of Certificates of Participation bond funds is subject to the approval of the Board of Supervisors.

The City reserves the right to commit funds to a successful applicant in an amount that differs from the originally requested amount. The City also reserves the right to award an aggregate amount that exceeds the amount identified as available under this NOFA if necessary to fully fund a selected project.

III. PROJECT EXPECTATIONS

In addition to the requirements listed above under Section I, projects are expected to meet the following goals.

A. ALIGNMENT WITH CITY RACIAL EQUITY GOALS

The City is required to affirmatively further fair housing as established by the State of California and the US Department of Housing and Urban Development.

Pursuant to San Francisco Administrative Code Chapter 47, MOHCD has adopted explicit policies in its Certificate of Preference ("COP"), Displaced Tenant, and Neighborhood Resident Preference Programs which provide historically displaced and vulnerable populations who reside within the community preference in obtaining access to quality affordable housing. In an effort to redress past and present inequities, the selection process for this NOFA will favor applicants with direct experience working with COP holders, or populations who share characteristics with the COP population.

Additional expectations for any proposed Project related to Racial Equity include:

- Maximize the number of priority placements (COP holders, etc.)
- Maximize (meet or exceed) the City's requirements for promotion of SBE/LBE organizations with contracts and local hiring with construction labor
- Create opportunities for growth of Emerging Developers (smaller organizations) in a development role or as a member of development team
- Provide initial draft marketing plans within 18 months of anticipated Temporary Certificate of Occupancy ("TCO"), outlining the affirmative steps Respondents will take to market each Project to the City's preference program participants including Certificate of Preference (COP) Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement.
- Submit responses to requests for demographic data regarding the Boards of Directors of member organizations of the Development Team's and of the staff of the Respondents that are selected. This data will not be evaluated or scored.
- Split any Developer Fee per MOHCD Underwriting Guidelines, linked here: Multi-family housing forms, documents, policies and guidelines | San Francisco (sf.gov).

B. ALIGNMENT WITH MOHCD DEPARTMENT GOALS

1. Respondents should align their development approach with the key findings in MOHCD's Theories of Change (as described in the 2020- 2024 Consolidated Plan at this link). MOHCD is addressing the City's priority needs via five interconnected, multidisciplinary objectives that cross program areas and leverage strategies both internally and across multiple city departments. These five objectives are:
   Objective 1: Families and individuals are stably housed
   Objective 2: Families and individuals are resilient and economically self- sufficient

Objective 3: Communities have healthy physical, social, and business infrastructure
Objective 4: Communities at risk of displacement are stabilized
Objective 5: The City works to eliminate the causes of racial disparities

MOHCD has also identified five target populations based on the findings from the Consolidated Plan community engagement process. These are:
- Households experiencing a legacy of exclusion
- Households destabilized by system trauma
- Households with barriers to access to opportunities
- Extremely and very low-income households
- Households at risk of displacement

2. MOHCD aims to deploy at least 25% and up to 50% of its resources to sites/programs located in Well-Resourced Neighborhoods, and deploy remaining resources to support Priority Equity Geographies as defined in the Housing Element (2023 draft). See: CTCAC Tax Credit Programs and Figure 19 here: Housing Element 2022 Update_12.16.22_Clean.pdf (sfhousingelement.org).

C. ALIGNMENT WITH DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING (HSH) DEPARTMENT GOALS

Sites and projects proposed under this NOFA must designate a minimum of 25% of units for households experiencing homelessness, subsidized by the City's Local Operating Subsidy Program.

All homeless households will be referred by the Department of Homelessness and Supportive Housing (HSH) through Coordinated Entry, and/or other initiatives serving high priority individuals in coordination with Coordinated Entry, such as high users of multiple systems of care, individuals being discharged from hospitals, or persons with behavioral health conditions. Coordinated Entry organizes the City's Homelessness Response System with a common, population-specific assessment, centralized data system, and prioritization method, and identifies households with acute needs for Supportive Housing.

Respondents who propose units serving homeless households, a population in which Black, Brown, Indigenous, and other people of color are disproportionately represented, should be committed to the following:
- The capacity and expertise to lead with a Housing First philosophy, which includes principles of harm reduction and low barriers to entry;
- A racial equity-based, culturally responsive, and trauma-informed approach to setting up programs and process;
- An ability to collaborate with tenants, providers, and the community with the goal of stabilizing households in housing;
- An ability to conduct equity-focused data analyses and use feedback from the served population to enhance the project.

Housing First principles are found in the California Welfare and Institutions Code Section 8255. Under Housing First, tenant screening and selection practices must promote accepting applicants regardless of their sobriety or use of substances, completion of treatment, or participation in services. Tenant applicants must not be rejected based on poor credit or financial history, poor or lack of rental history, criminal convictions unrelated to tenancy, or behaviors that indicate a lack of "housing readiness."

D. ELIGIBLE USES OF FUNDS

Funding awarded through this NOFA may be used to support a variety of pre-construction housing development activities for the production of new affordable rental housing, including but not limited to the following.

- Property acquisition and holding costs, with the exception of interim uses (which are not eligible uses)
- Architectural and engineering expenses
- Environmental assessments
- Appraisals
- Legal costs
- Project management

Costs associated with the acquisition or design of commercial, office, or community spaces may also be eligible uses of City funds, depending on how the use of these spaces relates to the proposed housing and the extent to which other potential resources for developing these spaces are utilized. Hard and soft costs associated with tenant improvement for potential interim uses of such spaces are not eligible for support with these funds.

Projects currently under development that have existing capital funding commitments from MOHCD, HSH or the Mayor's Office of Community Infrastructure and Investment (OCII) are not eligible for funding under this NOFA.

E. SUMMARY OF FUNDING TERMS

Soft Debt Loan Terms Include:

- Maximum City Subsidy: $350,000 per unit for buildings, to include land
- 3% annual simple interest
- 55-year term
- Repayment due to the extent that residual cash flow is available and at expiration of the loan term
- Rents restricted at an average of 60% MOHCD AMI for the life of the project
- Restrictions must be recorded in first position on title
- Eventual opportunity for City to own the land as ground lessor under some other

land dedication/ subdivision mechanism that will insure long-term affordable housing as the primary use of the land

Please see:

- MOHCD's Underwriting Guidelines (link here: [Multi-family housing forms, documents, policies and guidelines | San Francisco (sf.gov)]) for complete terms and conditions.
- LOSP Policies and Procedures Manual (same link as above)
- LOSP Term Sheet (coming soon – same link as above)
- SOS Term Sheet (coming soon – same link as above)

IV. SELECTION PROCESS, MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS, SELECTION CRITERIA AND SCORING, AND SUBMITTAL REQUIREMENTS OVERVIEW

A. SELECTION PROCESS

MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements (see Section B below). If a submittal does not meet minimum experience and capacity requirements, the respondent may submit an appeal to MOHCD staff on technical grounds only.

A Selection Panel will be appointed by the Director of MOHCD composed of persons with expertise in the areas of development, affordable housing finance, affordable housing construction management, community development, commercial space development, housing access/marketing, housing and services for homeless households, and public design/arts commission, as well as community representatives.

The Selection Panel will review all qualified responses (see Section C below) and may interview top-scoring applicants, at which time applicants will be asked to present and explain the major characteristics of their submittal, particularly as they relate to the Scoring Criteria, and respond to questions from the Selection Panel.

After interviews have been completed, the Selection Panel will determine the final ranking of all responses and present this ranking to the Director. The Selection Panel's scoring of each proposal will be done by consensus and will be final.

The Director will then select Project(s) for this funding pool and advise the Mayor of these selections. MOHCD and the selected applicants will enter into acquisition and predevelopment loan agreements with milestone requirements established in accordance with the terms of this NOFA. If MOHCD staff cannot enter into a loan agreement with a selected applicant that is in the best interest of the City, the MOHCD Director may terminate negotiations in his sole discretion. If the MOHCD Director terminates negotiations with a selected applicant, the MOHCD Director reserves the right, in his sole discretion, to (1) negotiate with the next highest ranked Respondent, or (2) reject any and all other proposals, in whole or in part, prior to award, and (3) may re-advertise the NOFA for the full or partial funding amount under such terms the MOHCD

Director deems to be in the City's best interest. MOHCD reserves the right to appoint additional parties to the selected applicant team should it be determined that the team lacks representation necessary to the achievement of the goals of the NOFA.

B. MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS

1. Minimum Development Team Characteristics

The proposed applicant team must include the following.

- A nonprofit developer (or developers) with experience developing permanent affordable housing for low-income households or a for-profit developer working in partnership with a nonprofit developer, of which one of the joint venture partners must have experience developing affordable housing (the "Developer"); the development team must have demonstrated experience conducting effective community outreach and engagement.
- A property owner entity with experience owning housing for low-income communities.
- A property management entity with experience managing housing for formerly homeless families with Housing First principles.
- A community-based, service-providing entity with experience providing culturally competent, and trauma-informed, services appropriate for formerly homeless households in a supportive housing context.

2. Minimum Development Team Experience

Minimum experience must be demonstrated by identifying specific **Qualifying Projects** in which team members have participated, as further described below. The proposed Development Team must submit **Form 5 - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.)

To demonstrate the minimum required development team experience, each team should submit one project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories, or may use different projects to demonstrate experience across categories. In all cases, no more than four (4) total Qualifying Projects should be submitted. Qualifying Projects will not be scored; they are used to determine if the proposed Development Team meets the minimum development team experience required to develop the Site.

For Developer and Owner, a **Qualifying Project** must have all of the following characteristics.

- The project must be new construction (not a requirement for Minimum Service Provision Experience) in a construction type appropriate for the proposed site development (not a requirement for Minimum Property Manager and Service Provision Experience).

- The project must include units for households experiencing homelessness.
- The project must be financed in part with Low-Income Housing Tax Credits.

3. Minimum Developer And Owner Capacity Requirements

<u>*Minimum Developer Experience*</u>: The proposed Developer must have completed within the past ten years at least **one** Qualifying Project. The definition of “completed” is having received Temporary Certificate of Occupancy by the date of the issuance of the NOFA. For joint-venture Development partners, the experience of either entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture Development partners must be submitted with the application.

Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Project management services should include financial packaging, selection of other consultants, selection of construction contractor and property management agent, oversight of architectural design, construction management, and consultation on major aspects of the development process. The contract for development services must be submitted with the NOFA response and must be acceptable to MOHCD.

<u>*Minimum Ownership Experience*</u>**:** The proposed site owner must have owned at least **one** Qualifying Project for at least five (5) years prior to the submittal deadline of this NOFA. For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed “Owner”.

In addition, each proposed Owner must provide evidence of experience with owning housing financed with Low Income Housing Tax credits. This experience does not have to be on the same project that satisfies the 5-year ownership requirement. If the Selected Developer entity is not the same entity as the proposed Owner, MOHCD reserves the right to require that certain members of the Selected Developer remain active in the ownership for whatever length of time MOHCD deems necessary to ensure operating and financial stability.

<u>*Minimum Property Manager Experience*</u>**:** The proposed property manager for the Project must have managed at least two Qualifying Projects, each for at least 36 months. In addition, the Property Manager must provide evidence of experience managing housing financed with Low Income Housing Tax credits and operating projects with a Housing First approach. The Property Manager must demonstrate effective strategies for working with service providers to collaborate on housing stability of residents.

<u>*Minimum Service Provision Requirements*</u>**:** The proposed service provider(s) must have at least 36 months’ experience providing supportive services within a Qualifying Project, including case management and comprehensive services for homeless households in a residential setting. The proposed service provider(s) must demonstrate effective strategies for collaborating with property management on housing stability for residents. The proposed service provider(s) must have the infrastructure to supervise and train

onsite staff and their supervisors.

*Other Consultants***:** For any applicant team, the experience of key staff members or "other consultants" may be substituted for the experience of the organization as a whole as long as the staff member's or consultant's experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the Respondent's team.

Note Regarding Experience***:*** For any applicant team member, the experience of key staff members may be substituted for the experience of the organization as a whole as long as the staff members' experience in other firms was substantive and involved responsibilities similar to those that they are anticipated to perform during the proposed development of the Site. Any substitution should be clearly identified in Attachment E, Qualifying Project Form.

The proposed Developer and Owner must demonstrate the financial and staffing capacity to successfully complete the project and manage the asset in the long-term, as further described below.

- *Financial Capacity***:** The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit **Attachment F – Financing Terms for Developer's Qualifying Project** documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.

- *Staffing Capacity***:** The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. To document this, the proposed Developer must submit a written narrative **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. The proposed Developer must also submit **Attachment G – Projected Staffing Workload Form** to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

- *Asset Management Capacity***:** The proposed Owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions. To document this, the proposed Owner must submit a recent Real Estate Owned (REO) schedule, stating the number of projects and average number of units/project currently in Owner's asset management portfolio, proposed Owner's current asset management staffing (noting job titles), FTEs, and status of each position (filled/vacant), and proposed Owner's organizational chart.

C. <u>MINIMUM PROPOSAL REQUIREMENTS</u>

Eligible Proposals:

1. Must demonstrate *site control by applicant* as evidenced by appropriate documentation (Deed of Trust, Purchase Agreement, Option to Purchase Agreement.) The proposed purchase price must be reasonable in comparison to other sites in the neighborhood, and in comparison to other affordable housing sites in the City, and must be supported by an appraisal as part of the application package.
2. Must include a description of proposed interim uses for the Site during the extended predevelopment period through 2026. This should include a description of current structures and uses; what if any structures or amenities will be preserved; and the timeline, budget, and scope of planned interim uses. The budget should include a description of how security and other holding costs have been calculated.
3. Must include a description of site context: parcel history; current zoning; parcel configuration, including the need for potential parcel mergers; potential historic resources on the site or adjacent to it; and prior uses at the site that may have left environmental impacts. Applicant must include a map of neighboring amenities.
4. Must demonstrate ability for the project to make use of streamlined entitlements through SB 35 or another streamlining initiative.
5. Must include the opportunity for the City to eventually own the land as ground lessor under a long-term ground lease structure or some other land dedication/ subdivision mechanism that will insure long-term affordable housing as the primary use of the land.
6. Must demonstrate overall financial feasibility through inclusion of a Financing Plan. The financing plan must include a detailed Sources and Uses Budget that includes the following and uses the most current version of the MOHCD Underwriting Guidelines, available on the MOHCD website (https://sfmohcd.org/housing-development-forms-documents.) The project must be financially feasible, including realistic development and operating budget projections that conform to industry standards, including TCAC minimum standards. Each proposed financing source must be realistic, compatible with MOHCD and all other committed or proposed funding sources, and appropriate for the proposed housing. Applicant must demonstrate that there is a reasonable likelihood that all identified development sources will be secured in a timely manner.

    a. Primary capital funding sources can include 4% low income housing tax credit equity with tax exempt bonds, City subsidy, and Federal Home Loan Bank Affordable Housing Program funds, and that may include any other funding sources developers deem applicable, such as State of California

Department of Housing and Community Development (HCD) (for example, MHP and IIG) or CalHFA funds. Do not assume use of No Place Like Home funds. Do not assume access to Section 8 (Housing Choice Vouchers, Project Based Section 8, or Continuum of Care, for example.)

b. Rents set at affordability levels appropriate for the target population.

   i. For the LOSP units serving formerly homeless households, applicants should include a projected rent subsidy amount necessary to ensure affordability and to meet the building's operations and maintenance needs, including adequate reserve deposits, asset management and partnership management fees, mandatory hard debt payments to HCD, if any, and a minimum of 5 years of deferred developer fee, as applicable. For purposes of this projection, developers should assume that the actual tenant-paid portion of rental income is **$250** per unit per month for formerly homeless households. *Future projections may differ given the proposed tenant population and subsidy program available.*

   While a commitment of capital funding does not guarantee an award of local operating subsidies, the City will work with the selected developer to leverage the most appropriate subsidies to serve the target population. An application submitted under this NOFA is also considered an application for local operating subsidies should those subsidies be made available and are necessary.

   ii. For the non LOSP units serving low income households, sponsors may propose rents up to the <u>maximum tax credit eligible</u> rent under the HUD Unadjusted Metro Fair Market Rent Area that contains San Francisco, as published annually by MOHCD ("MOHCD AMI"). For the LOSP units, sponsors should assume an ongoing rental subsidy sufficient to cover difference between $250/month tenant payment and 60% MOHCD AMI rent levels.

   iii. For units serving seniors age 62+ intending to use the SOS Program subsidy, assume that 40% of the senior units will have an SOS contract. Rents to be set at 15% AMI and 25% AMI, with contract growing at 4% annually.

7. Must demonstrate – through provision of specific examples of inputs used for estimating – that the project's total development budget, as well as its specific line items, are comparable to recent and similar projects, to industry standards and are compliant with funding source regulations, MOHCD policy and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per bed or bedroom will be examined relative to total development cost, City subsidy, and construction cost.

8. Must propose the maximum use of available, non-local funds to achieve the highest reasonable financial leveraging of capital resources for the

predevelopment, construction and permanent phase. The amount of City funds requested per unit and the actual or proposed level of funds to be leveraged from other sources will be examined.

9. Must demonstrate competitiveness for State bond and tax credit funds administered by the California Debt Limit Allocation Committee.

10. Proposals that include any displacement/relocation of residential and/or commercial tenants must include a full relocation plan and budget. Displacement or relocation that is required as a condition of site control is highly discouraged, though in some cases may be justified.

11. Must budget for a supportive services and housing stabilization component that is appropriate for the needs of the anticipated tenant population, including households who have experienced homelessness, and within either HSH's or MOHCD's funding guidelines for the services contract.

12. Must include a community engagement plan that demonstrates the capacity to generate necessary neighborhood support for the proposed development. Include any evidence of support expressed to date for the project, as well as plans for community engagement going forward. This also needs to cover the entire development period, including interim use and construction work.

13. Must include an operating budget that includes all expenses necessary to properly operate and maintain the building. This budget should include a service coordinator/connector staff position(s), at 1:100, to assist the non-homeless households. A separate budget should be attached for services that will support the households who were formerly homeless, for which the City will provide funding.

14. Must provide a construction cost estimate that reflects current construction costs and show escalation assumptions as a separate line item.

15. Must include a Services Plan and Budget that complies with MOHCD underwriting requirements. The awarded development team will apply for services funding separately at the appropriate time. However, HSH, MOHCD, and OCII, where applicable, collaborate closely on funding decisions in order to maximize the use of City resources. Capital funding decisions under this NOFA will include review and approval by representatives of these agencies. Successful applicants under this NOFA will receive priority for funding from HSH and MOHCD for services and operating subsidies.

    - Operating budgets should include up no (and no more than) 1:100 staffing for the non-homeless residents.

- For the units occupied by formerly homeless residents: assume that services for homeless families will be funded separately by HSH through direct contracts with the Projects' social services providers.

- For the purposes of this NOFA only, respondents should budget $1,000 per unit per month in services funding for the formerly homeless units. This amount may change during underwriting and services negotiations. Assume 1:20 case management staffing ratios for these units.

- Services funding will be conditioned on continuous compliance with the terms of the Respondent's Local Operating Subsidies Program ("LOSP") agreements with MOHCD as well as the support services agreement held by HSH.

16. Must provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use, which can be printed on 8.5" x 11" paper, no more than two (2) pages. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses. Note: This information does not constitute a formal design submission. There is no reimbursement for costs related to this requirement.

D. SELECTION CRITERIA AND SCORING

Responsive submittals include all the required information listed above, and a background and a vision statement articulating the application of best practices for the successful development of affordable housing and the achievement of desired outcomes and goals.

All applications that meet the Minimum Experience and Capacity Requirements listed in Section IV.B and IV.C will be scored and ranked according to the extent to which their Experience and Vision meets the following selection criteria:

	Category	**Points**
A.	**EXPERIENCE:**	**40**
i.	**Developer (12 pts)** ▶ Experience with the following: o Completing projects on time and on budget o Obtaining competitive financing terms o Developing proposed type of construction o Developing housing for low-income households, including those experiencing homelessness, as applicable ▶ Building community support through outreach ▶ Current staff capacity and experience to take on this	

	project type	
ii.	**Owner (4 pts)** ▶ Track record successfully owning housing financed with Low-Income Housing Tax Credits ▶ Experience owning affordable housing for low-income households, including those experiencing homelessness, if applicable ▶ Effectiveness of current asset management structure and staffing, given portfolio size ▶ Capacity for assuming asset management of an expanded portfolio once the development is complete	
iii.	**Property Manager (8 pts)** ▶ Experience managing property for low-income households, including those experiencing homelessness, if applicable ▶ Experience achieving high rates of housing retention ▶ Implements low barrier tenant selection policies consistent with Housing First principles and the HSH Documentation Policy ▶ Contributes to long-term sustainability of the development ▶ Achieves cost efficiencies in operations	
iv.	**Service Providers (8 pts)** ▶ Experience providing access and delivering services to low-income households, including those experiencing homelessness, if applicable ▶ Experience linking residents to the City's safety net of services ▶ Works with property management to achieve high rates of housing retention ▶ Supports positive outcomes for residents around health and economic mobility ▶ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years ▶ Capacity to attract and retain adequate staffing to take on this project	

v.	**Racial Equity (8 pts)** ▶ Experience providing housing to COP holders and neighborhood preference holders ▶ Uses innovative approaches to engagement with COP and neighborhood preference holders ▶ Demonstrates commitment to racially diverse project development teams ▶ Demonstrates experience with serving historically excluded communities of color ▶ Describes experience providing access and implementing effective service delivery strategies to historically excluded communities of color	

B.	VISION:	60
i.	**Site and Project Concept (15 pts)** ▶ Proposes site whose location, size, configuration, and zoning support the development of affordable and permanent supportive housing, including ability to maximize unit yield in a cost-effective construction type and make use of entitlement expediting such as SB 35. ▶ Describes vision for a development program at this site, while best achieving the project goals, and includes: o A residential program and other envisioned uses; o Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood. ▶ Indicates populations served by the programs and spaces (families, families experiencing homelessness, young adults, children etc.). ▶ Describes the interim use strategy, including contingencies for construction start delays of up to three (3) years	

ii.	**Community Engagement Strategy (10 pts)** ▶ Describes community engagement strategy and includes: o The team's philosophy on community engagement o Process for establishing and/or building positive relationships with surrounding neighbors and the larger community o Efforts designed to engage all interested community members—particularly BIPOC members of the target populations—and including monolingual non-English speaking community members; o How the Development Team intends to comply with the City's Language Access Ordinance ▶ Describes the Team's approach to achieving entitlements for the project expeditiously and the approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. ▶ Indicates how particular community engagement strategy will address the historical exclusion of communities of color from quality housing, including but not limited to marketing to attract target populations.	

iii.	**Services Delivery Strategy (10 pts)** ▶ Describes the Development Team's services delivery strategy and includes: o The overall service philosophy; o Model for providing services to formerly homeless residents (including case management ratio and provision of amenities such as front desk clerks, if applicable); o The services goals of the proposed vision. ▶ A brief description of the desired outcome of the services to be provided and innovative approaches to services provision, including the strategy of engaging residents and encouraging access to services. ▶ Describes how services for residents will be coordinated with the existing network of services in the neighborhood and community. ▶ Describes strategies used to help BIPOC tenants overcome barriers to accessing supportive services and income that mitigate the effects of poverty and lead to improved self-sufficiency.	
iv.	**Finance & Cost Containment Approach (15 pts)** ▶ Describes the Development Team's financing approach to the project. ▶ Describes how project is strategically positioned to successfully compete for State funding resources, including funding from the CA Debt Limit Allocation Committee and Department of Housing and Community Development ▶ Includes the Team's process for structuring the project and controlling development costs. ▶ Includes innovative strategies intended to minimize MOHCD's projected capital gap financing. ▶ Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. ▶ Includes proforma financials. ▶ Includes project design concept to fact check the financials	

v.	**Racial Equity Strategy (10 pts)** ▶ Explains how vision aligns with the primary goals of this NOFA set forth in the Introduction and Project Expectations. ▶ Proposes a substantive partnership that increases opportunity/capacity for growth of Emerging Developers (smaller organizations).	
	TOTAL POSSIBLE POINTS	**100**

Projects must receive at least 70 points to proceed through the selection process.

E. SUBMITTAL REQUIREMENTS OVERVIEW

Using **Attachment B – Submittal Checklist**, check boxes of all items that will be submitted. Complete and submit **Attachment C - NOFA Registration Form.** All addenda, responses and additional information will be distributed to all parties who have submitted a registration form in accordance with Section IIB above.

1. Minimum Development Team Characteristics

Submit **Attachment D - Respondent Description** to document the name of each organization, names of the organization's Director (or equivalent position) and primary contact persons, and phone numbers and email addresses for each of the following:

- Lead Developer and Co-Developers (if applicable)
- Development Consultant (if applicable)
- Owner(s)
- Property Manager(s)
- Service Provider(s)

For each Lead Developer and/or Co-Developer, submit a current copy of the following documents:

a. **Certificate of Good Standing** from the California Secretary of State
b. **Certification of 501(c)(3) status** (for nonprofit corporations) from the Internal Revenue Service.

2. Minimum Development Team Experience

Submit **Attachment E - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.) The Development Team may submit more than one (1) Qualifying Project for each of the experience categories:

a. Minimum Development Experience

b. Minimum Ownership Experience
c. Minimum Property Management Experience
d. Minimum Service Provision Experience
e. Minimum experience in incorporating principles of racial equity into development, management and service experience

To demonstrate the minimum required development team experience, each team should submit one project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories, or may use different projects to demonstrate experience across categories. In all cases, no more than five (5) total Qualifying Projects should be submitted. **Qualifying Projects will not be scored, but are used to identify if the proposed Development Team meets the minimum development team experience required to develop the Site.**

3. **Minimum Developer and Owner Capacity Requirements**

Financial Capacity
- Latest two (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any).
- **Attachment F – Financing Terms for Developer's Qualifying Project** to document the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.

Staffing Capacity
- Description of Key Staff Experience – Provide written narrative of **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff.
- **Attachment G – Projected Staffing Workload Form**, documenting the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

Asset Management Capacity
- Proposed Owner's recent **Real Estate Owned (REO) schedule,** documenting the number of projects and average number of units/project currently in Owner's asset management portfolio**.**
- Proposed Owner's current **asset management staffing,** noting job titles, FTEs, and status of each position (filled/vacant)**.**
- Proposed Owner's **organizational chart**.

Racial Equity Capacity
- Demonstrate how developer has met the City's minimum compliance standards for Equal Employment Opportunities on the **Qualifying Project**.

4. **Selection Criteria and Scoring**

i. **Experience:** Provide written narrative of **no more than five pages** (in Times New Roman font, 12 font size, and 1-inch margins).
ii. **Vision:** Provide written narrative of **no more than seven pages** (in Times New Roman font, 12 font size, and 1-inch margins).

Additional documents submitted in this section will not be allowed, except as identified on the **Attachment B: Submittal Checklist**.

F. Scoring for EXPERIENCE

In **no more than five pages** of written narrative (in Times New Roman font, 12 font size, 1-inch margins), describe how each member of the Proposed Development Team has the most relevant experience for the successful development of the project. **Describe how the Development Team has implemented lessons learned from past affordable housing experience.** Please note that Respondents are not limited to discussing the Qualifying Project(s).

Developer: Describe the Developer's track record successfully developing high- quality affordable housing, including supportive housing. In particular, discuss the Developer's experience completing housing development projects on time and on budget, obtaining competitive financing terms, developing type V/I or III/I construction, developing for low-income families and those experiencing homelessness and building community support for mixed use projects (affordable residential with ground floor commercial) through outreach for similar projects. Describe the experience and capacity of current staff to take on a project of this type.

Owner: Describe the Owner's track record successfully owning housing financed with Low-Income Housing Tax Credits. In particular, discuss the Owner's experience owning affordable housing for low-income families and those experiencing homelessness and describe the Owner's current asset management structure, staffing and portfolio, and its capacity for assuming asset management of an expanded portfolio once the development is complete. For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed project and to provide asset management for the project is the proposed "Owner".

Property Manager: Describe the Property Manager's track record successfully managing high-quality affordable housing communities. In particular, discuss the Property Manager's experience providing management services for low-income families and those experiencing homelessness, including communities of color; experience achieving high rates of housing retention, implementing low barrier tenant selection policies, contributing to the long-term sustainability of the development, experience administering subsidies such as LOSP; and achieving cost efficiencies in operations.

Services Provider(s): Describe the Services Provider(s)' track record delivering highly impactful services to residents in affordable and/or supportive housing developments. In particular, discuss the Services Provider(s)' experience delivering services to low-income families and those experiencing homeless, including communities of color; linking residents to the City's safety net of services; working with property management to achieve high rates of housing retention; and supporting positive outcomes for residents around health, economic mobility, and housing stability. If the Service Provider(s) have had any services contracts prematurely terminated in the last five years, include an explanation for each termination. Discuss strategies for eliminating barriers that prevent communities of color from accessing quality health care services, employment and educational opportunities.

Racial Equity Strategy: MOHCD recognizes the oppressive history of racial injustice, especially in housing and community services, the structural inequities that remain today, and the trauma those inequities perpetuate. Please describe the Developer team's level of racial equity awareness using the guidelines below:

- Understands and communicates that reducing racial inequities is mission critical
- Routinely collects, disaggregates, and analyzes data by race/ethnicity in programmatic and operational work
- Views diversity as a value-added feature of organizations, and enquires about the cultural competence of staff and grantees to work with diverse groups
- Has mechanisms for management accountability for equity, diversity, and inclusion
- Has mechanisms for staff accountability for equity, diversity, and inclusion
- Describes Development Team's present and future practices to meet MOHCD's racial equity goals as articulated in the racial equity goals of this NOFA
- Describes the Developer's experience with serving historically excluded communities of color
- Has experience providing access and implementing service delivery strategies to historically excluded communities of color
- Describes the demonstrated commitment to racially diverse project development and service teams.

G. Scoring for VISION

In **no more than seven pages** of written narrative (in Times New Roman font, 12 font size, 1-inch margins), describe the Proposed Development Team's vision for the successful development of the project:

*Program concept**:*** Describe how the Development Team's proposed Project will maximize unit yield in a cost-effective construction type and make use of SB35's expedited permitting. Describe the Development Team's vision for a development program while best achieving MOHCD's project expectations and goals. Indicate how the proposed uses and amenities will enhance the lives of the future residents and the surrounding neighborhood. Indicate particular groups served by the programs and spaces (tots, children, teens, young adults, adults, formerly homeless, etc.). Describe how the program will contribute to lowering barriers to persons of color seeking and retaining housing. Applicants should provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use to print on 8.5" x 11" paper, no more than two pages. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses. This information does not constitute a formal design submission.

*Community engagement strategy**:*** Describe the Development Team's community engagement strategy, including the team's philosophy on community engagement and process for establishing and/or building positive relationships with surrounding neighbors and the larger community. Describe the Team's approach to achieving entitlements for the project expeditiously and the Team's approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. The strategy should include efforts designed to engage all interested community members, particularly BIPOC members of the target population, and including monolingual non-English speaking members of the community. The strategy should also make clear how the Development Team intends to comply with the City's Language Access Ordinance. Finally, address how the community engagement strategy will address the historical exclusion of communities of color from quality housing.

Services delivery strategy: Describe the Development Team's services delivery strategy, including the overall philosophy and model for providing services to targeted low-income and formerly homeless populations (including case management ratio and provision of amenities such as front desk clerks), the services goals of the proposed vision, a brief description of the desired outcomes of the services to be provided and innovative approaches to services provision, including the strategy for engaging residents and encouraging access to services, and how services for residents will be coordinated with the existing network of services in the neighborhood and community.

Financing and cost containment approach: Describe the Development Team's financing approach to the project, including the Team's process for structuring the project and controlling development costs. Describe any innovative strategies intended to minimize MOHCD's projected capital gap financing. Also, describe any innovative (i.e., non-standard, routine or commonly used) direct or indirect cost- cutting strategies relevant to overall development, construction or operating expenses. Do not submit a development budget or pro forma. Scored responses must be in narrative form only.

Racial Equity Strategy: Please submit an overall statement regarding how the Development Team will incorporate the principles of racial equity in the development of the program concept, the community engagement strategy, services delivery strategy and marketing approach. Explain how the strategy aligns with the goals of this NOFA set forth in the Introduction and Project Expectations. Describe any substantive partnership that is part of the NOFA response that increases opportunity/capacity for growth of Emerging Developers (smaller organizations) in development roles. Explain how the Development Team's model removes barriers to intergenerational wealth, self-sufficiency and resiliency for persons of color, particularly COP holders, African American households and/or households in historically African American neighborhoods.

In this section, include the following attachments:

- Evidence of Site Control
- Appraisal
- Map of Neighborhood Amenities
- MOHCD Application Proforma
- **Attachment I – CDLAC Self Score Worksheet**

5. Evidence of Authority

Provide a certified corporate resolution of the applicant or, in the case of a partnership, the applicant's general partner, expressly authorizing the applicant to provide a response to this NOFA and, if selected by the City, to enter into negotiations with the City for the acquisition of the site.

6. Disclosure Form

Submit a completed and signed copy of **Attachment H – Disclosures**, which requires any respondent to this NOFA to disclose defaults, lawsuits, legal proceedings, bankruptcy filings or financial interests affiliated with MOHCD staff or Citywide Affordable Housing Loan Committee members. The individual who signs the form must be authorized to enter into legal agreements on behalf of the Respondent.

Note Regarding Submittals: Applicants may amend their response prior to the submission deadline. However, after the submission deadline, corrections are only allowed if immaterial and at the sole discretion of MOHCD.

V. TERMS AND CONDITIONS OF NOFA

A. <u>DEVELOPER RESPONSIBILITIES</u>

The selected applicant will be responsible for all aspects of development of the site, including but not limited to the following:

- Involving local community stakeholders in the program setting and initial design of the Project.
- Marketing the development to intended target audiences consistent with the goals of this NOFA, most notably outreach to Black communities historically excluded from quality housing or displaced from their neighborhoods.
- Conducting all appropriate due diligence, investigating and determining conditions of the site and the suitability of the site for the proposed Development.
- Securing all required development approvals, including but not limited to any necessary permits or approvals from the City's Planning Department and Department of Building Inspection, and from Federal and State agencies associated with environmental and historic preservation reviews (including Certificates of Appropriateness) as applicable.
- Obtaining adequate financing for all aspects of the proposed Development, including predevelopment, construction and operation.
- Designing and building the Development in a manner that produces a high-quality, enduring living environment.
- Owning, managing, and operating the Development in a manner that ensures its long-term financial viability and the ongoing satisfaction of residents.
- Complying with the requirements of any financing for the Development,

including but not limited to:

a. Equal Employment Opportunities: The Selected Developer will be required to comply with local and federal procurement requirements, including the provision of equal employment opportunities for disadvantaged business consultants, architects, contractors, and other potential development team members to participate in the Development. To ensure that equal opportunity plans are consistent with City and Federal procurement requirements, sponsors should meet with MOHCD and San Francisco Contract Monitoring Division (CMD) staff prior to hiring their development team to develop a plan for such compliance. Although the City's Contract Monitoring Division (CMD) does not require prior approval or monitoring of procedures for selecting the architect for purposes of responding to this NOFA, the architect's Small Business Enterprise (SBE) status will be counted toward the overall Development's procurement goals which will be set at a later date.
b. Environmental Review: Depending on conditions at the Development Site sand on Development plans, the proposed Development will be subject to review under the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA) and specifically the Section 106 historical resources preservation review. Department of City Planning design review may also be required.
c. Accessibility Requirements: Development sponsors will be responsible for meeting all applicable accessibility standards related to publicly funded multifamily housing under Section 504 of the Rehabilitation Act of 1973, the Architectural Barriers Act, the Americans with Disabilities Act, and certain statutes and regulations of the City and County of San Francisco. Units must meet TCAC accessibility requirements, which at the time of RFQ drafting require at least 50% of all units to be adaptable and a minimum of 15% of the units to be accessible, including units for the visually and hearing impaired, consistent with TCAC requirements.
d. Prevailing Wages: This Development will be subject to applicable local, state or federal requirements with regard to labor standards. Developers should take prevailing wage requirements and labor standards into account when seeking estimates for contracted work, especially the cost of construction, and other work to which the requirements apply, and when preparing development budgets overall.
e. Employment and Training: The Selected Developer will be required to work with the CityBuild initiative of the Office of Economic and Workforce Development to comply with local and federal requirements regarding the provision of employment opportunities for local and low-income residents and small businesses during both the development and operation of the Development, including complying with the City's First Source Hiring requirements.
f. Sustainable Design: The Mayor's Office of Housing and Community Development seeks to maximize the overall sustainability of financed projects. The selected development team will be required to pursue any funding that may become available to help pay for the cost of planning and implementing green building components.

g. Public Art Requirement: Projects with funding from MOHCD must comply with the Charter requirement to include public art as part of project design. Please see the Underwriting Guidelines for more information.
h. Minimum Insurance Requirements: see Appendix A – Minimum Insurance Requirements.

B. ERRORS AND OMISSIONS IN NOFA

Applicants are responsible for reviewing all portions of this NOFA. Applicants are to promptly notify MOHCD, in writing, if the respondent discovers any ambiguity, discrepancy, omission, or other error in the NOFA. Any such notification should be directed to MOHCD promptly after discovery, but in no event later than five (5) working days prior to the date for receipt of proposals. Modifications and clarifications will be made by addenda as provided below.

C. ADDENDA TO NOFA

MOHCD may modify the NOFA, prior to the response due date, by issuing written addenda. Addenda will be sent via email to the last known address of each person or firm listed with MOHCD as having received a copy of the NOFA for proposal purposes. MOHCD will make reasonable efforts to notify Respondents in a timely manner of modifications to the NOFA. Notwithstanding this provision, the Respondent shall be responsible for ensuring that its proposal reflects any and all addenda issued by MOHCD prior to the proposal due date regardless of when the proposal is submitted.

D. OBJECTIONS

NOFA Terms. If any interested party objects to any provision or legal requirement in this NOFA, such party must provide written notice to MOHCD at **mohcdHFOpps@sfgov.org** setting forth with specificity the grounds for the objection no later than seven (7) calendar days of the date for submitting qualifications (See Section III(A)). Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection to this NOFA.

Notice of Non-Responsiveness. A Respondent may object to a determination that its submission of qualifications is non-responsive to this NOFA by delivering written notice to MOHCD setting forth with specificity the grounds for the objection no later than seven (7) calendar days after the date of the written notice to Respondent of MOHCD's determination of non-responsiveness. Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection.

Selection of Development Teams for Exclusive Negotiations. A Respondent may object to a selected Development Team and MOHCD Director's authorization to proceed with exclusive negotiations with such Development Team by delivering written notice to MOHCD setting forth with specificity the grounds for the objection by no later than seven (7) calendar days after the selected Development Team has been announced and made public by MOHCD. If a Respondent files a timely objection, the MOHCD Director will review such objection and respond in a timely manner, and MOHCD's authorization to enter into exclusive negotiations with the selected Development Team will not be binding until the MOHCD Director denies the objection. Failure to object in the manner and within the time set forth in this paragraph will constitute a complete and irrevocable waiver of any objection.

Delivery of Objections. Respondents must submit objections in writing, addressed to the person identified in this NOFA, and delivered to the MOHCD via email at **mohcdHFOpps@sfgov.org** by the dates specified above in order to be considered. Written objections must be transmitted by email and that will provide written confirmation of the date MOHCD received the objections. If a written objection is delivered by US mail, the Respondent bears the risk of non- delivery by the deadlines specified above.

E. CLAIMS AGAINST MOHCD

No Respondent will obtain by its response to this NOFA, and separately by its response waives, any claim against MOHCD by reason of any or all of the following: any aspect of this NOFA, any part of the selection process, any informalities or defects in the selection process, the rejection of any or all proposals, the acceptance of any proposal, entering into exclusive negotiations, conditioning exclusive negotiations, terminating exclusive negotiations, approval or disapproval of plans or drawings, entering into any transaction documents, the failure to enter into a lease or lease disposition and development agreement, any statements, representations, acts, or omissions of MOHCD, the exercise of any discretion set forth in or concerning any of the above, and any other matters arising out of all or any of the above.

F. SUNSHINE ORDINANCE

In accordance with San Francisco Administrative Code Section 67.24(e), contractors' bids, responses to NOFAs and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

G. RESERVATIONS OF RIGHTS BY THE CITY

1. The issuance of this NOFA and the selection of developers for funding pursuant to this NOFA are in no way a limitation of the discretion of any City board, commission, department, employee or official with respect to any review or approval required in connection with the proposed development. The City's

selection of developers is in no way deemed to be the final approval of any development proposed by the developer.

2. The information in this NOFA is provided solely for the convenience of respondents.

3. The City expressly reserves the right at any time to do waive or correct any defect or technical error in any response or procedure, as part of the NOFA or any subsequent negotiation process; reject any or all responses, without indicating the reasons for such rejection; cancel this NOFA at any time prior to award and reissue NOFA for the full or partial funding amount; modify or suspend any and all aspects of the selection procedure, the scope of the proposed development or the required responses, or the processes indicated in this NOFA; request that respondents clarify, supplement or modify the information submitted; extend deadlines for accepting responses, or request amendments to responses after expiration of deadlines; negotiate with any, all or none of the respondents to this NOFA; make selections based directly on the proposals, or negotiate further with one or more of the respondents; during negotiation, expand or contract the scope of the proposed development, or otherwise alter the development concept in order to respond to new information, community or environmental issues; if at any time prior to the execution of binding agreements with the selected Development Team, MOHCD, in its sole discretion, determines that the selected Development Team will be unable to proceed with a timely and feasible Development in accordance with this NOFA or will not serve in the City's best interest, MOHCD may terminate negotiations with any selected Development Team and begin negotiations with the next highest ranked Respondent; MOHCD and HSH may require substitution of members of the Respondent team; or determine that no development will be pursued.

4. The issuance of this NOFA does not obligate the City to pay any costs incurred by any respondent, including but not limited to costs incurred in connection with the preparation or presentation of responses or negotiations with the City. Developer teams responding to this NOFA do so at their own expense.

5. The issuance of this NOFA is only an invitation to submit qualifications and does not constitute an agreement by the City that a loan agreement will actually be entered into by the City. This NOFA does not in any way limit the discretion of any City board, commission, employee or official with respect to any review or approval of any aspect of a proposed development.

6. The City will not approve any ground lease for any sites until there has been compliance with the California Environmental Quality Act (CEQA), and, as applicable, the National Environmental Protection Act (NEPA). If any proposed development is found to cause significant adverse impacts, the City reserves absolute discretion to require additional environmental analysis, and to: (a) modify the development to mitigate significant adverse environmental impacts; (b) select feasible alternatives which avoid significant adverse impacts of the proposed development; or (c) reject or proceed with the development as

proposed, depending upon a finding of whether or not the economic and social benefits of the development outweigh otherwise unavoidable significant adverse impacts of the development.

7. The City reserves the right to disqualify any respondent to this NOFA based on any real or apparent conflict of interest that is disclosed by the responses submitted or on the basis of other information available to the City. The City may exercise this right in its sole discretion.

Attachment A: Minimum Insurance Requirements

See attached document.

Attachment B: NOFA Submittal Checklist

See attached spreadsheet.

Attachment C: NOFA Registration Form

See attached. Submit one per organization.

Attachment D: Respondent Description

See attached document.

Attachment E: Qualifying Project Form

See attached document.

Attachment F: Financing Terms for Developer's Qualifying Project

See attached document.

Attachment G: Projected Staffing Workload Form

See attached spreadsheet.

Attachment H: Disclosures

See attached document

Attachment I: CDLAC Self-Score Worksheet

See attached document

Mayor's Office of Housing and Community Development
City and County of San Francisco

London N. Breed
Mayor

Eric D. Shaw
Director

May 30, 2023

Memorandum To: **All Potential Applicants**

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

Subject: **Amendment to Notice of Funding Availability for Site Acquisition and Predevelopment Financing for New Affordable Rental Housing (Issued 1/27/2023) ("NOFA")**

Please be advised that additional funds have been identified for availability under the NOFA. Accordingly, the NOFA has been amended as follows:

1. Page 1 is amended as follows:

Available Funds: up to **$~~40,000,000~~66,500,000** for site acquisition and predevelopment for new construction projects serving low-income households, including homeless households

2. Page 2 is amended as follows:

The approved FY22-23 City Budget includes $112 million for new housing and community development programs, including $40 million for site acquisitions to be sourced by the issuance of Certificates of Participation (COPs) through the Controller's Office of Public Finance. An additional $26,500,000 will be available from MOHCD's other sources of funds, for a total amount of $66,500,000 available under this NOFA.

There are no further changes to the NOFA.

Due to the above amendment, **MOHCD will receive any new applications by Wednesday, June 7, 2023, at noon**. Applications previously submitted do not need to be re-submitted. Any applicant who has previously submitted an application by the original deadline may not submit the same application again if such application has been deemed Non-Responsive.

One South Van Ness Avenue, Fifth Floor, San Francisco, CA 94103
Phone: 415.701.5500 Fax: 415.701.5501 TDD: 415.701.5503 www.sfmohcd.org

Citywide Affordable Housing Loan Committee

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

MEMORANDUM

DATE: MAY 15, 2026

TO: CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE

FROM: JENNY COLLINS, MOHCD MULTIFAMILY LENDING PROGRAM MANAGER

RE: 1234 GREAT HIGHWAY – REQUEST FOR INCREASE TO PREDEVELOPMENT LOAN

Source of New Funds Recommended		$3,248,500 HTF
Total New City Funds Committed		*$3,248,500*
Total Previous City Funds Committed	Acquisition:	$19,952,493 2023 COP
		$3,396,007 LMIHAF
	Predev:	$651,500 LMIHAF
Total of All City Sources		$19,952,493 2023 COP
		$4,047,507 LMIHAF
		$3,248,500 HTF
Total All City Funds Recommended		*$27,248,500*

1. SUMMARY

Tenderloin Neighborhood Development Corporation ("TNDC") and Self-Help for the Elderly ("SHE"), as co-sponsors (collectively, the "Sponsor") of a proposed 199-unit affordable housing development known as 1234 Great Highway Senior (the "Project"), located on three parcels at 1225 La Playa, 1270 Great Highway and 1280 Great Highway in San Francisco, CA (the "Property") received a predevelopment loan of $651,500 predevelopment loan (the "Predevelopment Loan") previously approved by the Citywide Affordable Housing Loan Committee and executed by MOHCD and 1234 Great Highway LLC, a TNDC-affiliate (the "Borrower") on December 11, 2023. Since then, opportunities to advance the Project using State and Federal financing have decreased, and the Project has put "pencils down" until new opportunities emerge. As such, the Sponsor is requesting $3,248,500, to pay off an existing $2,372,661.28 private predevelopment loan, to repay $672,673.68 in Sponsor's working capital in the Project to allow the Project to break even during the interim use period, and to pay $165,000 of Sponsor Developer Fee due at the time of planning approval of the Project.

2. BACKGROUND

On January 27th, 2023, MOHCD issued a Multisite Acquisition and Predevelopment Notice of Funding Availability ("NOFA") to develop new affordable rental housing for low-income families including a set aside for referrals of homeless households from HSH's Coordinated Entry System. After the initial review of applicants, five teams were interviewed, and all five teams were provided with an award letter on June 22, 2023. TNDC and SHE were selected as one of the five teams.

The Project is planned to create 197 senior affordable units (87 studios, 106 one-bedroom units, and 4 two-bedroom units), with 2 additional one-bedroom manager's units, with 25%-50% of units (50 to 100 units) set aside as permanent supportive housing serving formerly homeless seniors. The remaining units will serve low-income seniors between 20%-50% MOHCD AMI. The ground floor will include approximately 6,619 square feet of community serving space for an Adult Day Health Care Center operated by SHE.

Following Loan Committee approval on October 13, 2023 (see Attachment A), MOHCD provided an acquisition loan of $23,348,500 and the $651,500 Predevelopment Loan, for a total MOHCD contribution of $24,000,000.

The Borrower subsequently obtained a Corporation for Supportive Housing ("CSH") loan in the original principal amount of $8,200,000 at an interest rate of 4.62% (the "CSH Loan") to fund predevelopment costs in anticipation of a late-2026 construction start at which time the CSH Loan was expected to be repaid in full with funds from MOHCD. The amount due to CSH to repay the CSH Loan on August 1, 2026 will be $2,372,661.28, including interest.

In April 2025, the Sponsor applied for Multifamily Housing Program ("MHP") financing through the State Department of Housing and Community Development ("HCD") under the 2025 Multifamily Finance Super NOFA. HCD received 165 applications requesting a total of $616 million, competing for approximately $230 million in available funds. The only San Francisco project that received an award under the 2025 NOFA was 772 Pacific.

The Project is not competitive for Affordable Housing Sustainable Communities funding as there is no near-term, qualifying major transportation improvement planned by the San Francisco Municipal Transportation Agency ("SFMTA"). MHP has now sunsetted until a new voter proposition is approved. In addition, the Project had expected to use the federal Restore Rebuild (formerly Faircloth to RAD) program, but due to local SF Housing Authority and federal budget uncertainties, Restore Rebuild alone, without reserves from SFHA, is not adequate to cover the operating expenses for the Project. Given the existing funding climate, and without new sources, the Project must be placed on hold. The Sponsor does not intend to pursue additional financing without MOHCD approval.

3. PRINCIPAL DEVELOPMENT ISSUE

Lack of State Funding: The Project risks being on hold for an extended period. MHP funding was depleted in 2025, although there is a new ballot measure in 2026 to fund the program; federal and state budgets are constantly in flux.

4. INTERIM USE

The Property is currently being operated as a commercial motel. Below is a chart showing holding costs of the Property and how the interim use income has been spent since the Property was acquired in 2023. Repayment of the predevelopment costs spent using operating income and Sponsor's working capital will be used to pay holding costs, specifically property tax installments and insurance, and to restore Sponsor's liquidity. Property taxes rose considerably in 2025, and Sponsor is projecting that holding costs will exceed the rental income in 2026-2027 and beyond. The Sponsor will pursue obtaining a property tax exemption given the future use of the site as affordable housing.

	2023-2024	**2024-2025**	**2025-2026**	**2026-2027**
Property Tax	211,055	208,202	270,804	297,884
Insurance	11,222	11,731	12,358	13,594
Sub Total:	222,277	219,933	283,162	311,478
Rental Income	264,000	271,920	280,078	300,000
Net Income	**41,723**	**51,987**	**(3,084)**	**(11,478)**

The $676,673 reimbursement of predevelopment and holding costs will stay in the Project and will be used to cover holding costs. This will prevent Sponsor from having to immediately dip into its own working capital to cover the holding costs.

Any remaining balance of the $672,673 reimbursement to Sponsor at the start of construction will be applied as a capital source for the Project. Sponsor will explore strategies to mitigate holding costs, such as requesting a reduction in property taxes given the recorded Declaration of Restrictions and the Project's intended use as affordable housing. TNDC raised the motel operator's rent slightly starting in 2027.

5. PREDEVELOPMENT BUDGET

Please see Attachment A, the Loan Evaluation approved by Loan Committee on 10/13/2023. The request for additional predevelopment funding includes repayment of the CSH Loan, as well as reimbursement of predevelopment costs and payment of developer fee due to Sponsor at the time of AB2162 approval, expected in late May or early June 2026.

- CSH Loan with a current outstanding balance as of August 1, 2026 of $2,372,661.28. Payoff will prevent additional interest accrual of approximately $9000 per month under the CSH Loan through the ongoing holding period.
    - Cost incurred:
        - Architect and Engineering Fees: $876,586
        - Property Taxes: $793,599

        - Developer Fee: $88,720
        - Other Costs (Interest, Legal, Org, Planning, Events, Insurance, Appraisal, Market Study): $285,695
- TNDC Reimbursement of $672,673.68 in Project eligible costs previously incurred to restore liquidity and allow Sponsor to cover near-term holding costs, specifically property taxes and insurance that the Sponsor is responsible for as the owner of the land and improvements located at 1234 Great Highway.
    - $610,000 in architect and design team costs associated with completing the 100% design development milestone and achieving planning approval, after which the Project will go on an extended hold
    - $62,000 in other predevelopment costs .
- Developer Fee of $165,000, payable upon approval of Project entitlements under AB2162, which is expected imminently from the Planning Department. The requested Developer Fee provides critical operating support to the Sponsor, which has already invested substantial time and resources in advancing the Project. Payment at this entitlement milestone helps ensure the Sponsor's capacity to maintain Project readiness during a prolonged holding period, thereby protecting MOHCD's prior investments and preserving the Project's competitiveness for future funding opportunities.

PREDEVELOPMENT BUDGET		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Acquisition Cost is based on appraisal	Y	Property purchased in October 2023
Holding costs (legal, transfer tax) are reasonable	Y	
Architecture and Engineering Fees are within standards	Y	
Consultant and legal fees are reasonable	Y	
Entitlement fees are accurately estimated	Y	
Construction Management Fees are within standards	Y	
Relocation Costs are reasonable	N/A	
Other development costs (name or delete)	Y	
Soft Cost Contingency is 10% per standards	Y	
Developer Fee is per Guidelines	Y	

The Project is expected to pause after it receiving its entitlements in late May 2026 or early June 2026. Pausing at this milestone represents a logical point to preserve prior investments and maintain Project feasibility.

6. STAFF RECOMMENDATION

6.1 MOHCD staff recommends approval of the proposed additional predevelopment funds in the maximum amount of $3,248,500, for a total MOHCD contribution of $27,248,500 with $3,900,000 in Predevelopment funding and $23,348,500 in acquisition funding. This increase will:

- Repay the CSH Loan, in the amount of $2,372,661 due on August 1, 2026 (added the amount of $38,165 in case extra funds are needed to close), reducing near-term debt burden;
- Reimburse the Sponsor for incurred predevelopment costs in the amount of $672,674; and
- Pay $165,000 in Sponsor Developer Fee to maintain operational capacity.

6.2 Proposed Loan/Grant Terms.

Financial Description of Proposed Acquisition Loan	
Acquisition Loan Amount:	$23,348,500
Loan Term:	3-5 years
Loan Maturity Date:	2029-2031
Loan Repayment Type:	Upon Land Transfer
Loan Interest Rate:	0%

Financial Description of Proposed Predevelopment Loan	
Loan Amount:	$3,900,000
Loan Term:	3 years
Loan Maturity Date:	2029
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%

This recommendation preserves prior City investments, supports the Sponsor, and positions the Project for future financing opportunities.

Upon Citywide Loan Committee approval, MOHCD staff will prepare a resolution for Board of Supervisors' review and approval, as required for contract amounts exceeding $10M.

9.2 Recommended Loan Conditions.

In addition to the loan conditions set forth in the Loan Agreement by and between MOHCD and the LLC dated December 11, 2023, the following loan condition is being recommended: Sponsor shall not apply for any other financing for the Project without consent from MOHCD.

7. LOAN COMMITTEE MODIFICATIONS

8. LOAN COMMITTEE RECOMMENDATION

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

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

Signed by:
Daniel Adams
E09C20545F78457...

Date: 5/15/2026 | 11:46 AM PDT

Daniel Adams, Director
Mayor's Office of Housing and Community Development

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

DocuSigned by:
Salvador Menjivar
4471E0DF5946486...

Date: 5/15/2026 | 11:47 AM PDT

Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

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

DocuSigned by:
Marc Slutzkin
712ADC1A618C472...

Date: 5/15/2026 | 11:47 AM PDT

Marc Slutzkin, Deputy Director
Office of Community Investment and Infrastructure

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

DocuSigned by:
Vishal Trivedi
63D9B405CF594FF...

Date: 5/15/2026 | 12:58 PM PDT

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

Attachments:

A. Approved Predevelopment Loan Evaluation dated 10/13/2023
B. Updated Predevelopment Budget
C. CSH Loan Statement

Attachment A
Approved Predevelopment Loan Evaluation Dated 10/13/2023

Citywide Affordable Housing Loan Committee

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

1234 Great Highway Senior

$23,348,500 for Acquisition and $651,500 for Predevelopment

Total Funding $24,000,000

Evaluation of Request for:	Acquisition and Predevelopment
Loan Committee Date:	October 13, 2023
Prepared By:	Jenny Collins, Project Manager
Asset Manager:	Carmen Otero
Construction Representative:	Holly Faust
Source of Funds Recommended:	$4,047,507 LMIHAF
	$19,952,493 2023 Certificates of Participation
NOFA/PROGRAM/RFP:	2023 Multisite Site Acquisition and Predevelopment NOFA
Total Previous City Funds Committed:	N/A
Applicant/Sponsor Name:	Tenderloin Neighborhood Development Corporation Self Help for the Elderly

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	1234 Great Highway	Sponsor(s):	Tenderloin Neighborhood Development Corporation Self Help for the Elderly
Project Address (w/cross St):	1234 Great Highway (Lincoln & Irving)	Ultimate Borrower Entity:	1234 Great Highway LLC for Acquisition portion & TBD Limited Partnership for Predevelopment portion

Project Summary:

In January of 2023, MOHCD issued a Multisite Acquisition and Predevelopment Notice of Funding Availability (NOFA) for the financing for new, affordable rental housing. Tenderloin Neighborhood Development Corporation (TNDC) and Self Help for the Elderly (SHE, together the Sponsor), applied to the NOFA for acquisition of 1234 Great Highway, currently a 54-room motel named Roadway Inn (Site), located in the Outer Sunset District of San Francisco, spanning the entire block between Great Highway (west) and La Playa (east) across Lincoln (north) and Irving (south). The Site will continue to be operated as a motel during the interim use period and will be redeveloped into a 216-unit, Type III/I residential building with 7 stories and ground floor commercial. The Sponsors aim to promote the development of permanent affordable housing for low income and formerly homeless seniors in a high resource neighborhood on the Westside that is consistent with the City's Consolidated Plan and Master Plan Housing Element.

1234 Great Highway (Project) will create 216 affordable units (89 studios, 121 1-bedrooms and 6 2-bedrooms), with 50% of units serving formerly homeless seniors supported by the City's Local Operating Subsidy (LOSP), and 40% of units supported by the City's Senior Operating Subsidy (SOS). The remaining units will serve low-income seniors between 50% and 60% MOHCD AMI. The ground floor will also include approximately 5,900 sf of commercial retail space at the corner of Great Highway and Lincoln, which is planned to be an Adult Day Health Care Center to be operated by SHE.

The underwriting for this request is based solely on the response from the Sponsor to the NOFA. Funding will take out the San Francisco Housing Accelerator Fund's (SFHAF) acquisition and predevelopment financing in the amount of $21,700,000 and provide predevelopment funding in the amount of $2,300,000. The HAF acquisition closing will take place in October and the MOHCD take out of the HAF loan will take place in January, after Board of Supervisors approval. However, more work needs to be done during the predevelopment period to bring the Project budget in line with MOHCD underwriting. As per the requirements of the NOFA and the interim use plan, the Project is not scheduled to start construction until 2026, assuming successful applications for State financing in 2025. The land will be transferred to MOHCD upon construction start. Lease up is estimated to begin in late 2028. The small amount of predevelopment financing will not carry the sponsor through full predevelopment phase so sponsor is exploring other financing options.

Project Description:

Construction Type:	Type III/I	Project Type:	New Construction
Number of Stories:	7	Lot Size (acres and sf):	0.70 acre
Number of Units:	216	Architect:	TBD
Total Residential Area:	183,224 sf	General Contractor:	TBD
Total Commercial Area:	5,900 sf	Property Manager:	Tenderloin Neighborhood Development Corporation
Total Building Area:	189,124 sf	Supervisor and District:	Supervisor Engardio, D4
Landowner (future):	MOHCD	MOHCD Acquisition Cost:	$23,348,500
Total Development Cost:	$187,165,227	MOHCD Acquisition Cost per/unit:	$108,095
Total Development Cost (TDC) w/o land:	$163,816,727		
TDC/unit w/o land:	$758.411	MOHCD Gap request	$50,244,304
MOHCD Predevelopment Loan Amount:	$651,500	Total MOHCD Subsidy est/per unit	$343,724
HOME Funds?	N	Parking	Est. 20 spots, plus shuttle

PRINCIPAL DEVELOPMENT ISSUES

- MOHCD Underwriting and Subsidy per unit: The Project underwriting for this request is based solely on the response from the Sponsor to the NOFA. Per the terms of the NOFA, the Sponsor needs to limit the MOHCD subsidy to $350k per unit, including acquisition and gap financing amount. Based on the NOFA submission, the Sponsor is at approximately $343k per door, closely abutting the subsidy ceiling. The Sponsor will refine the development budget to bring the numbers in line with MOHCD guidelines by MOHCD Acquisition and Predevelopment closing and will seek additional sources to comply with the MOHCD NOFA requirement. Considering the nascent stage of development, MOHCD gap is likely to change. See Section 6.5.1 for Permanent Sources and Uses analysis for opportunities to reduce the MOHCD subsidy.
- Commercial Property Development: The Sponsor is assuming a cost of about $4.7M to build out the Adult Day Health Care Center. The assumptions on operation and development costs are still in the beginning stages and need to be refined. Sponsor will return to MOHCD before approval of a preliminary gap commitment with a more developed plan and scope of work. In addition, the Sponsor will look to alternative ways to fund the cost, in order to reduce the MOHCD debt. See Section 6.5.4 for Commercial Plan.
- Interim Use: At the time of purchase contract execution, the original owner had anticipated operating the Site after closing on the transaction. Since then, the owner has decided to retire. The Sponsor has identified a new operator, who will take over upon the SFHAF acquisition loan closing in October. The amount of rent the Sponsor originally anticipated from the original owner is now less with the new operator, by about $9k per month. The Sponsor still expects to break even on the holding costs and is aware that holding costs should not be

shown in the Project costs overall, and any additional cost above what is presented here is borne solely by the Sponsor. Any additional interim use income above the holding costs of the interim use will be put back into the development of the Project. See Section 4.7.

- Community Engagement: Based on TNDC's experience with community outreach at 2550 Irving, neighbors may have major concerns about the height, scale and density of the proposed development and the Sponsors may face significant opposition for the Project, despite by-right approvals. The Sponsor will need to plan accordingly for both community engagement and costs. See Section 3.1.
- SOS: This Project is currently asking that 87 units, out of 216 be covered by the City's Senior Operating Subsidy (SOS), which is about 40% of the total units. At this time, the SOS queue is completely spoken for and no additional funds remain for programming. The Sponsor and MOHCD will need to find alternative sources of funds in order to subsidize the senior units currently showing in the proforma at 60% AMI, and which currently are carrying approximately $4.6M in permanent debt for the property. See Section 6.5.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Per Unit	Terms	Status
MOHCD Acq Loan	$23,348,500	$108,095	3 years 0%	Committed
MOHCD Predev Loan	$651,500	$3,016	3 years 3%	Committed
SFHAF Loan	$2,240,000	$10,370	TBD	In Process
Interim Use Income	$720,000	$3,333	n/a	n/a
Total	**$26,960,000**	**$124,815**		

Permanent Sources	Amount	Per Unit	Terms	Status
MOHCD/OCII	$74,244,304*	$343,724	55 Years 3% Res Rec	Not Committed
Perm Loan	$4,630,000	$21,435	6.67%/30 yrs.	Not Committed
LIHTC Equity	$58,688,342	$271,705	.96 cents	Not Committed
HCD MHP	$35,000,000	$162,037	55 Years 3%, .42% Pymt	Not Committed
HCD IIG	$7,500,000	$34,722	55 Years 3%, .42% Pymt	Not Committed
FHLB SF AHP	$1,000,000	$4,630	15yr, 0%	Not Committed
GP Equity	$5,357,287	$24,802		Committed
Interim Use Income	$720,000	$3,333		Committed
Deferred Developer Fee	$25,294	$117		Committed
Total	**$187,165,227**	**$866,506**		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	$23,464,076	$108,630	$124
Hard Costs	$127,371,724	$589,684	$673
Soft Costs	$26,785,844	$124,009	$142
Reserves	$1,961,003	$9,079	$10
Developer Fee	$7,582,580	$35,105	$40
Total	**$187,165,227**	**$866,506**	**$990**

*The MOHCD Gap Loan estimate includes predevelopment and acquisition funding for a total of $24,000,000 and additional funding of $50,244,304. Acquisition will be considered paid in full once the

Site is transferred to MOHCD at construction close. The final gap amount will be $52,244,304, inclusive of predevelopment funds, but not acquisition.

1. BACKGROUND

1.1 Project History Leading to This Request. On January 27th, 2023, MOHCD issued a Multisite Acquisition and Predevelopment Notice of Funding Availability (NOFA) to develop new affordable rental housing for low-income families including a set aside for referrals of homeless households from HSH's Coordinated Entry System. After the initial review of applicants, five teams were interviewed, and all five teams were provided an award letter on June 22, 2023. TNDC and SHE were selected as one of the five teams.

Under the NOFA, teams were to propose acquisition of a property in a high resource area, to be competitive for state financing, as well as be able to hold a property for the near term, requiring an interim use. TNDC identified the Rodeway Inn at 1234 Great Highway. The Site had been considered recently as a potential affordable housing site by other stakeholders, partly due to the size, but also due to it being in a High Resource neighborhood. Per the TCAC website, the Site is in a High Opportunity Area with access to transit and amenities; it is also zoned to support a substantial number of units allowing economies of scale.

TNDC has a development underway at 2550 Irving Street, also located in District 4. TNDC had developed a good relationship with SHE during their work on the 2550 Irving project and was aware that SHE was interested in expanding their development capacity. TNDC and SHE responded to this NOFA as a Joint Venture.

TNDC submitted a Letter of Intent to the Seller and operator, 121 EGA Limited Partnership, on February 9, 2023, and began due diligence for the acquisition while negotiating the Purchase and Sale Agreement (PSA). The PSA originally noted that the original owner/operator would operate the Site during the interim use, but during the due diligence period, the original operator declined to continue operations after the Site changed owners, citing health concerns. TNDC found another operator and subsequently, a Letter of Intent was signed between TNDC and a 3rd party operator, Mr. Dipak Patel, as the assignee for a 2-yr term with an option to extend, resulting in $22,000 in monthly income, to cover holding costs related to property taxes associated with the Site; the new operator will carry commercial general liability and worker's compensation insurance.

A review of the Preliminary Title Report was done by TNDC, and no concerns are identified. An appraisal was conducted by Colliers International on March 31, 2023, and derived an as-is value of $21,800,000.

1.2 Applicable NOFA/RFQ/RFP. (See Attachment E for Threshold Eligibility Requirements and Ranking Criteria). MOHCD issued a Multisite Acquisition and Predevelopment Notice of Funding Availability (NOFA), for the financing for new, affordable rental housing on January 27, 2023. The NOFA specifically sought projects with acquisitions in high resource areas that would be competitive for state financing. In addition, the NOFA goals included the following:

- Construction starts 2026
- Interim Use through 2025
- Maximizing density
- City Subsidy of no more than $350k per unit with acquisitions
- A 25% LOSP set aside
- Racial Equity goals

TNDC and SHE met the minimum threshold eligibility requirements and was one of five teams to submit qualifications to acquire and develop a site. Via a competitive scoring process, the Sponsor was awarded acquisition and predevelopment funding with a score of 89 out of 100 points.

1.3 Borrower/Grantee Profile. (See Attachment B for Borrower Org Chart; See Attachment C for Developer Resume and Attachment D for Asset Management Analysis)

1.3.1 Borrower. Borrower entity for the acquisition of the property is 1234 Great Highway LLC. TNDC is the sole manager of this entity.

1.3.2 Joint Venture Partnership/Roles and Responsibilities. TNDC and SHE will create a Limited Partnership for the affordable housing development before execution of the predevelopment loan documents. TNDC's in-house Property Management, Tenant Services, Asset Management, Accounting, and Community Organizing teams will ensure the Project's transition from development and construction into leasing and stabilized operations. TNDC and SHE will jointly provide services for the future residents at 1234 Great Highway. TNDC will be the Lead Service Provider (LSP) with Self Help for the Elderly in a supportive capacity. TNDC will provide all on-site supportive services for the residents with prior experiences of homelessness and provide a comprehensive services package to all residents at 1234 Great Highway. SHE will also provide referrals and linkages for residents within the local community. SHE will support tenants' economic stability through benefits counseling and their economic mobility through employment training and support. SHE's employment services support seniors through each step of the job seeking process from training and counseling to job placement and retention, enhancing seniors' independence, self-esteem, and quality of life. Additionally, SHE will also aid residents with applications for public benefit programs, naturalization and citizenship assistance, health insurance counseling and advocacy. TNDC's in-house Property Management, Tenant Services, Asset Management, Accounting, and Community Organizing teams will ensure the Project's transition from development and construction into leasing and stabilized operations.

1.3.3 Demographics of Board of Directors, Staff and People Served. At TNDC, the CEO, 85% of staff, 60% of the Board, and half of the executive staff are people of color. Of the TNDC Board, 18% is Asian, 6% is Black, 24% is

Latinx, 41% is White and 11% are bi-racial. TNDC will work to foster similar diversity amongst its consultant development teams and has partnered with local emerging BIPOC-led businesses on its development projects. SHE is a BIPOC led organization where the CEO, 95% of staff, 90% of the Board and 100% of the executive staff are people of color. At SHE, 89% of the Board is Asian and 2% is White.

1.3.4 Racial Equity Vision. This development will advance racial equity by providing affordable housing and supportive services for seniors facing displacement and/or homelessness, a population which is disproportionately people of color. Per the Sunset Forward community needs assessment, the D4 population is as follows: 53% Asian, 31% white, 8% Hispanic or Latino, 1% Black, and 7% other. District 4 experienced a loss of 462 rent-controlled units between 2008 to 2018, and only 240 new housing units have been built since the year 2000. The development process will focus on maximizing outreach using local and alternate-language media to receive input from the BIPOC community, including the monolingual Chinese-speaking community of the Sunset. While SHE is culturally conversant in providing services to Asian seniors, MOHCD will need a more refined racial equity vision to include a plan for engaging black, brown and indigenous communities.

TNDC and SHE are committed to providing culturally competent, multilingual social services to the residents at 1234 Great Highway. Services will include case management provided by social workers, healthy aging activities, employment services, urban agriculture/food distribution, social events and activities, assistance with public benefits applications, technology assistance, and services to address other community-identified needs. TNDC recognizes that the state and federal fair housing policies put in place to address structural racism are not achieving their intended outcome, at least not at the rate that will create the change that is needed. Additionally, TNDC performs affirmative marketing targeted to disadvantaged communities, and marketing materials are distributed in several languages. TNDC identifies dozens of contacts for outreach prior to lease-up to help identify eligible persons with experiences of homelessness and eligible residents from the neighborhood. These contacts represent a wide demographic of agencies and organizations ranging from government agencies to local non-profits to maximize local neighborhood applicants. Contacts include District 4 Youth & Family Network, Mah Wei, Sunset Youth Services, Sunset Chinese Cultural District, Westside Community Coalition, Other Sunset Residents, La Playa Village Council, People of Parkside Sunset.

MOHCD staff believe more engagement may be needed with Black, Brown and Indigenous communities of color and therefore will require a more detailed racial equity plan for this project by preliminary gap.

1.3.5 Relevant Experience. TNDC was founded in 1981 with the acquisition of a single property and a commitment to creating permanently affordable homes for low-income San Franciscans. Over its 37-year history, TNDC has developed, owned, and managed 3,674 units, with another 263 under construction and 1,129 in predevelopment, totaling 5,066 units in total.

TNDC's Housing Development pipeline has grown to include over $1 billion of affordable housing activity, and it will add nearly 1,500 units of affordable housing to the portfolio over the next five years. Many of these units will be Type I or Type III/Type V over Type I new construction projects. As evidenced by project completions at Eddy & Taylor, 681 Florida and 1990 Folsom, TNDC is able to complete complex projects on-time and on budget. 1234 Great Highway will serve low-income seniors and seniors with experiences of homelessness; approximately 29 of TNDC's completed developments serve over 2,000 low-income senior residents, approximately 50% of TNDC tenant population are seniors, and 20% are formerly homeless.

Founded in San Francisco's Chinatown community in 1966, SHE serves over 40,000 older adults each year with housing, home health care, workforce development, and social services. SHE has experience providing services at their senior center, adult day health care center and their licensed residential care facilities, in addition to services provided via their on-going neighborhood programs. Of the 40,000 residents served by SHE, approximately 97% are people of color. Of the seniors served by Self-Help: approximately 80% are AAPI, 10% Caucasians, 5% Latinx, 3% African Americans and 2% others. SHE's team has a long history of working with Asian communities.

1.3.6 Project Management Capacity. The following staff members are assigned to 1234 Great Highway:
Jackson Rabinowitsh – 30% (Sr. Project Manager, TNDC)
TBD - 50% (Project Manager, TNDC)
Shreya Shah - 10% (Associate Director of Housing Development, TNDC)
Chris Cummings - 5% (Director of Housing Development, TNDC)
Manson Leung – 20% (Community Organizer, SHE)
Winnie Yu – 10% (Program Manager, SHE)
Anni Chung – 2% (President & CEO, SHE)

Currently TNDC does not have a project manager assigned to the Project. TNDC will assign a PM before predevelopment loan closing. Per TNDC, TNDC will have staff capacity open in 2024 with the close-out of 2 projects in 2023.

1.3.7 Past Performance.

1.3.7.1 City audits/performance plans. Self-Help had no findings in their citywide fiscal monitoring and their audit is adequate. SHE has been historically fiscally strong, and their administrative functions are staffed appropriately.

According to Helen Hale, MOHCD's Director of Residential and Community Services, her team works closely with TNDC (as the PM provider for RAD) and has no concerns with TNDC. TNDC is responsive to community, hire competent staff, provide thorough training and supervision, complete reporting well, and lean in with partners to think collaboratively about solutions.

1.3.7.2 Marketing/Lease-Up/Operations. SHE hasn't done any marketing or lease-ups; however, SHE provides information about available properties, their amenities, income requirements, rent, and occupancy. MOHCD marketing team is concerned that SHE currently serves a very specific Asian demographic and has not marketed its services to seniors from other racial and ethnic backgrounds. In addition, during the NOFA presentation about this Project, SHE only discussed its outreach efforts to Asian seniors and did not answer any questions when asked how SHE would serve Black and Brown seniors. SHE and TNDC's marketing plan will need to be inclusive of not only Asian tenants, but also Black and Brown seniors.

Marketing and lease-up of TNDC projects have generally gone smoothly. However, the recent lease-up of 681 Florida had some project specific challenges such as reducing studio rents for lease up without market research and some miscommunication between management staff, development staff and leasing agents. Generally the property management team has a diverse staff, doesn't check credit and criminal background of applicants, and meets the requirements of the Fair Chance Ordinance. The typical Resident Selection Criteria of TNDC for recent projects is low-barrier.

For units TNDC manages, the breakdown of households by race includes:

Overview of Head of Household by Race and Ethnicity (Only Properties in Operations)		
	# of units	% of Units
American Indian/Alaska Native	82	3%
Asian	1,096	39%

Black/African American	777	28%
Native Hawaiian/Other Pacific Islander	47	2%
White (Hispanic or Latino)	93	3%
White (not disclosed)	33	1%
White (Not Hispanic or Latino)	658	24%
Not Disclosed*	896	N/A
Vacant	191	N/A
Grand Total	**3,873**	**100%**

*Note: the demographic info at 270 Turk and Avery Lane is not available, and therefore included in "Not Disclosed".

Across TNDC's portfolio of homeless units and non-homeless units, the eviction rate is under 2%.

2. SITE (See Attachment E for Site map with amenities)

Site Description	
Zoning:	NC-2 Neighborhood Commercial Small Scale; 40-X Height and Bulk District (See Section 2.1). Efforts are underway in the Westside to change zoning laws in order to increase density.
Maximum units allowed by current zoning (N/A if rehab):	1 unit per 800 square foot lot area. Affordable housing developments are exempt from these limits and need to comply with form-based zoning.
Seismic (if applicable):	Liquefaction Zone per Planning maps. More review will be conducted during predevelopment.
Soil type:	Phase I report by Path Forward, completed on April 5, 2023. Per report, soil is sandy based on a total depth explored of 22 feet.
Local/Federal Environmental Review:	The Project will be eligible for streamlined approvals under AB 2162. CEQA is not required under AB 2162 approval. Federal funds are not considered and therefore NEPA clearance is not required at this time. Phase I and Phase II investigations were completed on April 5, 2023, and no substantial environmental concerns were found.
Adjacent uses (North):	Zoned P (Public) since Golden Gate Park lies directly north of the Site.
Adjacent uses (South):	Zoned as RM-1 (Residential Mixed Use Low Density) and RH-3 (Residential House – Three Family), largely including 2-3 story multifamily residential structures and some small mixed-use buildings.
Adjacent uses (East):	Zoned as RM-1 (Residential Mixed Use Low Density), RH-2 (Residential House – Two Family) and RH-3 (Residential House – Three Family). RM includes low density mixed-use and RH includes 2- and 3-story multifamily residential buildings. There are several 4-story multifamily residential buildings immediately to the east of

	the Site. There is a small neighborhood commercial cluster (NC-1) approximately 2-3 blocks to the east of the Site and a larger one to the southeast.
Adjacent uses (West):	Zoned P (Public) including the Great Highway and Ocean Beach.
Neighborhood Amenities within 0.5 miles:	Grocery Stores: • Safeway (north of Site, Fulton and La Playa) • Other Avenues Grocery Cooperative (east of site on Judah and 45th) Schools: • Francis Scott Key Elementary (Kirkham and 43rd) Places of worship: • SF Grace Christian Church (Irving & 46th) • St. Paul's Presbyterian Church (Judah & 43rd)
Public Transportation within 0.5 miles:	N Judah MUNI Light Rail N Bus (bus) N Owl (bus) 18 – 46th Avenue (bus) 5 – Fulton (bus)
Article 34:	Staff has submitted Article 34
Article 38:	SF PIM states "Not Applicable". Sponsor to confirm during predevelopment.
Accessibility:	To be determined. At a minimum, Project will have 15% of restricted units designated as mobility accessible and an additional 10% of units will include hearing and vision accessibility features.
Green Building:	TBD during predevelopment.
Recycled Water:	Exempt
Storm Water Management:	Property is located in SFPUC stormwater flood zone. Sponsor has already confirmed with an architect and civil engineer (both utilized for due diligence only) that the building will need to be raised by 2-3 feet to mitigate risks, identical to the design TNDC utilized at Casa Adelante (1990 Folsom), all while being able to meet accessibility requirements and maintain the proposed unit count within 7 stories. Sponsor will work with SFPUC on a stormwater control plan during schematic design.

2.1 Existing Site Description. The Site is a 0.70-acre lot with an existing 54-unit motel. The existing improvements have three distinct portions – 3, 2 and 3 stories tall – and the restaurant portion is one story tall in the first building. The motel is an old garden style tourist motel. Each building portion was built at a different time between 1923 and 1958.

The Site is located at the corner of Great Highway and Lincoln Avenue and is bounded by Golden Gate Park to the north and Ocean Beach to the west, providing immediate access to both local public amenities within a very short walk. The Site is located two blocks from Judah Street, which contains a commercial corridor including shops, restaurants, a grocery store, and other services.

2.2 Zoning. The Site is currently zoned Neighborhood Commercial Small Scale (NC-2) and the 40-X Height and Bulk District. The State Density Bonus Law exempts 100% affordable projects from density limits and provides up to three additional stories of height, or 33 feet, above the zoned height limit. A 100% affordable project in a 40-X Zoning District may be up to 73 feet in height. The NC-2 district consists of linear shopping streets which provide convenience goods and services to the surrounding neighborhoods and limited comparison-shopping goods for a wider market. The range of comparison goods and services offered is varied and often includes specialty retail stores, restaurants, and neighborhood-serving offices. NC-2 Districts are commonly located along collector and arterial streets with transit routes.

2.3 Probable Maximum Loss. N/A – new construction.

2.4 Local/Federal Environmental Review. CEQA and NEPA not required. Project is located within the Coastal Zone; however, it is not governed by the California Coastal Commission (CCC) but rather by the San Francisco Planning Department based on its location within the coastal zone designation. Sponsor verified jurisdictional oversight with a land-use attorney and the SF Planning Department during the due diligence phase of the Project prior to the NOFA submittal.

2.5 Environmental Issues.

- Phase I/II Site Assessment Status and Results.

A Phase I and Phase II were conducted as part of the property due diligence process in April 2023. The Phase I report found no major environmental conditions associated with the Site. However, it did note at least one adjacent property (a gas station) that presents Recognized Environmental Condition (REC). No immediate impacts on 1234 Great Highway were found given the results of the Phase II. An underground storage tank (UST) was removed from the Site in July 2022 and remediated per local environmental standards; a copy of the UST report was provided and reviewed as part of the Phase I (Sponsor to provide MOHCD copy of UST report). The Phase II soil investigation report concluded the following: Soil sampling results are below residential screening levels or are below background/ambient levels, indicating that Site soils are appropriate for on-site or off-site reuse. Soil sampling results are below respective hazardous waste screening criteria, indicating that Site soils would likely be classified as non-hazardous if considered for off-site waste disposal at licensed receiving facilities (landfills). Soil gas sampling results are below residential screening levels based on a conservative attenuation factor of 0.03, indicating that vapor mitigation measures are not warranted for Site redevelopment.

- Potential/Known Hazards.

  None.

2.6 Adjacent Uses and Neighborhood Amenities. See Section 2 above and site map with amenities included here as Attachment F.

2.7 Green Building. N/A.

2.8 Flood Designation. According to the flood zone information provided on page 35 of the appraisal prepared by Colliers International Valuation & Advisory Services dated March 31, 2023, the property is located in a Zone X (Unshaded) flood plain, a "moderate and minimal risk area". Considering the coastal location of the Site, Sponsor will provide more detailed flood analysis during predevelopment and before returning to MOHDC for preliminary gap.

3. COMMUNITY SUPPORT

3.1 Prior Outreach. TNDC is developing the project at 2550 Irving which is located on 26th & Irving, about 20 blocks east of 1234 Great Highway. Based on TNDC's experience with community outreach at 2550 Irving, neighbors may have concerns about the height, scale and density of the proposed development. Sponsors will need to plan for schedule and cost impacts of potential opposition. To date, 2550 Irving has amassed more than $1.5 million in costs related to legal fees and additional environmental review.

To date, TNDC and SHE have conducted limited community outreach given the early stage of the Project. TNDC and SHE attended a convening of the La Playa Council and the Westside Community Coalition to provide a high-level overview of the proposed Project based on what was submitted as part of the NOFA response. TNDC and SHE have also held some preliminary communications with other stakeholders of the community.

The Sponsors also met with Supervisor Engardio, along with representatives from MOHCD. Supervisor Engardio identified other organizations that the Sponsors should reach out to as part of the outreach process, specifically, Outer Sunset Residents and People of Parkside Sunset (POPS).

3.2 Future Outreach. The Sponsors anticipate direct outreach to the following local organizations during the outreach process:

- Westside Community Coalition (WCC)
- District 4 Youth and Family Network
- Wah Mei School
- Sunset Youth Services
- Outer Sunset Residents
- Senior Power
- Outer Sunset Mercantile & Professionals Association
- People of Parkside Sunset (POPS)
- La Playa Village Council

- D4Ward

The Sponsor will endeavor to kick off community outreach and engagement in Fall 2023.

As a requirement of this loan, the Sponsor will be required to create a detailed community engagement plan before the end of 2023 and update it quarterly.

3.3 1998 Proposition I Citizens' Right-To-Know. Project is subject to Prop I noticing and Sponsor must provide evidence of noticing prior to the Mayor signing the Loan Agreement.

4. DEVELOPMENT PLAN

4.1 Site Control. TNDC executed a Letter of Intent on February 9, 2023, and a Purchase & Sale Agreement with the Seller in late March 2023. To date, TNDC has paid a $500,000 deposit to the Seller. TNDC will acquire the Site with a San Francisco Housing Accelerator Fund (SFHAF) loan in October 2023. After Board of Supervisors approval in December 2023, the $21,700,000 in MOHCD funds will pay down the SFHAF loan and accrued interest. TNDC will maintain the Site through construction start when ownership of the land will be transferred to MOHCD and the acquisition loan will be considered paid in full.

4.1.1 Proposed Property Ownership Structure. TNDC will own and hold the Site during predevelopment via an affiliate LLC.

Upon construction start, the Site will transfer to MOHCD, and the acquisition loan will be shown as paid in full. MOHCD and the LP will enter into a standard MOHCD ground lease for 74 years, extendable up to 99 years. The LP will own the improvements.

4.2 Proposed Design. The proposed development will provide 216 apartments including 89 studios, 121 one-bedrooms and 6 two-bedroom apartments, in a seven-story rectangular Type III/I building. Two one bedrooms will be set aside for manager units. The building proposes a podium parking garage on the ground floor with 20 parking spaces to provide additional ease of mobility for seniors.

The Adult Day Health Care Center (ADHCC, approximately 5,900 sf) will provide services to residents that will live above, and to eligible seniors in the neighborhood. Seniors will enjoy a large community room on the ground floor for interactions, building events and gatherings. The second-floor outdoor deck will provide space with views for urban gardening and outdoor exercise classes. Programming will be supported by a secure lobby and on-site staff offices for property management and services.

Avg Unit SF by type:

Unit Type	TCAC Min	Est Proj Sq Ft	Project proposed unit type % greater than TCAC minimums
Studio	200	400	100%
1-BR	450	630	40%

	2-BR	700	868	24%
Residential SF:	183,224 sf			
Retail:	5,900 sf			
Building Total SF:	189,124 sf			

4.3 <u>Proposed Rehab Scope</u>. N/A

4.4. <u>Construction Supervisor/Construction Representative's Evaluation</u>. Per the MOHCD Construction Representative, the 1 and 2 bedroom unit sizes are somewhat larger than the typical MOHCD development (2BR – 800, 1BR – 550, Studio – 400). With a reduction of square footage for the 121 1BRs from 630 sf to 550sf (80 sf) and the 6 2BRs from 870 sf to 800 sf (70 sf), the project could theoretically gain 10,000 sf for additional units and wider corridors (to better accommodate a senior community with walkers and wheelchairs), or additional gathering or open spaces within the same footprint of the test fit. The unit sizes and configurations and additional spaces will be further explored with the next level of design.

The concept design prepared for the proposal is logical and efficiently maximizes the full-block site with 216 units in two long wings joined by a central entrance at the ground floor and a 2nd floor courtyard (with laundry rooms adjacent). The Adult Day Health Care Center (ADHCC) is located across from the park at the Lincoln Way corner. The units are arranged along double-loaded corridors with an elevator at each end. Back of house features and the garages are generally appropriately located at the Irving end of the site and along LaPlaya Street. For future design iterations, the Project Team should consider at least two improvements to the building amenities: More opportunities for additional open space for both residents and the ADHCC; and an additional centrally located elevator should one of the two planned elevators be inoperable.

4.4.1 <u>Construction Type</u>. The proposal explores several construction options. Early cost estimates suggest that five levels of Type III wood over two levels of Type I podium and all Type I concrete are equally viable in terms of costs and construction duration (23 months). All concrete may render a net savings given the rising insurance costs for wood-frame. An all-concrete building may also provide longer term durability in the ocean climate for lower maintenance costs over the years. Mass timber (6 stories over one podium level) is also proposed at roughly the same cost with the schedule reduced by two months. The sandy soils will require drilled piers or piles. The Project Team will explore the structural options early in the design process.

4.4.2 <u>Demolition</u>. The existing improvements will be demolished with roughly $1M allocated to the construction budget. The existing hotel (a mix of one-, two-, and three-story sections) is roughly 40,000 gsf. Based on Holly Babe's recommendation to use $25/gsf, based on demo costs for other projects in the MOHCD portfolio, $1M budgeted is sufficient to demolish the existing improvements.

4.4.3 Comparing costs. There are few comparable projects to 1234 Great Highway in the MOHCD/OCII portfolio. The closest comps are 1064 Mission, with 258 senior units, 7 stories factory built over a podium, and Transbay 2 West Senior, 151 units, 9 stories Type I. The two highrise senior buildings -- 1939 Market (in predevelopment with a reliable cost estimate at 50% Design Development, for 186 units) and 921 Howard (just finishing up construction, with 203 units) -- are comparable in terms of scale, but the highrise Type I construction is more complex and costlier. As a somewhat comparable Senior development, Laguna Honda Senior (Type III/I, 7 stories, in predevelopment), is also included in the comps. Construction costs for 1234 Great Highway compare favorably to the comps cited. At $673/sf and $589K/unit, it is right on par with the comps average. The cost estimate factors in 10% escalation for a construction start of January 2027. With current flattening of costs in some construction sectors and reduction of market rate real estate production, this escalation may be a reasonable assumption, but this will need to be reassessed through the predevelopment period. Please see Cost Compare chart attached to this Evaluation.

4.4.4 Logistics, street management, and staging. These are likely to be less costly than the comp sites, which are more urban with complex transit interfaces, traffic management, street improvement issues, and close adjacencies. On the other hand, since there has not much new construction near this Great Highway location, utility connections may involve more long-distance hubs and trenching with additional costs yet to be fully evaluated. Sponsor to provide application for power and logistics early in the process to mitigate delays.

4.5 Commercial Space. The 5,900 square foot (sf) proposed Adult Day Health Care Center (ADHCC), operated by SHE, will be located at the corner of Great Highway and Lincoln Way and will be spread across the ground floor and the second floor. The space will include an elevator and will have direct accessibility from the street. SHE has been operating an ADHCC in the Richmond District with success for over 20 years and will be responsible for financing the tenant improvements.

The ADHCC will be a state licensed facility servicing the health and social needs of frail seniors who otherwise may be prematurely institutionalized. The services provided at the center will include physical therapy, occupational therapy, speech therapy, psychiatric care, nutritional counseling, home health aides' services, among others. The center will also provide recreational activities such as exercise programs, games, and karaoke along with meals for patients. TNDC and SHE envision the ADHCC as a community resource that will enhance the lives of both the greater community and the residents of the proposed development. Residents with MediCal benefits can access ADHCC services without any out-of-pocket expenses. Residents without MediCal benefits can attend and receive desired services at the ADHCC by paying a fee based on a sliding scale. The operations of the ADHCC are funded through MediCal and fees collected from non-MediCal users.

4.6 Service Space. Office space for six social workers and a 2,800 sf community room are included in the preliminary design of the building. Service space planning will be vetted with the City's Department of Homelessness and Supportive Services (HSH) as part of programming and service plan review. All offices will be located on the ground floor.

4.7 Interim Use. Initially, the Seller was expected to oversee the operations of the motel post-closing. Due to health concerns, the Seller will be unable to do so. Subsequently, TNDC's broker found another motel operator who would lease the motel from TNDC. TNDC has an executed Letter of Intent (LOI) from this 3rd party motel operator who will take over operations of the motel upon the sale of the property.

The property will continue to be operated as a motel during the interim use period for a minimum of two years. The lease of the motel will deliver $22,000/month which will cover holding costs for property taxes (approximately $256,000/year or $21,333/month) during this period. The motel operator will be responsible for carrying the commercial liability and property liability insurance. TNDC will only be required to carry the owner's general liability insurance.

The lease payment is different than what was proposed in the original NOFA response. In that response, the Sponsor showed $750k in interim use income, which would cover two years of taxes at $271k per year. The new amount shown above has been refined and is more accurate. The Sponsor expects to break even on the holding costs and is aware that holding costs should not be shown in the Project costs overall, as per the terms of the NOFA. Any additional cost above what is presented will be borne solely by the Sponsor, and any additional interim use income will be contributed to the development of the Project.

Overall, MOHCD supports the interim use of the Site by the new operator. Per TNDC, the operator is a motel operator by the name of Dipak Patel who owns multiple motels across San Francisco and the greater Bay Area. Though Patel was not originally associated with the property, TNDC's broker has a years-long working relationship with Patel. The new operator has submitted a signed Letter of Intent and lease negotiations are currently under way. Additionally, MOHCD will require Sponsor to provide a more detailed interim use budget, before the end of 2023 as well as updates on the interim use in the MOHCD monthly report. The Seller is willing to continue operating the motel in the immediate short-term until the new operator is ready to take over operations. If the new operator backs out, the Seller will be cooperative.

4.8 Infrastructure. N/A. No infrastructure is included in this loan.

4.9 Communications Wiring and Internet Access. The Sponsor will work with the MOHCD Construction Representative to determine the appropriate communications wiring scope that meets MOHCD's standards.

4.10 Public Art Component. The Sponsor is showing $742,443 for Art in the current budget higher than the Project's public art requirement calculation, which is based off 1% of expected construction cost multiplied by the percent of Project funded by MOHCD. The Sponsor will reduce the costs to be in line with MOHCD's Underwriting Guidelines by preliminary gap. See Section 9.4 Recommended Loan Conditions.

MOHCD Estimated Gap Funds	$52,544,304
TDC	$187,165,227
Hard Cost Total	$127,371,724
Public Art Calculation	
Construction Cost	$102,806,519
1% of Construction Cost	$1,028,065
Percent funded by MOHCD (MOHCD Committed / TDC)	28.07%
Public Art Requirement	**$287,858**

4.11 Marketing, Occupancy, and Lease-Up. The Project will serve low income and extremely low-income seniors as well as seniors with experiences of homelessness. Of the 216 units, 50% will serve formerly homeless seniors, subsidized through a 15-year LOSP contract. Another 40% will serve extremely low-income seniors, subsidized through SOS, although the queue for SOS is fully expended at present. The remainder will serve seniors between 50% and 60% MOHCD AMI.

The 107 units for seniors who have experienced homelessness will be leased through the Coordinated Entry System. MOHCD's marketing policies and procedures will be applied to the remaining units except the two on-site manager's units.

Tenants of the 107 non-homeless units will be selected through a City-managed lottery system that has four preference groups required by Chapter 47 of the Administrative Code. The following preferences will apply:

MOHCD Preference	Applicant Category
1	Certificate of Preference (COP) Holders
2	Displaced Tenants Housing Preference (DTHP) Certificate Holders (20% of the lottery units; 21 units total)
3	Neighborhood Resident Housing Preference (NRHP) (25% of the lottery units; 27 units total)
4	Live/Work in San Francisco
5	All Others

Residents who live in District 4 or within half mile of the property may be eligible for the NRHP.

Since SHE's experience is primarily in Asian communities MOHCD will require SHE to ensure that extensive efforts are made to engage Black, Brown, and

Indigenous communities for interest in the affordable housing. TNDC and SHE will provide a detailed outreach and marketing plan by no later than 12 months prior to issuance of TCO.

4.12 Relocation. The current motel operator and the new motel operator will not have any relocation rights upon the sale of the property as clearly stipulated in the executed Letter of Intent and the Leaseback Agreement with both parties

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	**Name**	**SBE/LBE**	**Outstanding Procurement Issues**
Architect	TBD	TBD	N
Landscape Architect	TBD	TBD	N
JV/other Architect	N/A	TBD	N/A
General Contractor	TBD	TBD	N
Owner's Rep/Construction Manager	TBD	TBD	N
Financial Consultant	TBD	TBD	N
Joint Trench	TBD	TBD	N
Legal	Gubb & Barshay (transaction) Goldfarb & Lipman (acquisition) Farella Braun & Martell (land use)	N	N
Property Manager	TNDC	N	N
Services Provider	TNDC Self Help for the Elderly	N	N
MEP Consultant	TBD	TBD	N

5.1 Procurement Plan. The Sponsors attended a training with the Office of Contract Management Division (CMD) in September 2023. The Sponsor will meet with CMD in October 2023 to receive their SBE participation goal and then the Sponsor will issue a Request for Qualifications (RFQ) for Architect in Nov 2023, which will be followed by procurement of a construction manager/owner's rep and General Contractor in Spring 2024.

5.2 Opportunities for BIPOC-Led Organizations. This Project intends to meet or exceed contracting goals for LBE/SBE, with a special focus on working with minority-owned businesses and local businesses from the Sunset. Sponsor will direct project resources to organizations that reflect the community while seeking to reduce barriers to participation from historically disadvantaged companies and firms. In addition to directly awarding work to qualified BIPOC-led organizations, The Sponsor will seek to work with firms that can demonstrate meaningful outcomes implementing racial equity into their work.

6. FINANCING PLAN (See Attachment F for Cost Comparison of City Investment in Other Housing Developments; See Attachment G and H for Sources and Uses). The Project underwriting for this request is based solely on the response from the Sponsor to the NOFA. The information below represents where the Sponsor meets or does not meet MOHCD underwriting guidelines. The Sponsor will work with

MOHCD staff to bring Project budget in line with guidelines before the closing of the MOHCD acquisition and predevelopment loans. This will include approval of a more comprehensive review of the Permanent Sources and Uses.

6.1 Prior MOHCD/OCII Funding. N/A. This is the first request for funding from the Sponsors. See Section 9 for loan conditions related to this loan request.

6.2 Disbursement Status. The Project has incurred costs dating back to February 2023; however, Loan Committee approves payment of costs no earlier than the date of the NOFA award June 22, 2023, so long as these costs are deemed acceptable and correspond to predevelopment budget attached herein.

6.3 Fulfillment of Loan Conditions. There are no outstanding loans at this time connected to the project. See Section 9.2 for loan conditions related to this evaluation.

6.4 Proposed Predevelopment Financing.

6.4.1 Predevelopment Sources Evaluation Narrative:

Interim Use – As noted above in Principal Development Issues, the Project will break even on all interim use holding costs. Any additional holding costs will be borne by the Sponsor.

SFHAF: The Sponsor is anticipating obtaining an acquisition/predevelopment loan in the amount of $24M to cover acquisition and predevelopment costs, and including transaction costs, engineering fees, and environmental review which will be taken out by MOHCD in January 2024.

MOHCD acquisition loan: $23,348,500 purchase price and closing costs and $651,500 for acquisition-related expenses. The $24,000,000 will be used to pay off the $24M SFHAF loan, thereby save on interest costs.

MOHCD predevelopment loan: The Project's $651,500 predevelopment loan with MOHCD is insufficient to carry the Sponsor through to construction closing in 2026. The Sponsor plans to enter into a low-interest loan of approximately $5M from CSH in early 2024 to cover predevelopment expenses not covered by SFHAF and MOHCD.

6.4.2 Predevelopment Uses Evaluation:

Predevelopment Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Acquisition Cost is based on appraisal	Y	Acquisition Cost is $100,463 unit based on preliminary unit mix estimate. Appraised value is $21,800,000
Architecture and Engineering Fees are within standards	N	The Sponsor has projected $1.5M for architecture and other design consultants and engineering, which is 1% of the total construction costs. See Below
Construction Management Fees are within standards	N	Fee is $60,000 covering a 2.5 year predevelopment, which is approximately

		\$2k per month, significantly lower than the \$4k monthly allowed in MOHCD Guidelines
Developer Fee is within standards	N	Total Dev Fee is \$200,000 This is below the MOHCD standard. Sponsor should adjust schedule to allow for maximum \$550k payout during predevelopment.
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 6.5%.

As previously mentioned, The Project underwriting for this request is based solely on the response from the Sponsor to the NOFA. The information above represents where the Sponsor meets or does not meet MOHCD underwriting guidelines.

6.5 Potential/Proposed Permanent Financing. Permanent financing being presented to demonstrate the project's overall feasibility but is not intended to be presented for approval at this time. Sponsor will request full approval as part of MOHCD's gap Financing commitment.

6.5.1 Permanent Sources Evaluation Narrative. The Sponsor proposes to use the following sources to permanently finance the project:

- MOHCD Acquisition Loan: \$23,348,500. This covers the purchase price of \$21.7M as well as funds for legal fees, transfer tax, and possibly SFHAF interest. Upon transfer of the Site to MOHCD at construction close, this will be considered paid in full.

- MOHCD Gap Loan: \$52.5M in MOHCD Gap funds, which equates to \$243k per unit. The Sponsor will return at preliminary gap with a more refined number. Current comparable projects in MOHCD pipeline are showing at about \$10k more per unit, so this gap amount is in line with MOHCD standards. At \$673/sf and \$589K/unit, it is right on par with the comps average. The cost estimate factors in 10% escalation for a construction start of January 2027. With current flattening of costs in some construction sectors and reduction of market rate real estate production, this escalation may be a reasonable assumption, but this will need to be reassessed through the predevelopment period.

- 4% Tax Credit Equity (\$58,688,342): Equity Investor TBD. Sponsor is assuming \$0.96 in federal credit pricing. Considering the market and recent pricing from projects in the MOHCD pipeline, this amount appears conservative. Should the market improve an increase in equity would assist in reducing the overall gap. See Section 9.4, Recommended Loan Conditions.

The Project could leverage approximately an additional $15.8MM in state tax credit equity which would lower the MOHCD gap significantly. The Sponsor will evaluate this option when returning to MOHCD for preliminary gap commitment.

In addition, the Project is not showing the commercial build out as a community facility, which could also garner more tax credits, and thereby reduce MOHCD debt. Sponsor will evaluate this option prior to preliminary gap.

- MHP Loan ($35,000,000): 55 years, 3% simple interest rate with a 0.42% mandatory payment, and residual receipts payments. The project does meet the MHP scoring priorities of high resource area. Additionally, the high unit count and high rent neighborhood deliver a large public benefit and relatively high subsidy efficiency score which will allow the project to be very competitive for MHP financing. The preliminary MHP tie-breaker for the project is 74.98% and the project would also score high points due to its High Resource location. Moreover, the project can apply under the BIPOC set-aside for MHP financing.

- IIG ($7,500,000): Sponsor has assumed an IIG application award of $7.5M, which is the maximum amount allowed under the Qualified Infill Project guidelines currently. The Sponsor anticipates applying for IIG funds with MHP funds through a HCD Super NOFA application. Due to the project's competitiveness with MHP, the project will inherently be competitive for IIG.

- AHP Grant ($1,000,000): 15 years, 0% interest. The Sponsors plan to apply closer to gap financing approval, and if not awarded, will continue to apply as many times as possible prior to the temporary certificate of occupancy ("TCO") is issued for the development. As a condition, Sponsors will provide an analysis by the next AHP round.

- Private Mortgage ($4,630,000): Mortgage is supported by the rents from non-LOSP units and SOS units. Mortgage is underwritten with 30-year term, 30-year amortization, at an all-in interest rate of 6.70%. In the current interest rate environment, it is recommended that the Sponsor explore adding an interest rate cushion. Current DSCR is over 1.3 in the 1st year and stays above 2.0 throughout the 20-year term. Per MOHCD assumptions on the proforma, it appears that the Sponsor could take on additional debt, upwards of $6m to offset MOHCD subsidy. The Sponsor will return to MOHCD at preliminary gap with more refined numbers and reduce the DSCR to about 1.0 in year 17.

- Deferred Developer Fee ($25,293): The Sponsor will receive deferred fee that is paid out by year 3.

- General Partner Equity ($5,357,287): Sponsor is only required to provide $100 in GP equity, but the additional GP Equity helps the Sponsor leverage an additional $2,056,954 in tax credit equity. The Sponsor can take advantage of this additional ask for tax-exempt bonds because it meets the scoring priorities for a high resource project.

- Interim Use Income ($720,000): This income is expected over a period of 32 months and will cover holding costs such as property taxes and insurance during that time.

- Construction Loan ($86,700,000): 31 months, 6.40% interest rate. This loan would be funded through proceeds from a tax-exempt bond allocation. Referenced here although this is not a permanent source.

6.5.2 CDLAC Tax-Exempt Bond Application. The Project scoring will be eligible to compete in the ELI/VLI set-aside within the New Construction pool and the Bay Area's geographic set-aside. The Sponsors will apply to CDLAC-TCAC in 2026 for a 2026 allocation with an approximate $86.7 million tax-exempt bond request, scoring 120 total points, with a tiebreaker of 167.7% (based off the 2022 tiebreaker calculation). Based on the current scoring system for CDLAC, this score appears to be very competitive.

CDLAC Self-Score	
Opportunity Map Resource Level	TCAC/HCD Opportunity Map: High (In QCT/DDA)
TCAC Housing Type (new construction only)	TCAC regs: Senior
Bond Allocation Request Amount	$86.7M
Total Self-Score (out of 120 points)	120
Tiebreaker Score	167.7%

6.5.3 HOME Funds Narrative. N/A. No HOME Funds contemplated.

6.5.4 Commercial Space Sources and Uses Narrative. The Sponsor included the AHDCC as part of the NOFA response, recognizing the need for senior support in the Outer Sunset. The Sponsor anticipates the commercial shell to cost $4.7M, including $2.7M for cold shell construction and another $2M for warm shell. No tenant improvements are shown in the budget. The contingencies associated with the commercial build out vary and do not seem to be in line with MOHCD underwriting. At the NOFA application, the Sponsor showed all costs being funded by Tax Credits.

The Project Sponsor will refine the budget and look for sources to offset the construction costs by Gap. Sponsor will provide a detailed commercial budget to MOHCD for approval prior to preliminary gap.

In addition, the Sponsor is reviewing the possibility of applying for funds under the Strategic Growth Council's (SGCs) Community Resilience Centers (CRC). If the CRC is an option, in tandem with the ADHCC, then SGC will pay for the commercial portion and provide ongoing program support. The Sponsor will provide more information by preliminary gap.

6.5.5 Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Hard Cost per unit are within standards	Y	$589,684unit
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5.9% Design Contingency is 2% Plan Check Contingency is 6.1% Escalation of 10.1%
Architecture and Engineering Fees are within standards	N	See predevelopment uses. Sponsor should consider updating costs.
Construction Management Fees are within standards	Y	Total cost is $175K, for 31 months construction period. Monthly cost is $5,645, which is below MOHCD's $6,000 monthly threshold during construction.
Developer Fee is within standards, see also disbursement chart below	Y	Total Dev Fee is $1,100,000 Total At-Risk Dev Fee is $1,100,000 GP Equity $5,357,287 Deferred Fee $25,293
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 5.8% This amount it too low considering the extended development period. This should be increased to MOHCD minimum of 10%
Consultant and legal fees are reasonable	N	Sponsor is carrying $50k for permit expediter but will need to reduce to $15k per MOHCD underwriting guidelines.
Construction Loan Interest is appropriately sized	TBD	too early to know interest rates for 2026
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve is $735,614 which is equal to approximately 3 months

Other Capitalized Reserves are reasonable	N	Lease Up reserves of $573,389 Rent up Costs are $452,000 See Below
Entitlement Fees	N	$2,410,836 are higher than typical which would be roughly 1% of the total construction costs or roughly $1.4M. The PGE fee of $1.9M is also higher than typical, but there is the potential that, because there has not been much new construction in this area, PGE may need to build out more infrastructure and the project may incur some of those costs.
Furnishings	N	Sponsor is not carrying any costs for furnishings. Per MOHCD Underwriting Guidelines, the Project will need to include upwards of $800k for unit furnishings for the PSH units, and common area furnishings.
Lease Up Reserves	N/A	$573,389, estimated at $2000 per unit, plus $20k for leasing office. MOHCD staff believe this cost is high, but Sponsor noted this is likely insufficient for a building this size. Sponsor will work with MOHCD to refine this number before preliminary gap.
Rent Up Costs	N/A	$452,000 This is also higher than anticipated and will be refined prior to gap.

6.5.6 Developer Fee Evaluation. Below is the total developer fee with a breakdown by milestone of the payment of the developer fee to the Sponsor:

Total Developer Fee:	**$7,582,580**	
Amount of Remaining Project Management Fee:	$1,100,000	
Amount of Fee at Risk (the "At Risk Fee"):	$1,100,000	
Amount of Commercial Space Developer Fee (the “Commercial Fee”):	$0	
Amount of Fee Deferred (the "Deferred Fee"):	$25,293	
Amount of General Partner Equity Contribution (the “GP Equity”):	$5,357,287	
Milestones for Disbursement of Developer Fee payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Project Management Fee: Acquisition/Predevelopment Closing	$165,000	15%
Predevelopment milestone #1: Entitlement Approval	$165,000	15%
Predevelopment milestone #2: Submission of HCD Funding Application	$110,000	10%
Predevelopment milestone #3: Submission of CDLAC and TCAC Application	$110,000	10%
At Construction Closing	$220,000	20%
Construction Completion	$220,000	20%

Milestones for Disbursement of that portion of Developer Fee defined as At-Risk Fee		Percentage At Risk Fee
95% lease up and draft cost certification	$220,000	20%
Permanent Conversion	$550,000	50%
Project Close-out	$330,000	30%
Milestones for Disbursement of that portion of Developer Fee defined as Commercial Fee	N/A	Percentage Commercial Fee

The Sponsor has not requested the maximum amount of predevelopment developer fee of $550,000. MOHCD suggests the Sponsor reevaluate the budget.

Project Sponsor is not requesting a commercial fee at this time but is eligible to take it. The Sponsor will return with updated numbers at preliminary gap commitment.

7. **PROJECT OPERATIONS** (See Attachment I and J for Operating Budget and Proforma)

7.1 Annual Operating Budget. The annual operating budget being presented to demonstrate the Project's overall feasibility but not intended to be presented for Loan Committee approval at this time. Sponsor will return to Loan Committee at Preliminary Gap.

The Project is currently estimating first year operating expenses in 2028 of $3,021,842, around $13,990 PUPA, including debt service and minimum HCD debt payments. Currently, the Project does not go negative and shows a 2.116 in year 17 and 2.34 DSCR in year 20. Due to this higher DSCR, the Sponsor will need to take on more debt to lower MOHCD's gap and bring the DSCR in line with MOHCD Underwriting Guidelines.

In addition, the Project team should apply for additional subsidy to solidify the Project budget for future years, including Continuum of Care (CoC) funding for a portion or all of the PSH units.

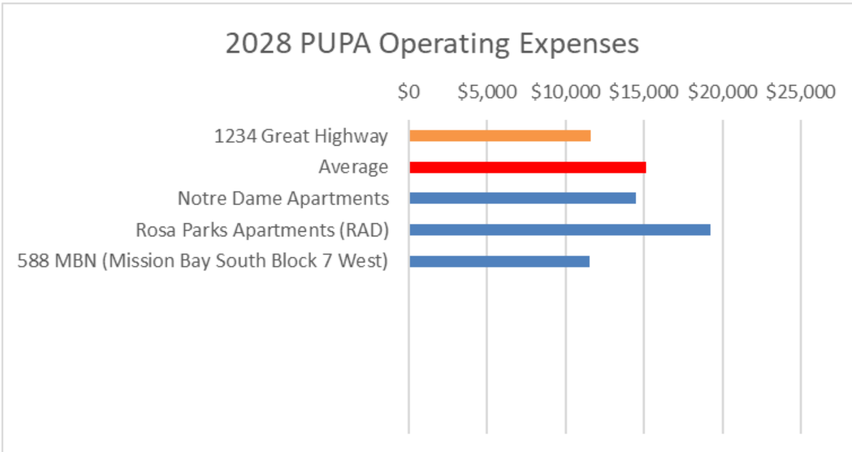
As noted above, the budget presented will need to be refined through the predevelopment period and building design.

LOSP rents paid by tenants trend at 1% increase per year. The Project is requesting LOSP operating subsidies to support 107 units. The LOSP subsidy is projected at $439K for the first half year going up to over $882k for the next full year. The 15-year LOSP contract is estimated at $18,157,174.

At present, the Sponsor is showing 87 SOS units, but this should be reduced to 86 units, or 40% of the total units available to tenants. The tenant paid rent for the 87 SOS units trend at 2.5% increase a year, with SOS payment increasing by the SOS Manual amount of 4%, for a total 15-year contract of $23,749,818. However as noted elsewhere, the SOS program is fully committed at present. Sponsor and MOHCD will need to identify other sources of funding to support these units.

The remaining 21 units will be for rents between 50 and 60% MOHCD AMI. Historically, MOHCD has seen difficulty leasing up 60% AMI units for seniors as many seniors applying to housing have lower AMIs. The Sponsor will seek additional sources of operating support for lower AMI tenants, such as VASH.

7.2 Annual Operating Expenses Evaluation.



In review of the Operating Budget and comparing against other Projects, the Per Unit Per Annum (PUPA) expenses are lower than most other projects in MOHCD portfolio. As noted previously, the Project underwriting for this request is based solely on the response from the Sponsor to the NOFA. The information below represents where the Sponsor meets or does not meet MOHCD underwriting guidelines. The Sponsor will work with MOHCD staff to bring Projects budget in line with guidelines before the closing of the MOHCD acquisition and predevelopment loans. The complete OPEX will be presented for final approval by preliminary gap.

Operating Proforma		
Underwriting Standard	**Meets Standard? (Y/N)**	**Notes**
Debt Service Coverage Ratio is between minimum 1.10:1 and maximum 1.15:1 at year 15	N	DSC is 1.22:1. Sponsor will work to bring DSCR in line with MOHCD Underwriting Guidelines
Debt Service Coverage Ratio stays above 1.00:1 for entirety of projected 20-year cash flow	N	DSCR stays above 2.34:1 in year 20. Sponsor will work to bring DSCR in line with MOHCD Underwriting Guidelines
Vacancy meets TCAC Standards	Y	Vacancy is 5%
Annual Income Growth is increased at 2.5% per year	Y	Income escalation factor is 2.5% for non-LOSP, LOSP escalation is 1% for tenant rents, SOS income is at 4%
Annual Operating Expenses are increased at 3.5% per year	Y	Expenses escalation factor is 3.5%

Base year operating expenses per unit are reasonable per comparables	N	Total Operating Expenses are $13,990 per unit; this is significantly less than other projects in MOHCD pipeline
Property Management Fee is at allowable HUD Maximum	Y	Total Property Management Fee is $152,928 or $61 PUPM
Property Management staffing level is reasonable per comparables	Y	1 FTE General Manager, 2 FTE Assistant General Managers, 4.2 FTE Desk Clerks, 2 FTE Janitors and 3 FTE Maintenance staff
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is $24,280/yr. Annual PM Fee is $25,720/yr.
Replacement Reserve Deposits meet or exceed TCAC minimum standards	Y	Replacement Reserves are $500 per unit per year
Limited Partnership Asset Management Fee meets standards	Y	$5,000 per year. Cost does not escalate.

LOSP Allocation: The Sponsor currently allocates 50% of costs to the LOSP units in the Operating Budget. This is in line with MOHCD and HSH's guidelines. Any changes to the allocation in the future will need to be reviewed and approved by both MOHCD and HSH.

Management Fee: $61per unit per month, within HUD schedule but is low considering the population. Sponsor to confirm and adjust by Gap.

Property Management Staffing ($203,808): 1 General Manager and 2 assistant managers, which is reasonable for a project of this size.

Office Salaries ($30,735):This is for compliance specialist and seems reasonable considering the size of the Project.

24/7 Desk Coverage ($200,928): This is showing under the security line item and is in line with other 24/7 desk projects in MOHCD pipeline.

Insurance ($157,951): This seems low for a Project of this size and the Sponsor should obtain reliable quotes before preliminary gap. Sponsor will provide evidence of insurance quote by end of year 2023 in order to forecast OPEX in the future.

Utilities ($376,844): Considering that half of the Project is permanent Supportive Housing, these costs look lower than expected. MOHCD to work with Sponsor to bring these costs in line with other projects in MOHCD pipeline.

Commercial Operations: The Sponsor showed $150k in annual income for the ADHCC with a triple net lease, with SHE paying their share of the Common Area Maintenance (CAM) costs. The Sponsor also assumed a 50% vacancy, which is a MHP requirement in the NOFA application. All surplus cash will be rolled into the affordable housing operations.

The proposed rental income for a community servicing use is higher what is typical. The Sponsor will work with MOHCD to refine the income and expenses assumptions.

7.3 Capital Needs Assessment & Replacement Reserve Analysis. N/A. New Construction.

7.4 Income Restrictions for All Sources. The table below summarizes the equivalent affordability restrictions from all funders, including those that will be proposed to HCD in the MHP application, and will be used at the time of marketing to determine the most restrictive income and rent levels.

NON-LOTTERY	No. of Units	MOHCD	TCAC	HCD
Studio – LOSP	23	50% MOHCD AMI	25% TCAC AMI	25% TCAC AMI
1 BR – LOSP	31	50% MOHCD AMI	25% TCAC AMI	25% TCAC AMI
Studio – LOSP	24	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
1 BR – LOSP	32	50% MOHCD AMI	40% TCAC AMI	40% TCAC AMI
Sub-Total	**110**			
LOTTERY				
Studio-SOS	18	60% MOHCD AMI	20% TCAC AMI	20% TCAC AMI
1 BR-SOS	25	60% MOHCD AMI	20% TCAC AMI	20% TCAC AMI
Studio-SOS	24	60% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
1 BR-SOS	32	60% MOHCD AMI	30% TCAC AMI	30% TCAC AMI
Sub-Total	**87**			
Studio	5	55% MOHCD AMI	50% CTCAC AMI	50% CTCAC AMI
1 BR	6	55% MOHCD AMI	50% CTCAC AMI	50% CTCAC AMI
2 BR	3	55% MOHCD AMI	50% CTCAC AMI	50% CTCAC AMI
2 BR	3	60% MOHCD AMI	60% CTCAC AMI	60% CTCAC AMI
Sub-Total	**17**			
STAFF UNITS				
1 BR	2	N/A	N/A	N/A
TOTAL	**216**			
PROJECT AVERAGE		**37.85%**	**30%**	**30%**
AVERAGE FOR LOTTERY UNITS ONLY		**59.33%**	**30%**	**30%**

7.5 MOHCD Restrictions:

Unit Size	Maximum Income Level (MOHCD Income Level)					
	15%	**20%**	**55%**	**60%**	**Manager Units**	**Total**
0 BR	23	24	5	37		89
1 BR	31	32	6	50	2	121
2 BR			3	3		6
						216

8. SUPPORT SERVICES

8.1 Services Plan. Pending HSH approval of the services plan, TNDC and SHE will deliver a comprehensive wrap-around model of support services through a 1:20 ratio of Social Workers for the LOSP units, for a total of 7 FTE social workers, 0.6 FTE Healthy Aging Coordinator and 0.5 FTE Food Security Programming Coordinator. Supportive services include Intakes and Assessments, Case Management, Supportive Counselling, Individualized Service Planning, Benefits Counseling, Job Training and Employment Counseling, Immigration Assistance, Health Insurance Counseling, Crisis Intervention, Mediation, Housing Stabilization and Eviction Prevention. The Healthy Aging Coordinator will work in partnership with the site-based Social Workers to develop and deliver evidence-based community engagement activities that support the growth and development of the community through onsite workshops, classes, and groups. The Food Security Program Coordinator will work to create a more equitable food system that fosters connection within and among residents, supporting the City's food security network by improving food access and food security.

7 FTE social workers will be on Site to serve all tenants Monday through Friday from 8.30am to 7pm, with flexibility for making appointments outside of the regular hours, and on-call at all other times to respond to emergencies.

The HSH ratio for FTE to unit is 1:25. The MOHCD standard is 1:75 for non-homeless units. Sponsor will work with MOHCD to bring FTEs in line with both HSH and MOHCD standards before preliminary gap.

8.2 Services Budget. The annual budget allocated for supportive services from HSH is $1,296,000, and the property's operations budget allocation is $87,060, for a total of $1,383,060 for supportive services.

8.3 DPH/HSA Assessment of Service Plan and Budget. This is a preliminary plan and budget. The Sponsor will work with MOHCD and HSH to approve the plan and budget during predevelopment and before gap.

9. STAFF RECOMMENDATIONS

9.1 Proposed Loan/Grant Terms.

Financial Description of Proposed Acquisition Loan	
Acquisition Loan Amount:	$23,348,500
Loan Term:	3-5 years
Loan Maturity Date:	2027-2029
Loan Repayment Type:	Upon Land Transfer
Loan Interest Rate:	0%

Financial Description of Proposed Predevelopment Loan	
Loan Amount:	$651,500
Loan Term:	3 years
Loan Maturity Date:	2027
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%

9.2 Recommended Loan Conditions.

9.2.2 Prior to end of 2023:

- Section 3.2: Create a detailed community engagement plan before the end of 2023 and update quarterly.
- Section 3.3: Sponsor must provide evidence of Prop I sign posting thirty (30) days prior to the Loan Agreement being signed by Mayor, projected end of November.
- Section 4.7: MOHCD will require Sponsor to provide a more detailed interim use budget before the end of 2023.
- Section 7.2: Sponsor will provide evidence of insurance quote by end of 2023 in order to forecast OPEX in the future.

9.2.3 Prior to Initial Predevelopment and Acquisition Disbursement:

- Section 1.3.4: Sponsors to provide a more refined racial equity vision to include a plan for engaging Black, Brown and Indigenous communities.
- Section 1.3.6: Assign Project Manager.
- Section 2.5: Sponsor to provide evidence of UST removal to MOHCD.
- Section 6.4.2: Sponsor must provide updated predevelopment and gap budgets that are in concurrence with MOHCD underwriting guidelines.
- Sponsor form Limited Partnership to borrow predevelopment portion of the $24M MOHCD loan

- Provide MOHCD closing statement from Title Company showing SFHAF payoff amount with breakdown of costs.
- Provide a request for funding using the MOHCD draw funding request documents and including all invoices paid with SFHAF funds.
- Sponsor to update the MOHCD budget workbook to comply with Underwriting Guidelines around 1) full predevelopment period costs including increased developer fee during predevelopment, architecture and engineering, construction representative, remove property tax payment from MOHCD predev loan, 2) update permanent sources and uses to reduce public art amount, 3) update operating budget to add reserve deposits during operations and update the cashflow to reflect the MOHCD-allowed debt service coverage ratio.

9.2.4 Prior to Starting Closing Calls: Sponsor must provide MOHCD review of all raw financial data from developer or financial consultant prior to selection; provide for MOHCD review and approval of all selected investors and lenders; and provide for MOHCD review and approval of all Letters of Intent from financial partners.

9.2.5 Prior to Prelim Gap Financing Application:

- Section 6.5.1: The Project could leverage approximately an additional $15.8MM in state tax credit equity which would lower the MOHCD gap significantly. The Sponsor will evaluate this option.
- Section 6.5.1: Refinement of annual operating budget to bring DSCR and other MOHCD underwriting requirements in line with guidelines.
- Section 6.5.1: The Project is not showing the commercial build out as a community facility, which could also garner more tax credits, and thereby reduce MOHCD debt. Sponsor will evaluate this option prior to preliminary gap.
- Section 6.5.1: AHP Grant ($1,000,000); The Sponsors plan to apply closer to gap financing approval, and if not awarded, will continue to apply as many times as possible prior to the temporary certificate of occupancy is issued for the development.
- Section 6.5.4: The Sponsor will provide more information on feasibility of CRC funding by preliminary gap.
- Section 6.5.4: Sponsor will provide a detailed commercial budget to MOHCD for approval prior to preliminary gap and look for sources to offset the construction costs by Gap
- Section 7.2: Insurance; Sponsor to obtain reliable quotes before preliminary gap.
- Section 8.1: Sponsor will work with MOHCD to bring service provider FTEs and budgets in line with both HSH and MOHCD standards before preliminary gap.
- Section 8.3: Sponsor must provide MOHCD and HSH with a services plan and budget with proposed staffing levels that meet MOHCD

underwriting standards and HSH guidelines prior to gap loan approval. Any changes to the current proposed plan and budget will need to be represented to MOHCD and HSH at least 90 days prior to preliminary gap loan approval (estimated May 2025).

- Sponsor must provide operating and development budgets that meet MOHCD Underwriting Guidelines, including the budget for Public Art.
- Sponsor must work with MOHCD staff and Project's General Contractor to Value Engineer construction budget with the goal of continually reducing construction costs inclusive of contractor contingency, bid contingency and escalation to start of construction.

9.2.6 On-Going:

- Section 6.4.2: Predevelopment funding with third party to be approved by MOHCD prior to execution of loan documents.
- Sponsor must provide MOHCD with detailed monthly updates via the MOHCD Monthly Project Update, including on (1st report due January 10, 2024):
  a. Community outreach and engagement plan,
  b. Outcomes achieved related to racial equity goals
  c. Interim use
- Sponsor must provide quarterly updated response to any letters requesting corrective action.
- Sponsor to provide self-scores for all third-party funding requests.
- Sponsor must apply for any other higher value rent and operating subsidies available including Continuum of Care contracts or Project Based Vouchers.

9.2.7 12 Months Prior to TCO:

- Section 4.11: Since SHE's experience is primarily in Asian communities MOHCD will require SHE to ensure that extensive efforts are made to engage Black, Brown, and Indigenous communities for interest in the affordable housing. TNDC and SHE will provide a detailed outreach and marketing plan by no later than 12 months prior to issuance of TCO.
- Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
- Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for Black, Brown and Indigenous San Franciscans.
- Sponsor must provide along with the marketing plan, a marketing and lease-up staffing plan, outlining steps will be taken to hire, on-board, and train staff assigned to market the project and lease units.

- Sponsor must submit an updated 1st year operating budget and 20-year cash flow – if any changes have occurred – by November 1st before the year the project will achieve TCO so that MOHCD may request the LOSP subsidy.

10. LOAN COMMITTEE MODIFICATIONS: NONE or LIST HERE.

LOAN COMMITTEE RECOMMENDATION

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

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

______________________________________ Date: ____________________
Eric D. Shaw, Director
Mayor’s Office of Housing and Community Development

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

______________________________________ Date: ____________________
Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

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

______________________________________ Date: ____________________
Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

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

______________________________________ Date: ____________________
Anna Van Degna, Director
Controller’s Office of Public Finance

Attachments:
A. Project Milestones/Schedule
B. Borrower Org Chart
C. Developer Resumes
D. Asset Management Analysis of Sponsor
E. Threshold Eligibility Requirements and Ranking Criteria
F. Site Map with amenities
G. Elevations and Floor Plans, if available
H. Comparison of City Investment in Other Housing Developments
I. Sources and Uses
J. Development Budget

REQUEST FOR ACQUISITION TAKE OUT AND PREDEVELOPMENT FINANCING FOR 1234 GREAT HIGHWAY

Shaw, Eric (MYR) <eric.shaw@sfgov.org>
Fri 10/13/2023 11:45 AM
To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>

approve

Eric D. Shaw
Director/ Interim Director HopeSF

Mayor's Office of Housing and Community Development
City and County of San Francisco
1 South Van Ness Avenue, 5th Floor

1234 Great Highway

Kayhan, Dariush (HSA) <dariush.kayhan1@sfgov.org>

Fri 10/20/2023 2:03 PM

To:Shaw, Eric (MYR) <eric.shaw@sfgov.org>
Cc:Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>;Menjivar, Salvador (HOM) <salvador.menjivar1@sfgov.org>

I support Tenderloin Neighborhood Development Corporation and Self Help for the Elderly's request for $23,348,500 for Acquisition and $651,500 for Predevelopment
(Total Funding $24,000,000) for 1234 Great Highway.

Thank you,

Dariush

Dariush Kayhan
Acting CoC Housing Manager
Dariush.Kayhan1@sfgov.org
415-565-1559

Request for Acquisition Take Out and Predevelopment Financing for 1234 Great Highway

Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>

Thu 10/26/2023 12:05 PM

To:Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>
Cc:Ely, Lydia (MYR) <lydia.ely@sfgov.org>;Shaw, Eric (MYR) <eric.shaw@sfgov.org>;Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>;Slutzkin, Marc (CII) <marc.slutzkin@sfgov.org>

Hi Vanessa,
I approve the above request on behalf of OCII.

Thanks!

Best Regards,
Thor

office of COMMUNITY INVESTMENT and INFRASTRUCTURE
OCII

Thor Kaslofsky
Executive Director

One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
415.749.2588
thor.kaslofsy@sfgov.org
www.sfocii.org

*Please note that if you are receiving this email outside of your normal working hours there is no urgent need to respond unless there is a specific request to do so.

REQUEST FOR ACQUISITION TAKE OUT AND PREDEVELOPMENT FINANCING FOR 1234 GREAT HIGHWAY

Katz, Bridget (CON) <bridget.katz@sfgov.org>
Fri 10/13/2023 11:44 AM
To: Amaya, Vanessa (MYR) <Vanessa.Amaya@sfgov.org>
Cc: Shaw, Eric (MYR) <eric.shaw@sfgov.org>

Approve

Bridget Katz
Deputy Director, Office of Public Finance
Controller's Office | City & County of San Francisco
Office Phone: (415) 554-6240
Cell Phone: (858) 442-7059
E-mail: bridget.katz@sfgov.org

K. 1st Year Operating Budget
L. 20-year Operating Pro Forma

Attachment A: Project Milestones and Schedule

Performance Milestone	Estimated or Actual Date	Contractual Deadline
Prop I Noticing (if applicable)	10/16/2023	
Acquisition/Predev Financing Commitment from MOHCD	10/13/2019	
Site Acquisition and SFHAF closing	10/7/2023	_____
Development Team Selection		
Architect	1/1/2024	
General Contractor	1/1/2024	
Owner's Representative	1/1/2024	
Property Manager	4/7/2023	
Service Provider	4/7/2023	
Design		
Submittal of Schematic Design & Cost Estimate	Q2 2024	_____
Submittal of Design Development & Cost Estimate	Q4 2024	
Submittal of 50% CD Set & Cost Estimate	Q2 2025	
Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	Q3 2025	
Environ Review/Land-Use Entitlements		
CEQA Environ Review Submission	N/A	
NEPA Environ Review Submission	N/A	
CUP/PUD/Variances Submission	N/A	
Permits		
Building / Site Permit Application Submitted	Q4 2024	_____
Addendum #1 Submitted	Q2 2025	
Addendum #2 Submitted	Q2 2025	
Request for Bids Issued	Q2 2025	
Service Plan Submission		
Preliminary	1/1/2024	
Interim	1/1/2025	
Update	June 2026	
Additional City Financing		

Preliminary Gap Financing Application	May 2025	
Gap Financing Application	May 2026	
Other Financing		
MHP Application	July 2025	
Construction Financing RFP	_____	
AHP Application	March 2025	
CDLAC Application	February 2026	
TCAC Application	February 2026	
HUD 202 or 811 Application	_____	
Other Financing Application	_____	
Closing		
Construction Closing	December 2026	
Permanent Financing Closing	December 2029	
Construction		
Notice to Proceed	December 2026	_____
TCO/Cert of Substantial Completion	Dec 2028	_____
Marketing/Rent-up		
Marketing Plan Submission	Jan 2028	_____
Commence Marketing	Sept 2028	
95% Occupancy	July 2029	_____
Cost Certification/8609	Sept 2030	
Close Out MOH/OCII Loan(s)	Dec 2030	

Attachment B: Borrower Org Chart

Attachment C: Developer Resume

1234 Great Highway Experience Narrative

Developer Experience

Tenderloin Neighborhood Development Corporation (TNDC) and Self Help for the Elderly (SHE) are excited to develop the 1234 Great Highway senior project in the Outer Sunset District where the construction of new housing has been extremely imbalanced, favoring market rate development over much needed affordable units. This partnership combines our organizations' strengths and will help deliver a high-quality, community supported, affordable housing project for seniors.

As co-developer, SHE will bring over 57 years of experience of working with seniors to various aspects of the development process, including design and community engagement. SHE is recognized as a community leader among seniors in the AAPIL community. Their project team has a strong presence in District 4, and will bring their language skills and community organizing expertise to both the development and community outreach strategy.

TNDC has developed more than 4,600 homes across seven San Francisco neighborhoods, which includes 900 homes for seniors, in its 42-year history as an affordable housing provider. By 2024, TNDC expects to house some 10,000 people in over 5,200 homes, nearly double the number ten years prior. Over 20% of TNDC's portfolio houses people and households coming from direct experiences of homelessness. The development team has completed numerous 100% affordable developments of Type I construction utilizing LIHTC financing, on schedule and within budget including:

- TNDC's Eddy & Taylor: A Type I building on an infill lot in the Tenderloin with 113 units of family housing, including 30 units for homeless families and 5 for adults with developmental disabilities. The ground floor has 5,360 square feet of community-serving retail, including a grocery store providing fresh produce.
- TNDC's 681 Florida: A Type I 9-story building in SoMa with 130 units of family housing, including 39 units for homeless families and a 9,250 SF ground floor commercial space dedicated to PDR.
- SHE's Lady Shaw Senior Apartments: A Type I 6-story building in Oakland with 70 units of senior housing and a 4,700 SF senior center, with a parking garage.

TNDC's 18-person development team has expertise to manage risk and create opportunity on complex development sites efficiently and effectively. The team structure includes a housing director, three associate directors, three senior project managers, four project managers, five assistant project managers, a department administrator, and one intern. TNDC's ability to complete complex projects on-time, on-budget, and with the very best financial terms is evidenced by recent completions at 626 Mission Bay, Eddy & Taylor, 681 Florida and 1036 Mission, as well as its track record of successful HCD and TCAC/CDLAC applications. TNDC can also adapt nimbly to changing circumstances, like pivoting to HCD Accelerator funding to close construction on 4200 Geary. When faced with unpredictable challenges like COVID, rising interest rates, and utility providers challenges, TNDC's experienced team has responded quickly to keep projects moving forward while exhausting all non-City resources for cost-overruns first.

It is TNDC's practice to conduct community outreach on all our development projects with the goal of building long-term community. The Daldas grocery store at Eddy & Taylor is an example of how TNDC incorporated community feedback and needs into the development program and is ultimately serving both the 222 Taylor residents and the greater Tenderloin community with fresh, healthy food options. More recently, TNDC has been building strong community partnerships in neighborhoods in the Westside as part of their outreach process on pipeline projects in D1, D4, and D5, and we will leverage these and SHE's connections to inform our overall community outreach strategy.

TNDC's Associate Director of Housing Development, Shreya Shah and Sr. Project Manager, Jackson Rabinowitsh will be staffing the 1234 Great Highway project. Both have the capacity to take on this new project and their combined experience on the 2550 Irving development in the Sunset has provided them with numerous community connections, and lessons learned for how to successfully navigate potential community opposition. Additionally, Shreya and Jackson recently secured a highly competitive HCD MHP/IIG award for Irving and will bring that expertise to the HCD funding application for this site.

Ownership Experience

From its humble beginnings renovating a dilapidated Single Room Occupancy (SRO) residential hotel in 1981, TNDC has grown into the largest community-based development corporation in San Francisco. TNDC owns over 4,600 affordable homes, 75% of which utilize LIHTC financing, and more than 20% house the formerly homeless. TNDC also promotes the economic vitality of the neighborhoods where it operates by providing 100,000 square feet of ground-floor retail space in its buildings.

Over the past 42 years, TNDC has developed a track record of success through housing, advocacy, and support services to create opportunities for the lowest-income members of our community. Our success is in part the result of an operating principle that maintaining a financially sustainable organization is critical to meeting our mission. Our continued financial strength allows us to invest in programs and people, to take risks and to avoid disruptions due to short term volatility. Our sustainability derives from diverse streams of revenue and a disciplined approach to operations.

Our asset management function crosses many departments across TNDC including accounting, compliance, facilities, sustainability, and housing development. TNDC's Asset Management Department is closely entwined with our in-house property management team. Asset Management is staffed with 3 FTE's including a Director of Asset Management and two Asset Managers. Each Asset Manager manages a portfolio of 22-24 projects, with an average number of units per project of 83. Based on the existing staff knowledge and experience, TNDC's team currently has capacity for additional projects per FTE and can therefore take on additional portfolio properties including 1234 Great Highway and is prepared to hire a fourth FTE when necessary. The department is overseen by TNDC's Chief Financial Officer, Roxanne Huey.

To affect financial goals, the Department monitors medium and long-term financial performance, conducts investor and lender reporting, reviews annual operating budgets, defines property-specific surplus cash goals, writes property asset management plans, manages partner exits, lender/investor reporting and portfolio re-investment planning.

Property Manager Experience

Since 1981, TNDC has been managing affordable housing to the highest standard of quality, care, and compliance. TNDC's Property Management Department, comprised of more than 350 employees provides property management services to over 6,300 residents in approximately 4,600 units throughout our 47-building portfolio. 75% of TNDC's portfolio utilizes LIHTC financing and 30% of TNDC's tenants come from direct experiences of homelessness.

"Housing First" is one of the three pillars by which TNDC approaches our work (along with Harm Reduction and Cultural Humility). The tenant application process is continuously reviewed and updated to accommodate low barrier entry as part of the Harm Reduction philosophy upheld by the organization. For example, applicants are not disqualified based on a lack of credit history or lack of income or due to a history of drug use. TNDC was the first non-profit to implement a precursor to the "Fair Chance Ordinance" in 2012 at Kelly Cullen Community. Using a low-barrier tenant selection process, TNDC reduced the denial ratio from 50% to 6%.

A key element of our management practice is that building management staff work closely with the building's on-site support services staff to ensure residents retain their housing. TNDC has a multi-step process for resolving lease violations and building conflicts. Property management and on-site social workers meet weekly to discuss tenant and community issues, such as non-payment of rent, nuisance behavior, and other issues that may impact housing stabilization and retention. This integrated approach to housing retention is successful as evidenced by our 99% retention rate among households that have been housed for 12 months or longer. Across TNDC's portfolio of homeless units, the eviction rate is under 2%.

TNDC endeavors to achieve cost efficiency by using resources to maximize staffing capacity and reduce fixed operational expenses. At TNDC, there are over 100 capital improvement projects across the portfolio each year, to ensure longevity of our properties. By conducting preventative maintenance inspections, and following up with corrective actions, our goal is to create a stress-free, safe and comfortable environment for our residents. TNDC is a member of Omnia Partners, a network which gives us access to product discounts on building maintenance materials and services from leading national providers. Our size allows us to leverage favorable pricing amongst local vendors by negotiating enterprise level contracts under a single agreement, allowing for cost savings in operations.

For operational efficiency, TNDC uses a 3rd party company for trash management which has proven to cut time spent by on-site maintenance in trash handling, while increasing collection of recycling and compost and reducing landfill waste. TNDC is recognized by HUD's Better Building Challenge for reducing energy and water consumption by 20%, and the Department of Energy for our work in environmental care.

Services Provider Experience

Since 1996, TNDC's Tenant and Community Services social workers have been providing culturally responsive support services to its tenants. Our unique approach to supportive housing combines safe, affordable homes with free, voluntary, on-site, culturally responsive, and confidential services. TNDC tenant services team has 27 years of experience serving diverse populations within TNDC's housing portfolio, including over 900 units for seniors and 200 units that serve formerly homeless seniors. The TNDC Social Work team attracts top talent and has a high staffing retention rate.

TNDC centers equity and believes that equal access to resources and services is a cornerstone to social justice and remains wholly committed to delivering high quality services to all of its tenants. TNDC's Tenant and Community Services and Property Management staff work closely together to achieve high rates of housing retention. Social Workers assist tenants in the stabilization and maintenance of housing, provide tenants with ongoing individualized support services, and promote the growth of safe and supportive communities. Services staff and property management utilize a homegrown interdepartmental Services Integration Manual (SIM) that is trauma-informed, rooted in cultural humility, and in accordance with the harm reduction model.

The proposed development will provide SHE with an opportunity for capacity building and gain exposure to TNDC's support services model. Founded in San Francisco's Chinatown community in 1966, SHE serves over 40,000 older adults each year with housing, home health care, workforce development, and social services. SHE has experience providing services at their senior center, adult day heath care center and their licensed residential care facilities, in addition to services provided via their on-going neighborhood programs. Of the 40,000 residents served by SHE, approximately 97% are people of color. SHE's team are experts at reaching communities of color due to their language and cultural competencies.

In 2021, SHE supported 565 seniors with economic mobility and self-sufficiency through workforce services and 400 seniors with digital literacy training. Moreover, SHE's Social Services Department served over 13,250 clients with case management, translation assistance, housing services, caregiver support, and escort services in 2021. Annually, SHE provides health insurance counseling and advocacy to over 3,000 beneficiaries.

TNDC's Social Work Unit has 41 social workers with extensive experience developing and implementing service plans that meet the needs of a diverse range of populations, including seniors, families, individuals, and people who have experienced homelessness. In 2022 alone, TNDC's Social Workers achieved the following positive outcomes for tenants: facilitated 2,234 referrals, 87% of which resulted in successful collaboration and linkages to the city's safety net of services; supported 650 tenants to address their long-term medical and mental health needs to support their improved health and well-being; assisted 334 households to access additional income and benefits to improve their economic stability; assisted 651 households to submit rental assistance applications to support their economic recovery from the COVID-19 pandemic.

In 2015, TNDC created the Healthy Aging Program to support our senior residents around healthy aging in place. Programs vary from health education and fitness to community events and evidence-based workshops. One evidence-based program, "A Matter of Balance," provides assessments for seniors to prevent future falls and provide assistance that will help them to increase their strength and balance. Additionally, the social workers support the growth of supportive community through social activities, cultural celebrations and health focused workshops like nutrition, cooking, meditation, and health screenings.

The TNDC-SHE services teams are a strong partnership which will deliver wrap-around services centered around inclusivity and cultural sensitivity ensuring positive outcomes for residents.

Racial Equity Experience

TNDC is a mission-driven and values-led organization committed to building a future with economic and racial equity. Our mission is to develop community and provide affordable housing and services for low-income individuals through San Francisco, and to promote equitable access to opportunity and resources. We envision a world where everyone has a stable and safe place to call home – where housing is treated as a human right; where economic status, race, and other social identities do not determine where or how people can live; where everyone has a meaningful voice in the decisions affecting them; and where future generations are better off than the ones preceding them.

TNDC has historically supported underserved communities, especially people with low incomes and people of color from its founding mission of acquiring and removing buildings from the speculative marketplace to curb the displacement of communities of color to its current practices of ensuring that the Tenderloin has the amenities and services needed to sustain a thriving neighborhood. TNDC's tenant population reflects San Francisco's diversity: 33% Asian, 22% White, 21% African American, 18% Hispanic/Latino, 4% American Indian/Alaskan Native, and

3% Native Hawaiian or other Pacific Islander. We support these diverse tenants through a variety of culturally responsive, trauma informed, and harm-reduction services and programs that eliminate barriers. while providing mentoring in the arenas of political and civic life.

TNDC conducts annual tenant satisfaction surveys for onsite support services in multiple languages. Surveys include demographic data so that responses can be disaggregated by race/ethnicity to identify racial disparities in the way clients experience services. These results inform future programming as well as efforts to increase tenant participation in services.

TNDC's commitment to racial equity extends to its housing development goals and operations philosophy. TNDC is experienced with the implementation of COP and neighborhood preference policies. In 2016, TNDC helped the City of San Francisco introduce new federal legislation, the Anti-Displacement Preference, as part of leasing up TNDC's Willie B. Kennedy Apartments. TNDC also works with community partners such as Bethel AME Church, Bayview Senior Services, Bayview Hunters Point Multiservice Center, SOMCAN, and Veterans Equity Center to market directly to COP holders, previously displaced households, and people of color. TNDC ensures people of color are represented and valued at all levels of our organization, influencing policies that dismantle racist structures and build racially and economically inclusive communities.

Since 1966, SHE's core Mission and Vision have been to provide a comprehensive range of affordable housing, adequate livable income through employment and benefits, and a strong, multilingual, and multicultural workforce to support our seniors to age in place. SHE promotes independence, well-being, and dignity for older adults through culturally aligned services and programs in the San Francisco Bay Area.

SHE's clients and staffing illustrate its strong position to serve racially, socially, and economically underserved communities of color. SHE's social services team provides much-needed application assistance for all types of public benefits, housing subsidies, earned income tax credits, and the federally funded Affordable Connectivity Program (ACP) for seniors to get free broadband further removing accessibility barriers for historically excluded communities. SHE's team helped match state-funded Digital Connectors with low-income seniors to provide them with a free computer and basic digital training to enable access to their physicians via telehealth, apply for benefits, access in-language health information, and address many other needs faced by low-income and monolingual, immigrant older adults. SHE's employment and training programs offer appliance repairs, culinary, home health aides, housekeepers, and janitorial cleaning classes for the immigrant community seeking occupational training opportunities to access better-paying jobs. SHE's Hospice Care program, established in 1995, is the only nonprofit hospice agency specializing in serving the needs of the monolingual and limited English-speaking Chinese communities in the Bay Area, and served 35 patients in 2021.

TNDC and SHE are racially diverse organizations: At TNDC, the CEO, 85% of staff, 60% of the Board, and half of our executive staff are people of color. TNDC also works to foster similar diversity amongst our consultant development teams and has partnered with local emerging BIPOC-led businesses on its development projects. SHE is a BIPOC led organization where the CEO, 95% of staff, 90% of the Board and 100% of the executive staff are people of color.

We recognize that the Limited English Proficiency (LEP) and BIPOC communities are usually left behind when they cannot access important benefits, healthcare, and affordable housing opportunities. TNDC and SHE, together have the capabilities and proven record of accomplishment to help these communities gain access to programs and services that they need to age well and age in place at the 1234 Great Highway Project.

Attachment D: Asset Management Evaluation of Project Sponsor

TNDC has 47 projects in its portfolio, with an additional 16 projects in the pipeline including recapitalization. The average units per project ranges from 75-200.

There are three full-time employees. The department is headed by the Senior Asset Manager with two Asset Managers reporting to the Senior Asset Manager, who reports to the CFO. Each of the three employees in the Asset Management Department have a set number of projects in the portfolio. Each is responsible for developing asset management plans for each property, as well as managing the needs and requests of the partner and/or lender in each of the properties, examining opportunities related to the rental structure/operating subsidies, and developing, when necessary, partner exit strategies and/or resyndications and refinancing strategies for those projects that are approaching Year 15.

Members of the Asset Management Department work closely with other TNDC departments. Each project in development in the Housing Development Department has a multidisciplinary “interdepartmental team” to help inform rehab or new construction scopes in which one or more members of asset management participates. Additionally, TNDC has a Recapitalization Workgroup, in which all members of the Asset Management Department attend in order to update senior staff members and the Housing Development Department about asset management plans, partner exit strategies and other asset management related activities, challenges and opportunities.

Attachment E: Eligibility Requirements and Ranking Criteria

The below language was provided in the Site Acquisition and Predevelopment Financing NOFA of January 27, 2023, Section IV – Selection Process, Minimum Capacity and Experience Requirements, Selection Criteria and Scoring, and Submittal Requirements Overview

A. SELECTION PROCESS

MOHCD staff will review all submittals for completeness and satisfaction of minimum experience and capacity requirements (see Section B below). If a submittal does not meet minimum experience and capacity requirements, the respondent may submit an appeal to MOHCD staff on technical grounds only.

A Selection Panel will be appointed by the Director of MOHCD composed of persons with expertise in the areas of development, affordable housing finance, affordable housing construction management, community development, commercial space development, housing access/marketing, housing and services for homeless households, and public design/arts commission, as well as community representatives.

The Selection Panel will review all qualified responses (see Section C below) and may interview top-scoring applicants, at which time applicants will be asked to present and explain the major characteristics of their submittal, particularly as they relate to the Scoring Criteria, and respond to questions from the Selection Panel.

After interviews have been completed, the Selection Panel will determine the final ranking of all responses and present this ranking to the Director. The Selection Panel's scoring of each proposal will be done by consensus and will be final.

The Director will then select Project(s) for this funding pool and advise the Mayor of these selections. MOHCD and the selected applicants will enter into acquisition and predevelopment loan agreements with milestone requirements established in accordance with the terms of this NOFA. If MOHCD staff cannot enter into a loan agreement with a selected applicant that is in the best interest of the City, the MOHCD Director may terminate negotiations in his sole discretion. If the MOHCD Director terminates negotiations with a selected applicant, the MOHCD Director reserves the right, in his sole discretion, to (1) negotiate with the next highest ranked Respondent, or (2) reject any and all other proposals, in whole or in part, prior to award, and (3) may re-advertise the NOFA for the full or partial funding amount under such terms the MOHCD Director deems to be in the City's best interest. MOHCD reserves the right to appoint additional parties to the selected applicant team should it be determined that the team lacks representation necessary to the achievement of the goals of the NOFA.

B. MINIMUM CAPACITY AND EXPERIENCE REQUIREMENTS

1. Minimum Development Team Characteristics

The proposed applicant team must include the following.

- A nonprofit developer (or developers) with experience developing permanent affordable housing for low-income households or a for-profit developer working in partnership with a nonprofit developer, of which one of the joint venture partners must have experience developing affordable housing (the "Developer"); the development team must have demonstrated experience conducting effective community outreach and engagement.
- A property owner entity with experience owning housing for low-income communities.
- A property management entity with experience managing housing for formerly homeless families with Housing First principles.
- A community-based, service-providing entity with experience providing culturally competent, and trauma-informed, services appropriate for formerly homeless households in a supportive housing context.

2. MINIMUM DEVELOPMENT TEAM EXPERIENCE

Minimum experience must be demonstrated by identifying specific **Qualifying Projects** in which team members have participated, as further described below. The proposed Development Team must submit **Form 5 - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.)

To demonstrate the minimum required development team experience, each team should submit one project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories, or may use different projects to demonstrate experience across categories. In all cases, no more than four (4) total Qualifying Projects should be submitted. Qualifying Projects will not be scored; they are used to determine if the proposed Development Team meets the minimum development team experience required to develop the Site.

For Developer and Owner, a **Qualifying Project** must have all of the following characteristics.

- The project must be new construction (not a requirement for Minimum Service Provision Experience) in a construction type appropriate for the proposed site development (not a requirement for Minimum Property Manager and Service Provision Experience).
- The project must include units for households experiencing homelessness.
- The project must be financed in part with Low-Income Housing Tax Credits.

3. MINIMUM DEVELOPER AND OWNER CAPACITY REQUIREMENTS

Minimum Developer Experience: The proposed Developer must have completed within the past ten years at least **one** Qualifying Project. The definition of "completed" is having received Temporary Certificate of Occupancy by the date of the issuance of the NOFA. For joint-venture Development partners, the experience of either entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture Development partners must be submitted with the application.

Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Project management services should include financial packaging, selection of other consultants, selection of construction contractor and property management agent, oversight of architectural design, construction management, and consultation on major aspects of the development process. The contract for development services must be submitted with the NOFA response and must be acceptable to MOHCD.

*Minimum Ownership Experience***:** The proposed site owner must have owned at least **one** Qualifying Project for at least five (5) years prior to the submittal deadline of this NOFA. For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed "Owner".

In addition, each proposed Owner must provide evidence of experience with owning housing financed with Low Income Housing Tax credits. This experience does not have to be on the same project that satisfies the 5-year ownership requirement. If the Selected Developer entity is not the same entity as the proposed Owner, MOHCD reserves the right to require that certain members of the Selected Developer remain active in the ownership for whatever length of time MOHCD deems necessary to ensure operating and financial stability.

*Minimum Property Manager Experience***:** The proposed property manager for the Project must have managed at least two Qualifying Projects, each for at least 36 months. In addition, the Property Manager must provide evidence of experience managing housing financed with Low Income Housing Tax credits and operating projects with a Housing First approach. The Property Manager must demonstrate effective strategies for working with service providers to collaborate on housing stability of residents.

Minimum Service Provision Requirements: The proposed service provider(s) must have at least 36 months' experience providing supportive services within a Qualifying Project, including case management and comprehensive services for homeless households in a residential setting. The proposed service provider(s) must demonstrate effective strategies for collaborating with property management on housing stability for residents. The proposed service provider(s) must have the infrastructure to supervise and train onsite staff and their supervisors.

Other Consultants: For any applicant team, the experience of key staff members or "other consultants" may be substituted for the experience of the organization as a whole as long as the staff member's or consultant's experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the Respondent's team.

Note Regarding Experience*:* For any applicant team member, the experience of key staff members may be substituted for the experience of the organization as a whole as long as the staff members' experience in other firms was substantive and involved responsibilities similar to those that they are anticipated to perform during the proposed development of the Site. Any substitution should be clearly identified in Attachment E, Qualifying Project Form.

The proposed Developer and Owner must demonstrate the financial and staffing capacity to successfully complete the project and manage the asset in the long-term, as further described below.

- *Financial Capacity*: The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit **Attachment F – Financing Terms for Developer's Qualifying Project** documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.

- *Staffing Capacity*: The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. To document this, the proposed Developer must submit a written narrative **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. The proposed Developer must also submit **Attachment G – Projected Staffing Workload Form** to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

- *Asset Management Capacity*: The proposed Owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions. To document this, the proposed Owner must submit a recent Real Estate Owned (REO) schedule, stating the number of projects and average number of units/project currently in Owner's asset management portfolio, proposed Owner's current asset management staffing (noting job titles), FTEs, and status of each position (filled/vacant), and proposed Owner's organizational chart.

C. MINIMUM PROPOSAL REQUIREMENTS

Eligible Proposals:

2. Must demonstrate *site control by applicant* as evidenced by appropriate documentation (Deed of Trust, Purchase Agreement, Option to Purchase Agreement.) The proposed purchase price must be reasonable in comparison to other sites in the neighborhood, and

in comparison to other affordable housing sites in the City, and must be supported by an appraisal as part of the application package.

3. Must include a description of proposed interim uses for the Site during the extended predevelopment period through 2026. This should include a description of current structures and uses; what if any structures or amenities will be preserved; and the timeline, budget, and scope of planned interim uses. The budget should include a description of how security and other holding costs have been calculated.
4. Must include a description of site context: parcel history; current zoning; parcel configuration, including the need for potential parcel mergers; potential historic resources on the site or adjacent to it; and prior uses at the site that may have left environmental impacts. Applicant must include a map of neighboring amenities.
5. Must demonstrate ability for the project to make use of streamlined entitlements through SB 35 or another streamlining initiative.
6. Must include the opportunity for the City to eventually own the land as ground lessor under a long-term ground lease structure or some other land dedication/ subdivision mechanism that will insure long-term affordable housing as the primary use of the land.
7. Must demonstrate overall financial feasibility through inclusion of a Financing Plan. The financing plan must include a detailed Sources and Uses Budget that includes the following and uses the most current version of the MOHCD Underwriting Guidelines, available on the MOHCD website (https://sfmohcd.org/housing-development-forms-documents.) The project must be financially feasible, including realistic development and operating budget projections that conform to industry standards, including TCAC minimum standards. Each proposed financing source must be realistic, compatible with MOHCD and all other committed or proposed funding sources, and appropriate for the proposed housing. Applicant must demonstrate that there is a reasonable likelihood that all identified development sources will be secured in a timely manner.

a. Primary capital funding sources can include 4% low income housing tax credit equity with tax exempt bonds, City subsidy, and Federal Home Loan Bank Affordable Housing Program funds, and that may include any other funding sources developers deem applicable, such as State of California Department of Housing and Community Development (HCD) (for example, MHP and IIG) or CalHFA funds. Do not assume use of No Place Like Home funds. Do not assume access to Section 8 (Housing Choice Vouchers, Project Based Section 8, or Continuum of Care, for example.)

b. Rents set at affordability levels appropriate for the target population.

a. For the LOSP units serving formerly homeless households, applicants should include a projected rent subsidy amount necessary to ensure affordability and to meet the building's operations and maintenance needs, including adequate reserve deposits, asset management and partnership management fees, mandatory hard debt payments to HCD, if any, and a minimum of 5 years of deferred developer fee, as applicable. For purposes of this projection, developers should assume that the actual tenant-paid portion of rental income is **$250** per unit per month for formerly homeless households. *Future projections may differ given the proposed tenant population and subsidy program available.*

While a commitment of capital funding does not guarantee an award of local operating subsidies, the City will work with the selected developer to leverage the most appropriate subsidies to serve the target population.
An application submitted under this NOFA is also considered an application for local operating subsidies should those subsidies be made available and are necessary.

b. For the non LOSP units serving low income households, sponsors may propose rents up to the maximum tax credit eligible rent under the HUD Unadjusted Metro Fair Market Rent Area that contains San Francisco, as published annually by MOHCD ("MOHCD AMI"). For the LOSP units, sponsors should assume an ongoing rental subsidy sufficient to cover difference between $250/month tenant payment and 60% MOHCD AMI rent levels.

c. For units serving seniors age 62+ intending to use the SOS Program subsidy, assume that 40% of the senior units will have an SOS contract. Rents to be set at 15% AMI and 25% AMI, with contract growing at 4% annually.

8. Must demonstrate – through provision of specific examples of inputs used for estimating – that the project's total development budget, as well as its specific line items, are comparable to recent and similar projects, to industry standards and are compliant with funding source regulations, MOHCD policy and most recent underwriting guidelines. Cost per unit, per square foot (land area and building space), per bed or bedroom will be examined relative to total development cost, City subsidy, and construction cost.

9. Must propose the maximum use of available, non-local funds to achieve the highest reasonable financial leveraging of capital resources for the predevelopment, construction and permanent phase. The amount of City funds requested per unit and the actual or proposed level of funds to be leveraged from other sources will be examined.

10. Must demonstrate competitiveness for State bond and tax credit funds administered by the California Debt Limit Allocation Committee.

11. Proposals that include any displacement/relocation of residential and/or commercial tenants must include a full relocation plan and budget. Displacement or relocation that is required as a condition of site control is highly discouraged, though in some cases may be justified.

12. Must budget for a supportive services and housing stabilization component that is appropriate for the needs of the anticipated tenant population, including households who have experienced homelessness, and within either HSH's or MOHCD's funding guidelines for the services contract.

13. Must include a community engagement plan that demonstrates the capacity to generate necessary neighborhood support for the proposed development. Include any evidence of support expressed to date for the project, as well as plans for community engagement going forward. This also needs to cover the entire development period, including interim use and construction work.

14. Must include an operating budget that includes all expenses necessary to properly operate and maintain the building. This budget should include a service coordinator/connector staff position(s), at 1:100, to assist the non-homeless households. A separate budget should be attached for services that will support the households who were formerly homeless, for which the City will provide funding.

15. Must provide a construction cost estimate that reflects current construction costs and show escalation assumptions as a separate line item.

16. Must include a Services Plan and Budget that complies with MOHCD underwriting requirements. The awarded development team will apply for services funding separately at the appropriate time. However, HSH, MOHCD, and OCII, where applicable, collaborate closely on funding decisions in order to maximize the use of City resources. Capital funding decisions under this NOFA will include review and approval by representatives of these agencies. Successful applicants under this NOFA will receive priority for funding from HSH and MOHCD for services and operating subsidies.

- Operating budgets should include up no (and no more than) 1:100 staffing for the non-homeless residents.

- For the units occupied by formerly homeless residents: assume that services for homeless families will be funded separately by HSH through direct contracts with the Projects' social services providers.
- For the purposes of this NOFA only, respondents should budget $1,000 per unit per month in services funding for the formerly homeless units. This amount may change during underwriting and services negotiations. Assume 1:20 case management staffing ratios for these units.
- Services funding will be conditioned on continuous compliance with the terms of the Respondent's Local Operating Subsidies Program ("LOSP") agreements with MOHCD as well as the support services agreement held by HSH.

17. Must provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use, which can be printed on 8.5" x 11" paper, no more than two (2) pages. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses. Note: This information does not constitute a formal design submission. There is no reimbursement for costs related to this requirement.

D. SELECTION CRITERIA AND SCORING

Responsive submittals include all the required information listed above, and a background and a vision statement articulating the application of best practices for the successful development of affordable housing and the achievement of desired outcomes and goals.

All applications that meet the Minimum Experience and Capacity Requirements listed in Section IV.B and IV.C will be scored and ranked according to the extent to which their Experience and Vision meets the following selection criteria:

	Category	**Points**
A.	**EXPERIENCE:**	**40**
i.	**Developer (12 pts)** 1. Experience with the following: o Completing projects on time and on budget o Obtaining competitive financing terms o Developing proposed type of construction o Developing housing for low-income households, including those experiencing homelessness, as applicable 2. Building community support through outreach 3. Current staff capacity and experience to take on this project type	
ii.	**Owner (4 pts)** 1. Track record successfully owning housing financed with Low-Income Housing Tax Credits 2. Experience owning affordable housing for low-income households, including those experiencing homelessness, if applicable 3. Effectiveness of current asset management structure and staffing, given portfolio size 4. Capacity for assuming asset management of an expanded portfolio once the development is complete	

iii.	**Property Manager (8 pts)** 1. Experience managing property for low-income households, including those experiencing homelessness, if applicable 2. Experience achieving high rates of housing retention 3. Implements low barrier tenant selection policies consistent with Housing First principles and the HSH Documentation Policy 4. Contributes to long-term sustainability of the development 5. Achieves cost efficiencies in operations	
iv.	**Service Providers (8 pts)** 1. Experience providing access and delivering services to low-income households, including those experiencing homelessness, if applicable 2. Experience linking residents to the City's safety net of services 3. Works with property management to achieve high rates of housing retention 4. Supports positive outcomes for residents around health and economic mobility 5. If applicable, provides explanation for service contracts terminated prematurely within the last 5 years 6. Capacity to attract and retain adequate staffing to take on this project	
v.	**Racial Equity (8 pts)** 1. Experience providing housing to COP holders and neighborhood preference holders 2. Uses innovative approaches to engagement with COP and neighborhood preference holders 3. Demonstrates commitment to racially diverse project development teams 4. Demonstrates experience with serving historically excluded communities of color 1. Describes experience providing access and implementing effective service delivery strategies to historically excluded communities of color	

B.	**VISION:**	**60**
i.	**Site and Project Concept (15 pts)** 1. Proposes site whose location, size, configuration, and zoning support the development of affordable and permanent supportive housing, including ability to	

	maximize unit yield in a cost-effective construction type and make use of entitlement expediting such as SB 35. 2. Describes vision for a development program at this site, while best achieving the project goals, and includes: o A residential program and other envisioned uses; o Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood. 3. Indicates populations served by the programs and spaces (families, families experiencing homelessness, young adults, children etc.). 4. Describes the interim use strategy, including contingencies for construction start delays of up to three (3) years	
ii.	**Community Engagement Strategy (10 pts)** 1. Describes community engagement strategy and includes: o The team's philosophy on community engagement o Process for establishing and/or building positive relationships with surrounding neighbors and the larger community o Efforts designed to engage all interested community members—particularly BIPOC members of the target populations—and including monolingual non-English speaking community members; o How the Development Team intends to comply with the City's Language Access Ordinance 2. Describes the Team's approach to achieving entitlements for the project expeditiously and the approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. 3. Indicates how particular community engagement strategy will address the historical exclusion of communities of color from quality housing, including but not limited to marketing to attract target populations.	

	iii.	**Services Delivery Strategy (10 pts)** 1. Describes the Development Team's services delivery strategy and includes: o The overall service philosophy; o Model for providing services to formerly homeless residents (including case management ratio and provision of amenities such as front desk clerks, if applicable); o The services goals of the proposed vision. 2. A brief description of the desired outcome of the services to be provided and innovative approaches to services provision, including the strategy of engaging residents and encouraging access to services. 3. Describes how services for residents will be coordinated with the existing network of services in the neighborhood and community. 4. Describes strategies used to help BIPOC tenants overcome barriers to accessing supportive services and income that mitigate the effects of poverty and lead to improved self-sufficiency.	
	iv.	**Finance & Cost Containment Approach (15 pts)** 1. Describes the Development Team's financing approach to the project. 2. Describes how project is strategically positioned to successfully compete for State funding resources, including funding from the CA Debt Limit Allocation Committee and Department of Housing and Community Development 3. Includes the Team's process for structuring the project and controlling development costs. 4. Includes innovative strategies intended to minimize MOHCD's projected capital gap financing. 5. Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses. 6. Includes proforma financials. 7. Includes project design concept to fact check the financials	

v.	**Racial Equity Strategy (10 pts)** 1. Explains how vision aligns with the primary goals of this NOFA set forth in the Introduction and Project Expectations. 2. Proposes a substantive partnership that increases opportunity/capacity for growth of Emerging Developers (smaller organizations).	
	TOTAL POSSIBLE POINTS	**100**

Projects must receive at least 70 points to proceed through the selection process.

E. SUBMITTAL REQUIREMENTS OVERVIEW

Using **Attachment B – Submittal Checklist**, check boxes of all items that will be submitted. Complete and submit **Attachment C - NOFA Registration Form.** All addenda, responses and additional information will be distributed to all parties who have submitted a registration form in accordance with Section IIB above.

1. Minimum Development Team Characteristics

Submit **Attachment D - Respondent Description** to document the name of each organization, names of the organization's Director (or equivalent position) and primary contact persons, and phone numbers and email addresses for each of the following:

- Lead Developer and Co-Developers (if applicable)
- Development Consultant (if applicable)
- Owner(s)
- Property Manager(s)
- Service Provider(s)

For each Lead Developer and/or Co-Developer, submit a current copy of the following documents:

a. **Certificate of Good Standing** from the California Secretary of State
b. **Certification of 501(c)(3) status** (for nonprofit corporations) from the Internal Revenue Service.

2. Minimum Development Team Experience

Submit **Attachment E - Qualifying Project Form**, to document how the Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.) The Development Team may submit more than one
(1) Qualifying Project for each of the experience categories:

a. Minimum Development Experience
b. Minimum Ownership Experience
c. Minimum Property Management Experience
d. Minimum Service Provision Experience

e. Minimum experience in incorporating principles of racial equity into development, management and service experience

To demonstrate the minimum required development team experience, each team should submit one project for each experience category. When appropriate, teams may submit the same project as evidence of experience across multiple experience categories, or may use different projects to demonstrate experience across categories. In all cases, no more than five (5) total Qualifying Projects should be submitted. **Qualifying Projects will not be scored, but are used to identify if the proposed Development Team meets the minimum development team experience required to develop the Site.**

3. Minimum Developer and Owner Capacity Requirements

Financial Capacity

- Latest two (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any).
- **Attachment F – Financing Terms for Developer's Qualifying Project** to document the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.

Staffing Capacity

- Description of Key Staff Experience – Provide written narrative of **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff.
- **Attachment G – Projected Staffing Workload Form**, documenting the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.

Asset Management Capacity

- Proposed Owner's recent **Real Estate Owned (REO) schedule,** documenting the number of projects and average number of units/project currently in Owner's asset management portfolio**.**
- Proposed Owner's current **asset management staffing,** noting job titles, FTEs, and status of each position (filled/vacant)**.**
- Proposed Owner's **organizational chart**.

Racial Equity Capacity

- Demonstrate how developer has met the City's minimum compliance standards for Equal Employment Opportunities on the **Qualifying Project**.

4. Selection Criteria and Scoring

ii. **Experience:** Provide written narrative of **no more than five pages** (in Times New Roman font, 12 font size, and 1-inch margins).

iii. **Vision:** Provide written narrative of **no more than seven pages** (in Times New Roman font, 12 font size, and 1-inch margins).

Additional documents submitted in this section will not be allowed, except as identified on the **Attachment B: Submittal Checklist**.

F. Scoring for EXPERIENCE

In **no more than five pages** of written narrative (in Times New Roman font, 12 font size, 1-inch margins), describe how each member of the Proposed Development Team has the most relevant experience for the successful development of the project.
Describe how the Development Team has implemented lessons learned from past affordable housing experience. Please note that Respondents are not limited to discussing the Qualifying Project(s).

Developer: Describe the Developer's track record successfully developing high- quality affordable housing, including supportive housing. In particular, discuss the Developer's experience completing housing development projects on time and on budget, obtaining competitive financing terms, developing type V/I or III/I construction, developing for low-income families and those experiencing homelessness and building community support for mixed use projects (affordable residential with ground floor commercial) through outreach for similar projects. Describe the experience and capacity of current staff to take on a project of this type.

Owner: Describe the Owner's track record successfully owning housing financed with Low-Income Housing Tax Credits. In particular, discuss the Owner's experience owning affordable housing for low-income families and those experiencing homelessness and describe the Owner's current asset management structure, staffing and portfolio, and its capacity for assuming asset management of an expanded portfolio once the development is complete. For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed project and to provide asset management for the project is the proposed "Owner".

Property Manager: Describe the Property Manager's track record successfully managing high-quality affordable housing communities. In particular, discuss the Property Manager's experience providing management services for low-income families and those experiencing homelessness, including communities of color; experience achieving high rates of housing retention, implementing low barrier tenant selection policies, contributing to the long-term sustainability of the development, experience administering subsidies such as LOSP; and achieving cost efficiencies in operations.

Services Provider(s): Describe the Services Provider(s)' track record delivering highly impactful services to residents in affordable and/or supportive housing developments. In particular, discuss the Services Provider(s)' experience delivering services to low-income families and those experiencing homeless, including communities of color; linking residents to the City's safety net of services; working with property management to achieve high rates of housing retention; and supporting positive outcomes for residents around health, economic mobility, and housing stability. If the Service Provider(s) have had any services contracts prematurely terminated in the last five years, include an explanation for each termination. Discuss strategies for eliminating barriers that prevent communities of color from accessing quality health care services, employment and educational opportunities.

Racial Equity Strategy: MOHCD recognizes the oppressive history of racial injustice, especially in housing and community services, the structural inequities that remain today, and the trauma those inequities perpetuate. Please describe the Developer team's level of racial equity awareness using the guidelines below:

- Understands and communicates that reducing racial inequities is mission critical
- Routinely collects, disaggregates, and analyzes data by race/ethnicity in programmatic and operational work
- Views diversity as a value-added feature of organizations, and enquires about the cultural competence of staff and grantees to work with diverse groups
- Has mechanisms for management accountability for equity, diversity, and inclusion
- Has mechanisms for staff accountability for equity, diversity, and inclusion
- Describes Development Team's present and future practices to meet MOHCD's racial equity goals as articulated in the racial equity goals of this NOFA
- Describes the Developer's experience with serving historically excluded communities of color

- Has experience providing access and implementing service delivery strategies to historically excluded communities of color
- Describes the demonstrated commitment to racially diverse project development and service teams.

G. *Scoring for VISION*

In **no more than seven pages** of written narrative (in Times New Roman font, 12 font size, 1-inch margins), describe the Proposed Development Team's vision for the successful development of the project:

Program concept: Describe how the Development Team's proposed Project will maximize unit yield in a cost-effective construction type and make use of SB35's expedited permitting. Describe the Development Team's vision for a development program while best achieving MOHCD's project expectations and goals. Indicate how the proposed uses and amenities will enhance the lives of the future residents and the surrounding neighborhood. Indicate particular groups served by the programs and spaces (tots, children, teens, young adults, adults, formerly homeless, etc.). Describe how the program will contribute to lowering barriers to persons of color seeking and retaining housing. Applicants should provide concept-level drawings and/or diagrams that indicate the Project approximate height, bulk, site layout, unit count, and commercial/common space use to print on 8.5" x 11" paper, no more than two pages. The purpose of these diagrams will be to confirm the anticipated unit yield at the site, and its conformance to existing zoning restrictions including any available density bonuses. This information does not constitute a formal design submission.
Community engagement strategy: Describe the Development Team's community engagement strategy, including the team's philosophy on community engagement and process for establishing and/or building positive relationships with surrounding neighbors and the larger community. Describe the Team's approach to achieving entitlements for the project expeditiously and the Team's approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations. The strategy should include efforts designed to engage all interested community members, particularly BIPOC members of the target population, and including monolingual non-English speaking members of the community. The strategy should also make clear how the Development Team intends to comply with the City's Language Access Ordinance. Finally, address how the community engagement strategy will address the historical exclusion of communities of color from quality housing.
Services delivery strategy: Describe the Development Team's services delivery strategy, including the overall philosophy and model for providing services to targeted low-income and formerly homeless populations (including case management ratio and provision of amenities such as front desk clerks), the services goals of the proposed vision, a brief description of the desired outcomes of the services to be provided and innovative approaches to services provision, including the strategy for engaging residents and encouraging access to services, and how services for residents will be coordinated with the existing network of services in the neighborhood and community.
Financing and cost containment approach: Describe the Development Team's financing approach to the project, including the Team's process for structuring the project and controlling development costs. Describe any innovative strategies intended to minimize MOHCD's projected capital gap financing. Also, describe any innovative (i.e., non-standard, routine or commonly used) direct or indirect cost- cutting strategies relevant to overall development, construction or operating expenses. Do not submit a development budget or pro forma. Scored responses must be in narrative form only.
Racial Equity Strategy: Please submit an overall statement regarding how the Development Team will incorporate the principles of racial equity in the development of the program concept, the community engagement strategy, services delivery strategy and marketing approach. Explain how the strategy aligns with the goals of this NOFA set forth in the Introduction and Project Expectations. Describe any substantive partnership that is part of the NOFA response that increases opportunity/capacity for growth of Emerging Developers (smaller organizations) in development roles. Explain how the Development Team's model removes barriers to intergenerational wealth, self-sufficiency and resiliency for persons of color, particularly COP holders, African American households and/or households in historically African American neighborhoods.

In this section, include the following attachments:

- Evidence of Site Control
- Appraisal
- Map of Neighborhood Amenities
- MOHCD Application Proforma
- **Attachment I – CDLAC Self Score Worksheet**

5. Evidence of Authority

Provide a certified corporate resolution of the applicant or, in the case of a partnership, the applicant's general partner, expressly authorizing the applicant to provide a response to this NOFA and, if selected by the City, to enter into negotiations with the City for the acquisition of the site.

6. Disclosure Form

Submit a completed and signed copy of **Attachment H – Disclosures**, which requires any respondent to this NOFA to disclose defaults, lawsuits, legal proceedings, bankruptcy filings or financial interests affiliated with MOHCD staff or Citywide Affordable Housing Loan Committee members. The individual who signs the form must be authorized to enter into legal agreements on behalf of the Respondent.

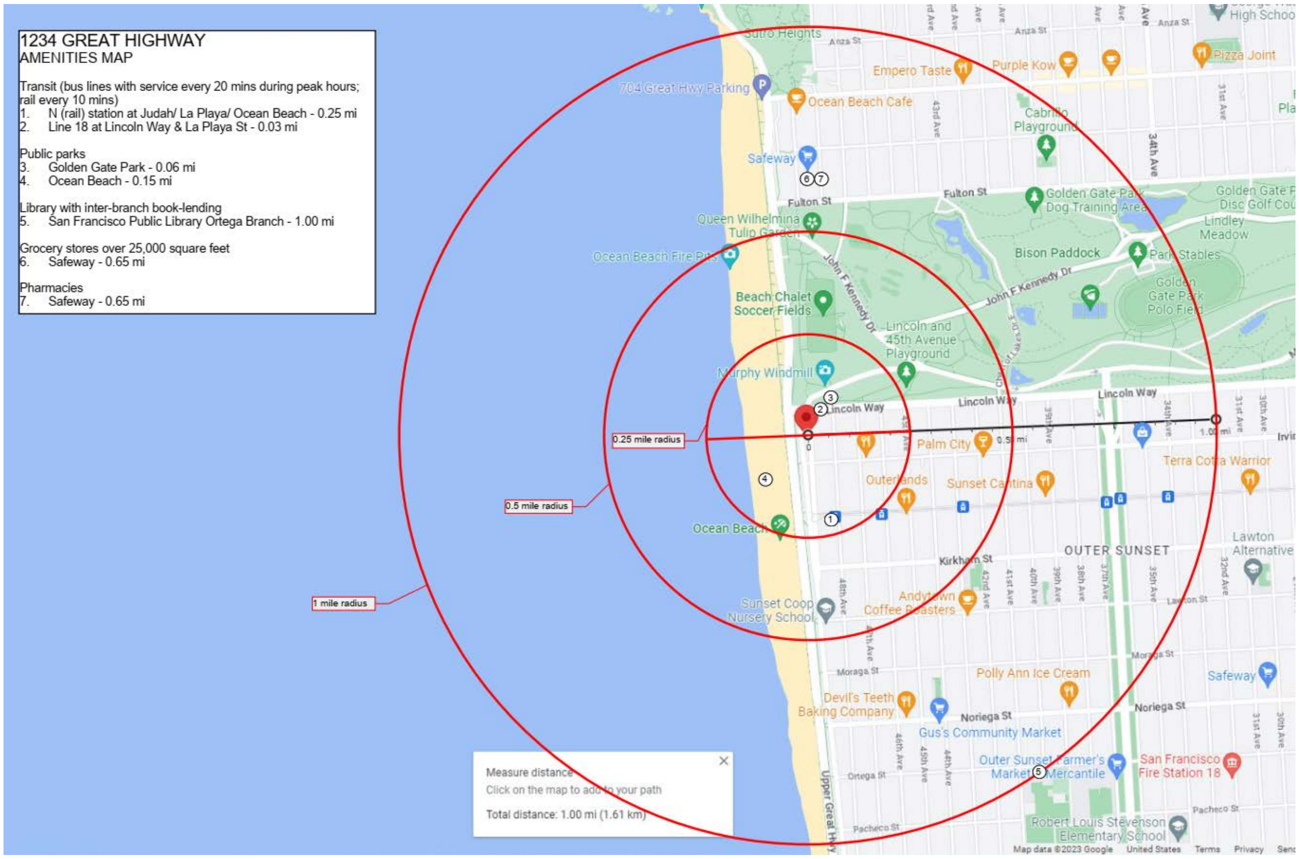
Note Regarding Submittals: Applicants may amend their response prior to the submission deadline. However, after the submission deadline, corrections are only allowed if immaterial and at the sole discretion of MOHCD.

Attachment F: Site Map with amenities

Map amenities:

1. Site Amenities

Map source: Google Maps



Inner circle is ¼ mile radius, middle circle is ½ mile radius, and the outer circle is a 1 mile radius.

- ☑ **Project is located within 1/2 mile of a major transit stop:**
  - **#1:** N (rail) station at Judah/La Playa/Ocean Beach
  - **#2:** Bus line 18 at Lincoln Way and La Playa St
- ☑ **Project is located within 1/2 mile of a park or recreational facility:**
  - **#3:** Golden Gate Park – within ¼ mile
  - **#4:** Ocean Beach – within ¼ mile
- ☑ **Project is within 1 mile of groceries and other essential shopping needs:**
  - **# 6:** Safeway Grocery – within 1 mile
  - **#7:** Safeway Pharmacy – within 1 mile
- ☑ **1 mile of a public library:**
  - **#5:** SF Public Library Ortega Branch – within 1 mile

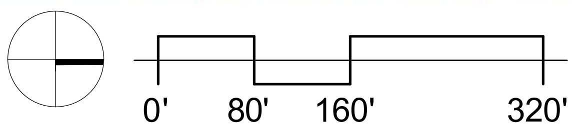
Attachment G: Elevations and Floor Plans

Please see attached.

5. Design Submission

STREET VIEW 1

SITE PLAN



UNIT MIX

	STUDIO	1BR	2BR	TOTAL
7TH FLR	15	21	1	**37**
6TH FLR	15	21	1	**37**
5TH FLR	15	21	1	**37**
4TH FLR	15	21	1	**37**
3RD FLR	15	21	1	**37**
2ND FLR	14	16	1	**31**
1ST FLR	0	0	0	**0**
TOTAL	**89**	**121**	**6**	**216**
%	41.2%	56.0%	2.8%	

TYPICAL UNIT SIZE (S.F.)

STUDIO	400
1 BR	630
2 BR	870

PARKING

STANDARD	12
COMPACT	4
ADA	1
EV+EV ADA	3
TOTAL	**20**
#/ UNIT	**9.3%**

SHUTTLE VAN PARKING (14' X 28'): 1 SPACE

BIKE PARKING

CLASS 1	24

OPEN SPACE

2400 S.F.

GROSS AREA (S.F.)

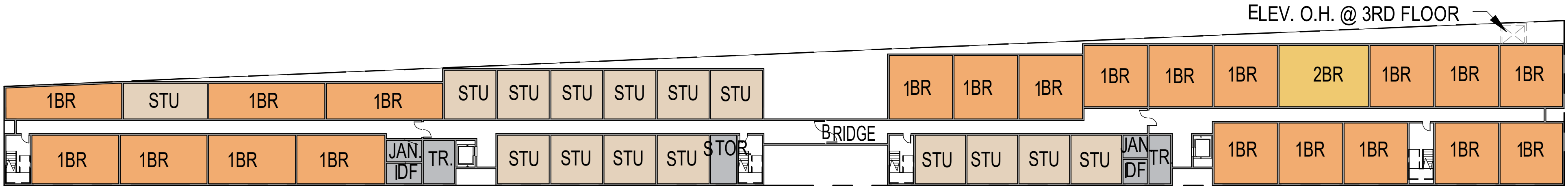
	UNITS	CIRC.	AMEN.	UTILITY	GARAGE	TOTAL
7TH FLR	20,249	5,305	0	1,054	0	26,608
6TH FLR	20,249	5,305	0	1,054	0	26,608
5TH FLR	20,249	5,305	0	1,054	0	26,608
4TH FLR	20,249	5,305	0	1,054	0	26,608
3RD FLR	20,249	5,305	0	1,054	0	26,608
2ND FLR	16,748	4,490	4,180	1,107	0	26,525
1ST FLR	0	0	15,178	6,284	8,097	29,559
TOTAL	**117,993**	**31,015**	**19,358**	**12,661**	**8,097**	**189,124**

tndc HOMES. HEALTH. VOICE. tenderloin neighborhood development corporation

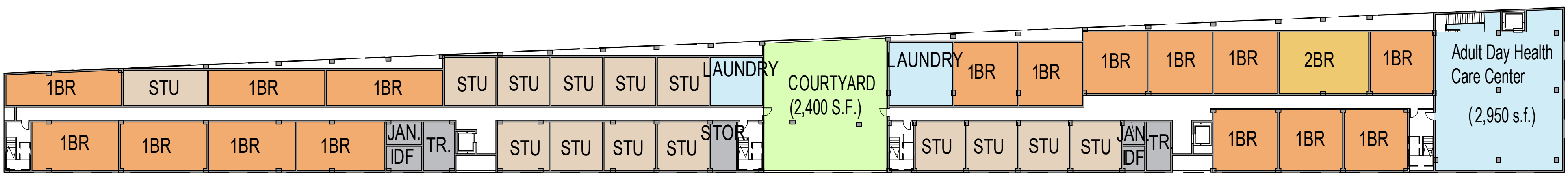
1234 GREAT HIGHWAY
SAN FRANCISCO, CA 94122

CONCEPTUAL UNIT COUNT, SITE PLAN, AND MASSING

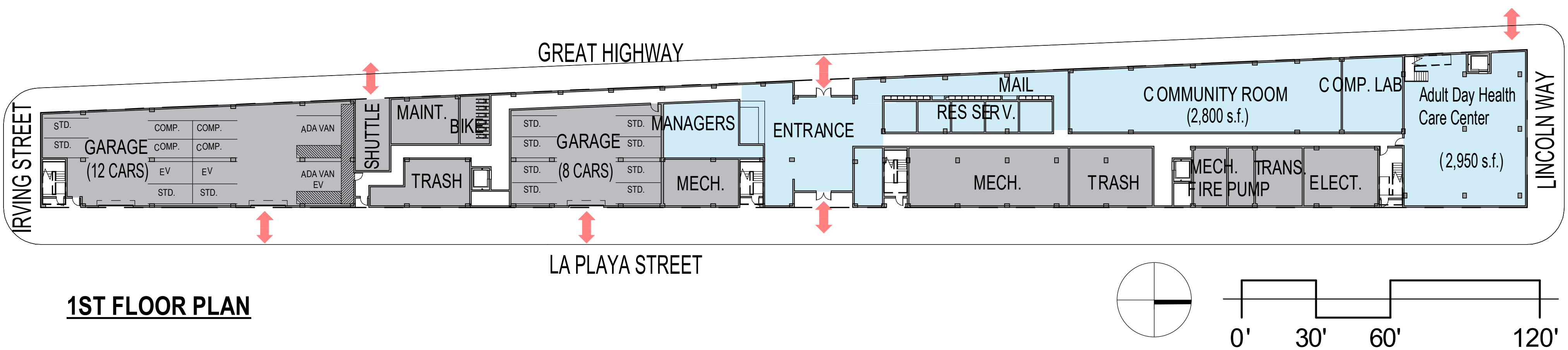
0.1



3RD - 7TH FLOOR PLAN



2ND FLOOR PLAN



1ST FLOOR PLAN

1234 GREAT HIGHWAY
SAN FRANCISCO, CA 94122

CONCEPTUAL FLOOR PLANS

0.2

Attachment H: Comparison of City Investment in Other Housing Developments

Affordable Multifamily Housing New Construction Cost Comparison - San Francisco

Updated *10/5/2023*

		Acquisition costs by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Not including Land)			Subsidy	
		Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/ sq.ft[6]	Soft/unit	Soft/BR	Soft/ sq.ft[6]	TDC/unit	TDC/BR	TDC/ sq.ft[6]	Subsidy / unit	Leveraging [7]
Delta of Subject and Comparable Projects		$ 8,158	$ 7,938	$ 58	$ 37,841	$ 71,666	$ 60	$ 125,878	$ 132,007	$ 148	$ 163,710	$ 203,665	$ 208	$ 99,735	39.1%
Delta Percentage		94923%	101518%	104611%	7%	14%	10%	83%	96%	88%	23%	32%	27%	41%	60%
1234 Great Highway		$ 8,167	$ 7,946	$ 58	$ 589,684	$ 573,747	$ 673.48	$ 276,822	$ 269,340	$ 316	$ 866,506	$ 843,087	$ 990	$ 343,029	60.4%
Comparable Projects	*Average:*	*$ 9*	*$ 8*	*$ 0.06*	*$ 551,843*	*$ 502,081*	*$ 613*	*$ 150,944*	*$ 137,333*	*$ 168*	*$ 702,796*	*$ 639,422*	*$ 781*	*$ 243,294*	65.4%

Costs lower than comparable average (within 10%)	*Costs higher than comparable average (within 10%)*

						Building Square Footage			Total Project Costs								
		Lot sq.ft	Completion/ start date	# of Units	# of BR[1]	Res.[2]	Non-Res. Sq. ft.	Total sg. ft.	Acq. Cost[3]	Constr. Cost[4]	Soft Cost	Total Dev. Cost w/acq costs (not land)	Local Subsidy	Notes on Financing (e.g., TCAC)	Building Type (e.g., Type III over Type I)	Stories	Comments including date of LC or cost estimate, stage of
ALL PROJECTS	*Average:*	*34,256*		*120*	*192*	*120,276*	*13,598*	*132,208*	*$ 238,654*	*$ 81,332,600*	*$ 19,152,561*	*$ 100,617,539*	*$ 29,810,220*				
Comparable Projects Completed (filtered)	*Average:*	*49,141*		*200*	*200*	*125,840*	*2,696*	*128,535*	*$1*	*$99,814,000*	*$26,578,065*	*$126,392,066*	*$34,857,202*				
Comparable Projects Under Construction (filtered)	*Average:*	*28,893*		*203*	*259*	*235,680*	*1,970*	*237,650*	*$0*	*$111,260,260*	*$36,248,774*	*$147,509,034*	*$46,468,120*				
Comparable Projects In Predevelopment (filtered)	*Average:*	*12,476*		*179*	*181*	*151,416*	*5,862*	*157,277*	*$5,000*	*$110,006,498*	*$24,997,479*	*$135,008,977*	*$60,231,122*				
Total Comparable Projects	*Average:*	*30,170*		*194*	*213*	*170,978*	*3,509*	*174,487*	*$1,667*	*$107,026,919*	*$29,274,773*	*$136,303,359*	*$47,185,481*				
1234 Great Highway		30,492	Jan-26	216	222	175,127	13,997	189,124	$ 1,764,000	$ 127,371,724	$ 59,793,503	$ 187,165,227	$ 74,094,304	TCAC, MHP, IIG	Type III over Type 1 2-level podium	7	Concept for pre-pre-dev 9/2023; 20 parking spaces; adult day health care center (5900 sf)
Delta of Subject and Comp Project Averages		322		22	9	4,149	10,488	14,637	$1,762,333	$20,344,805	$30,518,730	$50,861,868	$26,908,823				
Delta Percentage		1%		11%	4%	2%	299%	8%	105729%	19%	104%	37%	57%				

PROJECTS COMPLETED						Building Square Footage			Total Project Costs								
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/acquisition costs	Local Subsidy5	Notes on Financing	Building Type	Stories	Comments
Mission Bay S. Block 9	410 China Basin Street	47,437	Oct-22	141	141	99,160	-	99,160	$ -	$ 77,742,693	$ 15,598,625	$ 93,341,318	$ 23,076,000	HCD Loan	Type IIIA FBH Type I	4	Factory built
1064 Mission Street	1064 Mission Street	50,844	Dec-22	258	258	152,519	5,391	157,910	$ 1	$ 121,885,308	$ 37,557,505	$ 159,442,814	$ 46,638,404	4% credits AHP & NPLH	Type IIIA FBH Type I	6	Type IIIA over Type I podium - Factory built; senior and family

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs								
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/acq costs	Local Subsidy5	Notes on Financing	Building Type	Stories	Comments
921 Howard	921 Howard Street	28,893	Aug-23	203	259	235,680	1,970	237,650	$ -	$ 111,260,260	$ 36,248,774	$ 147,509,034	$ 46,468,120	CalHfa MIP/ 4% LIHTC	Type IA	18	Incl 3 parking spaces & retail (GMP 4/19/21)

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs								
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR[1]	Res.[2]	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft Cost	Total Dev. Cost w/acq costs	Local Subsidy	Notes on Financing	Building Type	Stories	Comments
Laguna Honda Senior	375 Laguna Honda Blvd		Jan-25	200	204	212,000	13,000	225,000	$ 15,000	$ 97,750,000	$ 20,222,441	$ 117,987,441	$ 47,272,441	4% Credits; IIG, HCD, AHP	Type III over Type I	7	
1939 Market Street	1939 Market Street	11,860	Nov-24	187	187	135,537	1,640	137,177	$ -	$ 132,080,501	$ 22,783,451	$ 154,863,952	$ 68,463,859	4% credits, AHP, MHP, IIG; LOSP	Type I	15	100%SD with MEPF buy out; 6/2023 proforma for MHP app
Transbay 2 WEST - Senior OCII (CCDC)	200 Folsom	13,091	Feb-24	151	152	106,710	2,945	109,655	$0	$ 100,188,993	$ 31,986,544	$ 132,175,537	$ 64,957,065	4% Credits, no HCD	Type I	9	100% SD, 4/2023, TDC and Local Subsidy include

Attachment I: Sources and Uses

MOHCD Proforma - Predevelopment Financing Sources Uses of Funds

Application Date:	4/7/23	**# Units:**	216
Project Name:	1234 Great Highway	***# Bedrooms:***	222
Project Address:	1234 Great Highway	**# Beds:**	
Project Sponsor:	Tenderloin Neighborhood Development Corporation		

LOSP Project

Don't forget to fill in D135:D138!

								Total Sources	Comments
SOURCES	**24,000,000**	**2,240,000**	**720,000**	**-**	**-**	**-**	**-**	**26,960,000**	
Name of Sources:	MOHCD/OCII	HAF Loan	Income from Operations						
USES									
ACQUISITION									
Acquisition cost or value	21,700,000							21,700,000	
Legal / Closing costs / Broker's Fee	30,000							30,000	
Holding Costs	254,576		177,500					432,076	
Transfer Tax	1,302,000							1,302,000	
TOTAL ACQUISITION	**23,286,576**	**0**	**177,500**	**0**	**0**	**0**	**0**	**23,464,076**	
CONSTRUCTION (HARD COSTS)									
Unit Construction/Rehab								0	Include FF&E
Commercial Shell Construction								0	
Demolition								0	
Environmental Remediation								0	
Onsight Improvements/Landscaping								0	
Offsite Improvements								0	
Infrastructure Improvements								0	HOPE SF/OCII costs for streets etc.
Parking								0	
GC Bond Premium/GC Insurance/GC Taxes								0	
GC Overhead & Profit								0	
CG General Conditions								0	
Sub-total Construction Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Design Contingency (remove at DD)								0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Bid Contingency (remove at bid)								0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Plan Check Contingency (remove/reduce during Plan Review)								0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+
Hard Cost Construction Contingency								0	5% new construction / 15% rehab
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
TOTAL CONSTRUCTION COSTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
SOFT COSTS									
Architecture & Design									
Architect design fees		784,000						784,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)		196,000						196,000	
Architect Construction Admin								0	
Reimbursables		29,400						29,400	
Additional Services		39,200						39,200	
Sub-total Architect Contract	*0*	*1,048,600*	*0*	*0*	*0*	*0*	*0*	*1,048,600*	
Other Third Party design consultants (not included under Architect contract)		150,000						150,000	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	**0**	**1,198,600**	**0**	**0**	**0**	**0**	**0**	**1,198,600**	
Engineering & Environmental Studies									
Survey	50,000							50,000	
Geotechnical studies	85,000							85,000	
Phase I & II Reports	50,000							50,000	
CEQA / Environmental Review consultants	10,000							10,000	
NEPA / 106 Review								0	
CNA/PNA (rehab only)								0	
Other environmental consultants								0	Name consultants & contract amounts
Total Engineering & Environmental Studies	**195,000**	**0**	**0**	**0**	**0**	**0**	**0**	**195,000**	
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*	*0*	
Permanent Financing Costs									
Permanent Loan Origination Fee								0	
Credit Enhance. & Appl. Fee								0	
Title & Recording								0	
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Total Financing Costs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
Legal Costs									
Borrower Legal fees		50,000						50,000	
Land Use / CEQA Attorney fees		150,000						150,000	
Tax Credit Counsel								0	
Bond Counsel								0	
Construction Lender Counsel								0	
Permanent Lender Counsel								0	
Other Legal (specify)								0	
Total Legal Costs	**0**	**200,000**	**0**	**0**	**0**	**0**	**0**	**200,000**	
Other Development Costs									
Appraisal	12,000							12,000	
Market Study	15,000							15,000	
* Insurance		240,000						240,000	
* Property Taxes			542,500					542,500	
Accounting / Audit								0	
* Organizational Costs								0	
Entitlement / Permit Fees								0	
* Marketing / Rent-up								0	
* Furnishings								0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees		209,629						209,629	
TCAC App / Alloc / Monitor Fees	91,424	41,771						133,195	
* Financial Consultant fees		40,000						40,000	
Construction Management fees / Owner's Rep		60,000						60,000	
Security during Construction								0	
* Relocation								0	
Community Engagement	200,000							200,000	
Permit Expediter		50,000						50,000	
Other (specify)								0	
Total Other Development Costs	**318,424**	**641,400**	**542,500**	**0**	**0**	**0**	**0**	**1,502,324**	
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)		200,000		0	0	0	0	200,000	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	**513,424**	**2,240,000**	**542,500**	**0**	**0**	**0**	**0**	**3,295,924**	
RESERVES									
* Operating Reserves								0	
Replacement Reserves								0	
* Tenant Improvements Reserves								0	
Other (specify)								0	
Other (specify)								0	
Other (specify)								0	
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
DEVELOPER COSTS									
Developer Fee - Cash-out Paid at Milestones	200,000							200,000	
Developer Fee - Cash-out At Risk								0	
Commercial Developer Fee									
Developer Fee - GP Equity (also show as source)									
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	**200,000**	**0**	**0**	**0**	**0**	**0**	**0**	**200,000**	
TOTAL DEVELOPMENT COST	**24,000,000**	**2,240,000**	**720,000**	**0**	**0**	**0**	**0**	**26,960,000**	
Development Cost/Unit by Source	111,111	10,370	3,333	0	0	0	0	124,815	
Development Cost/Unit as % of TDC by Source	89.0%	8.3%	2.7%	0.0%	0.0%	0.0%	0.0%	100.0%	
Acquisition Cost/Unit by Source	100,463	0	0	0	0	0	0	100,463	
Construction Cost (inc Const Contingency)/Unit By Source	0	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Construction line item costs as a % of hard costs

Total Soft Cost Contingency as % of Total Soft Costs: 6.5%

**Possible non-eligible GO Bond/COP Amount:*	0
City Subsidy/Unit	111,111

Tax Credit Equity Pricing:		**Fill in with value or 'N/A' if not applicable.**
Construction Bond Amount:		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Term (in months):		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Interest Rate (as %):		**Fill in with value or 'N/A' if not applicable.**

Attachment J: Development Budget

Application Date:	4/7/23	**# Units:**	216
Project Name:	1234 Great Highway	***# Bedrooms:***	222
Project Address:	1234 Great Highway	**# Beds:**	
Project Sponsor:	Tenderloin Neighborhood Development Corporation		

LOSP Project

Don't forget to fill in D135:D138!

								Total Sources	**Comments**
SOURCES		**74,094,304**	**58,688,342**	**35,000,000**	**7,500,000**	**1,000,000**	**10,732,581**	**187,015,227**	
	Name of Sources:	MOHCD/OCII	LIHTC Equity	HCD MHP	HCD IIG	FHLBSFAHP	All Other Sources		

USES

ACQUISITION

	MOHCD/OCII	LIHTC Equity	HCD MHP	HCD IIG	FHLBSFAHP	All Other Sources	Total Sources	Comments
Acquisition cost or value	21,700,000						21,700,000	
Legal / Closing costs / Broker's Fee	30,000						30,000	
Holding Costs	432,076						432,076	
Transfer Tax	1,302,000						1,302,000	
TOTAL ACQUISITION	**23,464,076**	**0**	**0**	**0**	**0**	**0**	**23,464,076**	

CONSTRUCTION (HARD COSTS)

	MOHCD/OCII	LIHTC Equity	HCD MHP	HCD IIG	FHLBSFAHP	All Other Sources	Total Sources	Comments	Construction line item costs as a % of hard costs
* Unit Construction/Rehab	802,854	41,936,372	35,000,000		1,000,000	4,857,540	83,596,766	Include FF&E	
* Commercial Shell Construction		2,065,000					2,065,000		
* Demolition							0		
Environmental Remediation	200,000						200,000		
* Onsight Improvements/Landscaping							0		
* Offsite Improvements							0		
* Infrastructure Improvements				7,500,000			7,500,000	HOPE SF/OCII costs for streets etc.	
Parking							0		
GC Bond Premium/GC Insurance/GC Taxes	2,760,528						2,760,528		**2.7%**
GC Overhead & Profit	3,004,225						3,004,225		**2.9%**
CG General Conditions	3,680,000						3,680,000		**3.6%**
Sub-total Construction Costs	*10,447,607*	*44,001,372*	*35,000,000*	*7,500,000*	*1,000,000*	*4,857,540*	*102,806,519*		
Design Contingency (remove at DD)	1,939,250						1,939,250	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**1.9%**
Bid Contingency (remove at bid)	10,374,292						10,374,292	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+	**10.1%**
Plan Check Contingency (remove/reduce during Plan Rev	6,224,574						6,224,574	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+	**6.1%**
Hard Cost Construction Contingency	6,027,089						6,027,089	5% new construction / 15% rehab	**5.9%**
Sub-total Construction Contingencies	*24,565,205*	*0*	*0*	*0*	*0*	*0*	*24,565,205*		
TOTAL CONSTRUCTION COSTS	**35,012,812**	**44,001,372**	**35,000,000**	**7,500,000**	**1,000,000**	**4,857,540**	**127,371,724**		

SOFT COSTS

	MOHCD/OCII	LIHTC Equity	HCD MHP	HCD IIG	FHLBSFAHP	All Other Sources	Total Sources	Comments
Architecture & Design								
Architect design fees	742,572					377,428	1,120,000	See MOHCD A&E Fee Guidelines: http://sfmohcd.org/documents-reports-and-forms
Design Subconsultants to the Architect (incl. Fees)	280,000						280,000	
Architect Construction Admin							0	
Reimbursables	42,000						42,000	
Additional Services	56,000						56,000	
Sub-total Architect Contract	*1,120,572*	*0*	*0*	*0*	*0*	*377,428*	*1,498,000*	
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	**1,120,572**	**0**	**0**	**0**	**0**	**377,428**	**1,498,000**	
Engineering & Environmental Studies								
Survey	50,000						50,000	
Geotechnical studies	85,000						85,000	
Phase I & II Reports	50,000						50,000	
CEQA / Environmental Review consultants	10,000						10,000	
NEPA / 106 Review							0	
CNA/PNA (rehab only)							0	
Other environmental consultants							0	Name consultants & contract amounts
Total Engineering & Environmental Studies	**195,000**	**0**	**0**	**0**	**0**	**0**	**195,000**	
Financing Costs								
Construction Financing Costs								
Construction Loan Origination Fee							0	
Construction Loan Interest	478,540	11,009,840				115,033	11,603,413	
Title & Recording		40,000					40,000	
CDLAC & CDIAC fees							0	
Bond Issuer Fees		1,414,130					1,414,130	
Other Bond Cost of Issuance							0	
Other Lender Costs (specify)		23,000					23,000	
Sub-total Const. Financing Costs	*478,540*	*12,486,970*	*0*	*0*	*0*	*115,033*	*13,080,543*	
Permanent Financing Costs								
Permanent Loan Origination Fee	46,300						46,300	
Credit Enhance. & Appl. Fee							0	
Title & Recording	15,000						15,000	
Sub-total Perm. Financing Costs	*61,300*	*0*	*0*	*0*	*0*	*0*	*61,300*	
Total Financing Costs	**539,840**	**12,486,970**	**0**	**0**	**0**	**115,033**	**13,141,843**	
Legal Costs								
Borrower Legal fees	100,000						100,000	
Land Use / CEQA Attorney fees	150,000						150,000	
Tax Credit Counsel	60,000						60,000	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel	20,000						20,000	
* Other Legal (specify)							0	
Total Legal Costs	**330,000**	**0**	**0**	**0**	**0**	**0**	**330,000**	
Other Development Costs								
Appraisal	12,000						12,000	
Market Study	15,000						15,000	
* Insurance	3,616,254						3,616,254	
* Property Taxes	542,500						542,500	
Accounting / Audit	25,000						25,000	
* Organizational Costs	10,000						10,000	
Entitlement / Permit Fees	2,410,836						2,410,836	
* 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	1,925,000						1,925,000	
TCAC App / Alloc / Monitor Fees	133,195						133,195	
* Financial Consultant fees	85,000						85,000	
Construction Management fees / Owner's Rep	175,000						175,000	
Security during Construction							0	
* Relocation							0	
Permit Expediter	50,000						50,000	
Special Inspections	250,000						250,000	
Public Art SFAC	742,443						742,443	
Total Other Development Costs	**9,992,228**	**0**	**0**	**0**	**0**	**0**	**9,992,228**	
Soft Cost Contingency								
Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,478,773		0	0	0		1,478,773	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	**13,656,413**	**12,486,970**	**0**	**0**	**0**	**492,461**	**26,635,844**	

Total Soft Cost Contingency as % of Total Soft Costs **5.9%**

RESERVES

	MOHCD/OCII	LIHTC Equity	HCD MHP	HCD IIG	FHLBSFAHP	All Other Sources	Total Sources	Comments
* Operating Reserves	735,614						735,614	
Replacement Reserves							0	
* Tenant Improvements Reserves							0	
* Other (specify)	573,389						573,389	
* Other (specify)	200,000						200,000	
* Other (specify)	452,000						452,000	
TOTAL RESERVES	**1,961,003**	**0**	**0**	**0**	**0**	**0**	**1,961,003**	

DEVELOPER COSTS

	MOHCD/OCII	LIHTC Equity	HCD MHP	HCD IIG	FHLBSFAHP	All Other Sources	Total Sources	Comments
Developer Fee - Cash-out Paid at Milestones		1,100,000					1,100,000	
Developer Fee - Cash-out At Risk		1,100,000					1,100,000	
Commercial Developer Fee							0	
Developer Fee - GP Equity (also show as source)						5,357,287	5,357,287	
Developer Fee - Deferred (also show as source)						25,293	25,293	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0	
TOTAL DEVELOPER COSTS	**0**	**2,200,000**	**0**	**0**	**0**	**5,382,580**	**7,582,580**	

	MOHCD/OCII	LIHTC Equity	HCD MHP	HCD IIG	FHLBSFAHP	All Other Sources	Total Sources
TOTAL DEVELOPMENT COST	**74,094,304**	**58,688,342**	**35,000,000**	**7,500,000**	**1,000,000**	**10,732,581**	**187,015,227**
Development Cost/Unit by Source	343,029	271,705	162,037	34,722	4,630	49,688	865,811
Development Cost/Unit as % of TDC by Source	39.6%	31.4%	18.7%	4.0%	0.5%	5.7%	100.0%
Acquisition Cost/Unit by Source	100,463	0	0	0	0	0	100,463
Construction Cost (inc Const Contingency)/Unit By Source	162,096	203,710	162,037	34,722	4,630	22,489	589,684
Construction Cost (inc Const Contingency)/SF	185.13	232.66	185.06	39.66	5.29	25.68	673.48

**Possible non-eligible GO Bond/COP Amount:*	*7,017,611*	
City Subsidy/Unit	343,029	
Tax Credit Equity Pricing:		**Fill in with value or 'N/A' if not applicable.**
Construction Bond Amount:		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Term (in months):		**Fill in with value or 'N/A' if not applicable.**
Construction Loan Interest Rate (as %):		**Fill in with value or 'N/A' if not applicable.**

Attachment K: 1st Year Operating Budget

MOHCD Proforma - Year 1 Operating Budget

Application Date:	**4/7/2023**	LOSP Units	Non-LOSP Units	**Project Name:**	**1234 Great Highway**
Total # Units:	**216**	108	108	**Project Address:**	**1234 Great Highway**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	**2028**	LOSP/non-LOSP Allocation		**Project Sponsor:**	**Tenderloin Neighborhood Development Corporation**
		50%	50%		*Correct errors noted in Col N!*

INCOME	**LOSP**	**non-LOSP**	**Total**	**Comments**	
Residential - Tenant Rents	330,000	827,412	1,157,412	Links from 'New Proj - Rent & Unit Mix' Worksheet	**Alternative LOSP Split**
Residential - Tenant Assistance Payments (Non-LOSP)	593,046	593,046	1,186,092	Links from 'New Proj - Rent & Unit Mix' Worksheet	Residential - Tenant Assistance Payments (No
Residential - LOSP Tenant Assistance Payments	337,790		337,790		
Commercial Space			150,000	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	**Alternative LOSP Split**
Supportive Services Income	0	0			Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Laundry and Vending	14,040	14,040	28,080	Links from 'Utilities & Other Income' Worksheet	**Projected LOSP Split**
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	Tenant Charges
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Other Commercial Income			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	**Alternative LOSP Split**
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0			Withdrawal from Capitalized Reserve (deposit
Gross Potential Income	**1,274,876**	**1,434,498**	**2,859,374**		
Vacancy Loss - Residential - Tenant Rents	(16,500)	(41,452)	(57,952)	Vacancy loss is 5% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	(29,652)	(59,305)	(59,305)	Vacancy loss is 5% of Tenant Assistance Payments.	
Vacancy Loss - Commercial			(75,000)	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
EFFECTIVE GROSS INCOME	**1,228,724**	**1,333,741**	**2,667,117**	***PUPA: 12,348***	

OPERATING EXPENSES					
Management					**Alternative LOSP Split**
Management Fee	76,464	76,464	152,928	1st Year to be set according to HUD schedule.	Management Fee
Asset Management Fee	12,140	12,140	24,280		Asset Management Fee
Sub-total Management Expenses	**88,604**	**88,604**	**177,208**	***PUPA: 820***	
Salaries/Benefits					**Alternative LOSP Split**
Office Salaries	15,368	15,368	30,735		Office Salaries
Manager's Salary	101,904	101,904	203,808		Manager's Salary
Health Insurance and Other Benefits	63,990	63,990	127,979		Health Insurance and Other Benefits
Other Salaries/Benefits	15,057	15,057	30,113		Other Salaries/Benefits
Administrative Rent-Free Unit	0	0			Administrative Rent-Free Unit
Sub-total Salaries/Benefits	**196,318**	**196,318**	**392,635**	***PUPA: 1,818***	
Administration					
Advertising and Marketing	0	0			
Office Expenses	28,282	28,282	56,564		
Office Rent	0	0			**Projected LOSP Split**
Legal Expense - Property	9,000	9,000	18,000		Legal Expense - Property
Audit Expense	5,570	5,570	11,139		
Bookkeeping/Accounting Services	16,848	16,848	33,696		**Projected LOSP Split**
Bad Debts	15,000	15,000	30,000		Bad Debts
Miscellaneous	19,151	19,151	38,301	Payroll service charges, tech support and maintenance, professional fees, training	
Sub-total Administration Expenses	**93,850**	**93,850**	**187,700**	***PUPA: 869***	
Utilities					**Projected LOSP Split**
Electricity	61,204	61,204	122,407		Electricity
Water	127,219	127,219	254,437		
Gas	0	0			
Sewer	0	0			
Sub-total Utilities	**188,422**	**188,422**	**376,844**	***PUPA: 1,745***	
Taxes and Licenses					**Alternative LOSP Split**
Real Estate Taxes	1,895	1,895	3,790		Real Estate Taxes
Payroll Taxes	30,113	30,113	60,225		Payroll Taxes
Miscellaneous Taxes, Licenses and Permits	4,145	4,145	8,289		
Sub-total Taxes and Licenses	**36,152**	**36,152**	**72,304**	***PUPA: 335***	
Insurance					
Property and Liability Insurance	78,976	78,976	157,951		
Fidelity Bond Insurance	0	0			**Alternative LOSP Split**
Worker's Compensation	18,821	18,821	37,641		Worker's Compensation
Director's & Officers' Liability Insurance	0	0			
Sub-total Insurance	**97,796**	**97,796**	**195,592**	***PUPA: 906***	
Maintenance & Repair					**Alternative LOSP Split**
Payroll	163,078	163,078	326,155		Payroll
Supplies	11,121	11,121	22,241		Supplies
Contracts	91,843	91,843	183,686		Contracts
Garbage and Trash Removal	61,531	61,531	123,061		**Alternative LOSP Split**
Security Payroll/Contract	100,464	100,464	200,928	4.2 FTE desk clerks	Security Payroll/Contract
HVAC Repairs and Maintenance	8,175	8,175	16,350		
Vehicle and Maintenance Equipment Operation and Repairs	307	307	613		
Miscellaneous Operating and Maintenance Expenses	0	0			
Sub-total Maintenance & Repair Expenses	**436,517**	**436,517**	**873,034**	***PUPA: 4,042***	
					Alternative LOSP Split
Supportive Services	43,530	43,530	87,060	0.6 FTE Healthy Aging Coordinator	Supportive Services
Commercial Expenses			11,150	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
TOTAL OPERATING EXPENSES	***1,181,189***	***1,181,189***	***2,373,527***	***PUPA: 10,989***	

Reserves/Ground Lease Base Rent/Bond Fees						
Ground Lease Base Rent	7,500	7,500	15,000	Ground lease with MOHCD	Provide additional comments here, if needed.	
Bond Monitoring Fee	2,600	2,600	5,200			**Alternative LOSP Split**
Replacement Reserve Deposit	54,000	54,000	108,000			Replacement Reserve Deposit
Operating Reserve Deposit	0	0				Operating Reserve Deposit
Other Required Reserve 1 Deposit	0	0				Other Required Reserve 1 Deposit
Other Required Reserve 2 Deposit	0	0				
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	**64,100**	**64,100**	**128,200**	***PUPA: 594***	Min DSCR:	1.09
					Mortgage Rate:	5.00%
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)	**1,245,289**	**1,245,289**	**2,501,727**	***PUPA: 11,582***	Term (Years):	30
					Supportable 1st Mortgage Pmt:	151,734
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**(16,565)**	**88,453**	**165,390**	***PUPA: 766***	Supportable 1st Mortgage Amt:	$2,355,434
					Proposed 1st Mortgage Amt:	$4,630,000

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)						
						Alternative LOSP Split
Hard Debt - First Lender	0	0	0		Provide additional comments here, if needed.	Hard Debt - First Lender
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	0	0	0		Provide additional comments here, if needed.	Hard Debt - Second Lender (HCD Program 0.4
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.	Hard Debt - Third Lender (Other HCD Progran
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.	Hard Debt - Fourth Lender
Commercial Hard Debt Service			0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%		
TOTAL HARD DEBT SERVICE	**0**	**0**	**0**	***PUPA: 0***		
CASH FLOW (NOI minus DEBT SERVICE)	**(16,565)**	**88,453**	**165,390**			
Commercial Only Cash Flow			63,850			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	31,925	31,925				Allocation of Commercial Surplus to LOPS/no
AVAILABLE CASH FLOW	**15,360**	**120,378**	**165,390**			

USES OF CASH FLOW BELOW (This row also shows DSCR.)

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL						
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	12,860	12,860	25,720			
Partnership Management Fee (see policy for limits)	0	0				
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	2,500	2,500	5,000			**Alternative LOSP Split**
Other Payments	0	0				Other Payments
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0			Provide additional comments here, if needed.	Non-amortizing Loan Pmnt - Lender 1 (select
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0			Provide additional comments here, if needed.	
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0		Def. Develop. Fee split: 0%	Provide additional comments here, if needed.	Deferred Developer Fee (Enter amt <= Max Fe
TOTAL PAYMENTS PRECEDING MOHCD	**15,360**	**15,360**	**30,720**	***PUPA: 142***		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**0**	**105,018**	**134,670**			

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**Yes**	
Will Project Defer Developer Fee?	**Yes**			
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	50%	Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):	**25,293**	Sum of DD F from LOSP and non-LOSP:
% of Residual Receipts available for distribution to **soft debt lenders** in	50%			Ratio of Sum of DDF and calculated 50%:

Soft Debt Lenders with Residual Receipts Obligations		*(Select lender name/program from drop down)*	**Total Principal Amt**	**Distrib. of Soft Debt Loans**
MOHCD/OCII - Soft Debt Loans		All MOHCD/OCII Loans payable from res. rects		0.00%
MOHCD/OCII - Ground Lease Value or Land Acq Cost		Ground Lease Value	$150,000	100.00%
HCD (soft debt loan) - Lender 3				0.00%
Other Soft Debt Lender - Lender 4				0.00%
Other Soft Debt Lender - Lender 5				0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
MOHCD Residual Receipts Amount Due		134,670	134,670	50% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment		134,670	134,670	Enter/override amount of residual receipts proposed for loan repayment.
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		0	0	If applicable, MOHCD residual receipts amt due LESS amt proposed for loan repymt.
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			**0**	

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)	**0**	
Owner Distributions/Incentive Management Fee	0	
Other Distributions/Uses	0	
Final Balance (should be zero)	**0**	

Application Date:	**4/7/2023**
Total # Units:	**216**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations)**:**	**2028**

INCOME

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

OPERATING EXPENSES

Management	**LOSP**	**non-LOSP**	Approved By (reqd)
Management Fee			
Asset Management Fee			
Sub-total Management Expenses			
Salaries/Benefits	**LOSP**	**non-LOSP**	Approved By (reqd)
Office Salaries			
Manager's Salary			
Health Insurance and Other Benefits			
Other Salaries/Benefits			
Administrative Rent-Free Unit			
Sub-total Salaries/Benefits			
Administration			
Advertising and Marketing			
Office Expenses			
Office Rent	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	*50.00%*	*50.00%*	
Audit Expense			
Bookkeeping/Accounting Services	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts	*50.00%*	*50.00%*	
Miscellaneous			
Sub-total Administration Expenses			
Utilities	**LOSP**	**non-LOSP**	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Electricity	*50.00%*	*50.00%*	
Water			
Gas			
Sewer			
Sub-total Utilities			
Taxes and Licenses	**LOSP**	**non-LOSP**	Approved By (reqd)
Real Estate Taxes			
Payroll Taxes			
Miscellaneous Taxes, Licenses and Permits			
Sub-total Taxes and Licenses			
Insurance			
Property and Liability Insurance			
Fidelity Bond Insurance	**LOSP**	**non-LOSP**	Approved By (reqd)
Worker's Compensation			
Director's & Officers' Liability Insurance			
Sub-total Insurance			
Maintenance & Repair	**LOSP**	**non-LOSP**	Approved By (reqd)
Payroll			
Supplies	*50.00%*	*50.00%*	(LOSP-specific expenses must be tracked at entry level in project's
Contracts			
Garbage and Trash Removal	**LOSP**	**non-LOSP**	Approved By (reqd)
Security Payroll/Contract			
HVAC Repairs and Maintenance			
Vehicle and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			
Sub-total Maintenance & Repair Expenses			
	LOSP	**non-LOSP**	Approved By (reqd)
Supportive Services			
Commercial Expenses			

TOTAL OPERATING EXPENSES

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

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

NET OPERATING INCOME (INCOME minus OP EXPENSES)

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)	**LOSP**	**non-LOSP**	Approved By (reqd)
Hard Debt - First Lender	*0.00%*	*100.00%*	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Len	42% pymt, or other 2nd Lende		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	n, or other 3rd Lender)		
Hard Debt - Fourth Lender			
Commercial Hard Debt Service			
TOTAL HARD DEBT SERVICE			

CASH FLOW (NOI minus DEBT SERVICE)

Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	n-LOSP (residual income)		
AVAILABLE CASH FLOW			
USES OF CASH FLOW BELOW (This row also shows DSCR.)			
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL			
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	**LOSP**	**non-LOSP**	Approved By (reqd)
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	lender in comments field)		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	*0.00%*	*100.00%*	

TOTAL PAYMENTS PRECEDING MOHCD

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?

Will Project Defer Developer Fee?

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

% of Residual Receipts available for distribution to **soft debt lenders** *in* #DIV/0!

Soft Debt Lenders with Residual Receipts Obligations

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

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

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

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

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

REMAINDER (Should be zero unless there are distributions below)

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

Attachment L: 20-year Operating Proforma

1234 Great Highway

	LOSP Units	Non-LOSP Units										
Total # Units: 216	***108***	***108***		**Year 1**	**2028**		**Year 2**	**2029**		**Year 3**	**2030**	
	50.00%	*50.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		*330,000*	*827,412*	1,157,412	*333,300*	848,097	1,181,397	*336,633*	869,300	1,205,933
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		*593,046*	*593,046*	1,186,092	-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		*337,790*		337,790	*922,749*		922,749	*961,055*		961,055
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			150,000			154,500			159,135
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		*14,040*	*14,040*	28,080	*14,391*	*14,391*	28,782	*14,751*	*14,751*	29,502
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-		-	-	
Gross Potential Income				***1,274,876***	***1,434,498***	**2,859,374**	***1,270,440***	***862,488***	**2,287,429**	***1,312,439***	***884,051***	**2,355,624**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	*(16,500)*	*(41,452)*	(57,952)	*(16,665)*	*(42,405)*	(59,070)	*(16,832)*	*(43,465)*	(60,297)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		*(29,652)*	*(59,305)*	(59,305)	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				(75,000)			(77,250)			(79,568)
EFFECTIVE GROSS INCOME				***1,228,724***	***1,333,741***	**2,667,117**	***1,253,775***	***820,083***	**2,151,109**	***1,295,607***	***840,586***	**2,215,760**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	*76,464*	*76,464*	152,928	*79,140*	*79,140*	158,280	*81,910*	*81,910*	163,820
Asset Management Fee	3.5%	3.5%	per MOHCD policy	*12,140*	*12,140*	24,280	*12,565*	*12,565*	25,130	*13,005*	*13,005*	26,009
Sub-total Management Expenses				***88,604***	***88,604***	**177,208**	***91,705***	***91,705***	**183,410**	***94,915***	***94,915***	**189,830**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		*15,368*	*15,368*	30,735	*15,905*	*15,905*	31,811	*16,462*	*16,462*	32,924
Manager's Salary	3.5%	3.5%		*101,904*	*101,904*	203,808	*105,471*	*105,471*	210,941	*109,162*	*109,162*	218,324
Health Insurance and Other Benefits	3.5%	3.5%		*63,990*	*63,990*	127,979	*66,229*	*66,229*	132,458	*68,547*	*68,547*	137,094
Other Salaries/Benefits	3.5%	3.5%		*15,057*	*15,057*	30,113	*15,583*	*15,583*	31,167	*16,129*	*16,129*	32,258
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***196,318***	***196,318***	**392,635**	***203,189***	***203,189***	**406,377**	***210,300***	***210,300***	**420,600**
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		*28,282*	*28,282*	56,564	*29,272*	*29,272*	58,544	*30,296*	*30,296*	60,593
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		*9,000*	*9,000*	18,000	*9,315*	*9,315*	18,630	*9,641*	*9,641*	19,282
Audit Expense	3.5%	3.5%		*5,570*	*5,570*	11,139	*5,764*	*5,764*	11,529	*5,966*	*5,966*	11,932
Bookkeeping/Accounting Services	3.5%	3.5%		*16,848*	*16,848*	33,696	*17,438*	*17,438*	34,875	*18,048*	*18,048*	36,096
Bad Debts	3.5%	3.5%		*15,000*	*15,000*	30,000	*15,525*	*15,525*	31,050	*16,068*	*16,068*	32,137
Miscellaneous	3.5%	3.5%		*19,151*	*19,151*	38,301	*19,821*	*19,821*	39,642	*20,514*	*20,514*	41,029
Sub-total Administration Expenses				***93,850***	***93,850***	**187,700**	***97,135***	***97,135***	**194,270**	***100,534***	***100,534***	**201,069**
Utilities												
Electricity	3.5%	3.5%		*61,204*	*61,204*	122,407	*63,346*	*63,346*	126,691	*65,563*	*65,563*	131,125
Water	3.5%	3.5%		*127,219*	*127,219*	254,437	*131,671*	*131,671*	263,342	*136,280*	*136,280*	272,559
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				***188,422***	***188,422***	**376,844**	***195,017***	***195,017***	**390,034**	***201,842***	***201,842***	**403,685**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		*1,895*	*1,895*	3,790	*1,961*	*1,961*	3,923	*2,030*	*2,030*	4,060
Payroll Taxes	3.5%	3.5%		*30,113*	*30,113*	60,225	*31,166*	*31,166*	62,333	*32,257*	*32,257*	64,515
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		*4,145*	*4,145*	8,289	*4,290*	*4,290*	8,579	*4,440*	*4,440*	8,879
Sub-total Taxes and Licenses				***36,152***	***36,152***	**72,304**	***37,417***	***37,417***	**74,835**	***38,727***	***38,727***	**77,454**
Insurance												
Property and Liability Insurance	3.5%	3.5%		*78,976*	*78,976*	157,951	*81,740*	*81,740*	163,479	*84,601*	*84,601*	169,201
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		*18,821*	*18,821*	37,641	*19,479*	*19,479*	38,958	*20,161*	*20,161*	40,322
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***97,796***	***97,796***	**195,592**	***101,219***	***101,219***	**202,438**	***104,762***	***104,762***	**209,523**
Maintenance & Repair												
Payroll	3.5%	3.5%		*163,078*	*163,078*	326,155	*168,785*	*168,785*	337,570	*174,693*	*174,693*	349,385
Supplies	3.5%	3.5%		*11,121*	*11,121*	22,241	*11,510*	*11,510*	23,019	*11,913*	*11,913*	23,825
Contracts	3.5%	3.5%		*91,843*	*91,843*	183,686	*95,058*	*95,058*	190,115	*98,385*	*98,385*	196,769
Garbage and Trash Removal	3.5%	3.5%		*61,531*	*61,531*	123,061	*63,684*	*63,684*	127,368	*65,913*	*65,913*	131,826
Security Payroll/Contract	3.5%	3.5%		*100,464*	*100,464*	200,928	*103,980*	*103,980*	207,960	*107,620*	*107,620*	215,239
HVAC Repairs and Maintenance	3.5%	3.5%		*8,175*	*8,175*	16,350	*8,461*	*8,461*	16,922	*8,757*	*8,757*	17,515
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		*307*	*307*	613	*317*	*317*	634	*328*	*328*	657
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***436,517***	***436,517***	**873,034**	***451,795***	***451,795***	**903,590**	***467,608***	***467,608***	**935,216**
Supportive Services	3.5%	3.5%		*43,530*	*43,530*	87,060	*45,054*	*45,054*	90,107	*46,630*	*46,630*	93,261
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			7,550			11,540			11,944
TOTAL OPERATING EXPENSES				***1,181,189***	***1,181,189***	***2,373,527***	***1,222,530***	***1,222,530***	**2,456,600**	***1,265,319***	***1,265,319***	**2,542,581**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)						***10,989***						
Reserves/Ground Lease Base Rent/Bond Fees							*Note: Hidden columns are in between total columns. To update*					
Ground Lease Base Rent				*7,500*	*7,500*	15,000	*7,500*	*7,500*	15,000	*7,500*	*7,500*	15,000
Bond Monitoring Fee				*2,600*	*2,600*	5,200	*2,600*	*2,600*	5,200	*2,600*	*2,600*	5,200
Replacement Reserve Deposit				*54,000*	*54,000*	108,000	*54,000*	*54,000*	108,000	*54,000*	*54,000*	108,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***64,100***	***64,100***	**128,200**	***64,100***	***64,100***	**128,200**	***64,100***	***64,100***	**128,200**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***1,245,289***	***1,245,289***	**2,501,727**	***1,286,630***	***1,286,630***	**2,584,800**	***1,329,419***	***1,329,419***	**2,670,781**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)						***11,582***						
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***(16,565)***	***88,453***	**165,390**	***(32,855)***	***(466,547)***	**(433,692)**	***(33,812)***	***(488,833)***	**(455,021)**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)							*Note: Hidden columns are in between total columns. To update*					
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				***(16,565)***	***88,453***	**165,390**	***(32,855)***	***(466,547)***	**(433,692)**	***(33,812)***	***(488,833)***	**(455,021)**
Commercial Only Cash Flow						**63,850**			**65,710**			**67,623**
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				*31,925*	*31,925*		*32,855*	*32,855*		*33,812*	*33,812*	
AVAILABLE CASH FLOW				***15,360***	***120,378***	**165,390**	***-***	***(433,692)***	**(433,692)**	***-***	***(455,021)***	**(455,021)**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL							*Note: Hidden columns are in between total columns. To update*					
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	*12,860*	*12,860*	25,720	-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-	-	-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	*2,500*	*2,500*	5,000	-	-		-	-	
Other Payments				-	-	-	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-	-	-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				***15,360***	***15,360***	**30,720**	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	105,018	**134,670**	-	(433,692)	**(433,692)**	-	(455,021)	**(455,021)**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***	Year 15 is year indicated below:									
Will Project Defer Developer Fee?		***Yes***	2042									
1st Residual Receipts Split - Lender/Deferred Developer Fee		*50% / 50%*	2nd Residual Receipts Split Begins:									
2nd Residual Receipts Split - Lender/Owner		*67% / 33%*	2043									
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):				*Max Deferred Developer Fee Amt:*		25,293						
		Dist. Soft Debt Loans	ative Deferred Developer Fee Earned	*Cum. Deferred Developer Fee:*		-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			134,670			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						134,670			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses						-						
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						-			**108,000**			**216,000**
Replacement Reserve Deposits						**108,000**			**108,000**			**108,000**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						**108,000**			**216,000**			**324,000**
			RR Balance/Unit			*$500*			*$1,000*			*$1,500*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						-			-			-
		OR Balance as a % of Prior Yr Op Exps + Debt Service							*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance									-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance									-			-
Other Reserve 2 Deposits						-			-			-

	LOSP Units	Non-LOSP Units		Year 1			Year 2			Year 3		
Total # Units:				2028			2029			2030		
216	***108***	***108***										
	50.00%	*50.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

Docusign Envelope ID: 1A43A1B9-710A-4C0C-9248-6982B1A9CDF7

1234 Great Highway

	LOSP Units	Non-LOSP Units
Total # Units: 216	108	108
	50.00%	50.00%

				Year 4 2031			Year 5 2032			Year 6 2033		
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Residential - Tenant Rents	1.0%	2.5%		339,999	891,032	1,231,032	343,399	913,308	1,256,707	346,833	936,141	1,282,974
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,000,790		1,000,790	1,042,005		1,042,005	1,084,753		1,084,753
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			163,909			168,826			173,891
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		15,120	15,120	30,239	15,498	15,498	30,995	15,885	15,885	31,770
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				***1,355,909***	***906,152***	**2,425,969**	***1,400,902***	***928,806***	**2,498,534**	***1,447,472***	***952,026***	**2,573,388**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(17,000)	(44,552)	(61,552)	(17,170)	(45,665)	(62,835)	(17,342)	(46,807)	(64,149)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				(81,955)			(84,413)			(86,946)
EFFECTIVE GROSS INCOME				***1,338,909***	***861,600***	**2,282,463**	***1,383,732***	***883,140***	**2,351,285**	***1,430,130***	***905,219***	**2,422,294**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	84,777	84,777	169,554	87,744	87,744	175,488	90,815	90,815	181,630
Asset Management Fee	3.5%	3.5%	per MOHCD policy	13,460	13,460	26,920	13,931	13,931	27,862	14,419	14,419	28,837
Sub-total Management Expenses				***98,237***	***98,237***	**196,474**	***101,675***	***101,675***	**203,350**	***105,234***	***105,234***	**210,468**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		17,038	17,038	34,076	17,635	17,635	35,269	18,252	18,252	36,504
Manager's Salary	3.5%	3.5%		112,983	112,983	225,966	116,937	116,937	233,874	121,030	121,030	242,060
Health Insurance and Other Benefits	3.5%	3.5%		70,946	70,946	141,893	73,429	73,429	146,859	75,999	75,999	151,999
Other Salaries/Benefits	3.5%	3.5%		16,693	16,693	33,387	17,278	17,278	34,555	17,882	17,882	35,765
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***217,661***	***217,661***	**435,321**	***225,279***	***225,279***	**450,558**	***233,164***	***233,164***	**466,327**
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		31,357	31,357	62,714	32,454	32,454	64,908	33,590	33,590	67,180
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		9,978	9,978	19,957	10,328	10,328	20,655	10,689	10,689	21,378
Audit Expense	3.5%	3.5%		6,175	6,175	12,350	6,391	6,391	12,782	6,615	6,615	13,230
Bookkeeping/Accounting Services	3.5%	3.5%		18,680	18,680	37,359	19,333	19,333	38,667	20,010	20,010	40,020
Bad Debts	3.5%	3.5%		16,631	16,631	33,262	17,213	17,213	34,426	17,815	17,815	35,631
Miscellaneous	3.5%	3.5%		21,233	21,233	42,465	21,976	21,976	43,951	22,745	22,745	45,490
Sub-total Administration Expenses				***104,053***	***104,053***	**208,106**	***107,695***	***107,695***	**215,390**	***111,464***	***111,464***	**222,929**
Utilities												
Electricity	3.5%	3.5%		67,857	67,857	135,715	70,232	70,232	140,465	72,691	72,691	145,381
Water	3.5%	3.5%		141,049	141,049	282,099	145,986	145,986	291,972	151,096	151,096	302,191
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				***208,907***	***208,907***	**417,814**	***216,219***	***216,219***	**432,437**	***223,786***	***223,786***	**447,572**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,101	2,101	4,202	2,175	2,175	4,349	2,251	2,251	4,501
Payroll Taxes	3.5%	3.5%		33,386	33,386	66,773	34,555	34,555	69,110	35,764	35,764	71,528
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		4,595	4,595	9,190	4,756	4,756	9,512	4,922	4,922	9,845
Sub-total Taxes and Licenses				***40,082***	***40,082***	**80,165**	***41,485***	***41,485***	**82,971**	***42,937***	***42,937***	**85,874**
Insurance												
Property and Liability Insurance	3.5%	3.5%		87,562	87,562	175,123	90,626	90,626	181,252	93,798	93,798	187,596
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		20,867	20,867	41,733	21,597	21,597	43,194	22,353	22,353	44,706
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***108,428***	***108,428***	**216,856**	***112,223***	***112,223***	**224,446**	***116,151***	***116,151***	**232,302**
Maintenance & Repair												
Payroll	3.5%	3.5%		180,807	180,807	361,614	187,135	187,135	374,270	193,685	193,685	387,370
Supplies	3.5%	3.5%		12,329	12,329	24,659	12,761	12,761	25,522	13,208	13,208	26,415
Contracts	3.5%	3.5%		101,828	101,828	203,656	105,392	105,392	210,784	109,081	109,081	218,161
Garbage and Trash Removal	3.5%	3.5%		68,220	68,220	136,440	70,608	70,608	141,215	73,079	73,079	146,158
Security Payroll/Contract	3.5%	3.5%		111,386	111,386	222,772	115,285	115,285	230,570	119,320	119,320	238,639
HVAC Repairs and Maintenance	3.5%	3.5%		9,064	9,064	18,128	9,381	9,381	18,762	9,709	9,709	19,419
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		340	340	680	352	352	703	364	364	728
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***483,974***	***483,974***	**967,948**	***500,913***	***500,913***	**1,001,827**	***518,445***	***518,445***	**1,036,891**
Supportive Services	3.5%	3.5%		48,262	48,262	96,525	49,952	49,952	99,903	51,700	51,700	103,400
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			12,362			12,795			13,243
TOTAL OPERATING EXPENSES				***1,309,605***	***1,309,605***	**2,631,572**	***1,355,441***	***1,355,441***	**2,723,677**	***1,402,881***	***1,402,881***	**2,819,006**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees				*'delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*								
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***64,100***	***64,100***	**128,200**	***64,100***	***64,100***	**128,200**	***64,100***	***64,100***	**128,200**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***1,373,705***	***1,373,705***	**2,759,772**	***1,419,541***	***1,419,541***	**2,851,877**	***1,466,981***	***1,466,981***	**2,947,206**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				*(34,796)*	*(512,105)*	(477,308)	*(35,809)*	*(536,401)*	(500,592)	*(36,851)*	*(561,763)*	(524,911)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)				*'delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*								
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				***(34,796)***	***(512,105)***	**(477,308)**	***(35,809)***	***(536,401)***	**(500,592)**	***(36,851)***	***(561,763)***	**(524,911)**
Commercial Only Cash Flow						**69,592**			**71,618**			**73,703**
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				34,796	34,796		35,809	35,809		36,851	36,851	
AVAILABLE CASH FLOW				-	***(477,308)***	**(477,308)**	***(0)***	***(500,592)***	**(500,592)**	***(0)***	***(524,911)***	**(524,911)**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				*'delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.*								
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-		-	-	
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	(477,308)	**(477,308)**	(0)	(500,592)	**(500,592)**	(0)	(524,911)	**(524,911)**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***	Year 15 is year indicated below:									
Will Project Defer Developer Fee?		***Yes***	2042									
1st Residual Receipts Split - Lender/Deferred Developer Fee		*50% / 50%*	2nd Residual Receipts Split Begins:									
2nd Residual Receipts Split - Lender/Owner		*67% / 33%*	2043									
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):												
		Dist. Soft Debt Loans	ative Deferred Developer Fee Earned			-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**324,000**			**432,000**			**540,000**
Replacement Reserve Deposits						**108,000**			**108,000**			**108,000**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						**432,000**			**540,000**			**648,000**
			RR Balance/Unit			*$2,000*			*$2,500*			*$3,000*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						-			-			-
			OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*			*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-

	LOSP Units	Non-LOSP Units		Year 4			Year 5			Year 6		
Total # Units:				2031			2032			2033		
216	***108***	***108***										
	50.00%	*50.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

1234 Great Highway

		LOSP Units	Non-LOSP Units
Total # Units:	216	***108***	***108***
		50.00%	*50.00%*

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 7 2034 LOSP	Year 7 2034 non-LOSP	Year 7 2034 Total	Year 8 2035 LOSP	Year 8 2035 non-LOSP	Year 8 2035 Total	Year 9 2036 LOSP	Year 9 2036 non-LOSP	Year 9 2036 Total
Residential - Tenant Rents	1.0%	2.5%		350,302	959,544	1,309,846	353,805	983,533	1,337,338	357,343	1,008,121	1,365,464
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,129,090		1,129,090	1,175,071		1,175,071	1,222,755		1,222,755
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			179,108			184,481			190,016
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		16,282	16,282	32,564	16,689	16,689	33,378	17,106	17,106	34,213
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				***1,495,673***	***975,826***	**2,650,608**	***1,545,565***	***1,000,222***	**2,730,268**	***1,597,204***	***1,025,228***	**2,812,447**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(17,515)	(47,977)	(65,492)	(17,690)	(49,177)	(66,867)	(17,867)	(50,406)	(68,273)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				(89,554)			(92,241)			(95,008)
EFFECTIVE GROSS INCOME				***1,478,158***	***927,849***	**2,495,561**	***1,527,874***	***951,045***	**2,571,160**	***1,579,337***	***974,821***	**2,649,166**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	93,994	93,994	187,988	97,284	97,284	194,567	100,688	100,688	201,377
Asset Management Fee	3.5%	3.5%	per MOHCD policy	14,923	14,923	29,846	15,445	15,445	30,891	15,986	15,986	31,972
Sub-total Management Expenses				***108,917***	***108,917***	**217,834**	***112,729***	***112,729***	**225,458**	***116,675***	***116,675***	**233,349**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		18,891	18,891	37,781	19,552	19,552	39,104	20,236	20,236	40,472
Manager's Salary	3.5%	3.5%		125,266	125,266	250,532	129,650	129,650	259,301	134,188	134,188	268,376
Health Insurance and Other Benefits	3.5%	3.5%		78,659	78,659	157,319	81,413	81,413	162,825	84,262	84,262	168,524
Other Salaries/Benefits	3.5%	3.5%		18,508	18,508	37,017	19,156	19,156	38,312	19,827	19,827	39,653
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				***241,324***	***241,324***	**482,649**	***249,771***	***249,771***	**499,541**	***258,513***	***258,513***	**517,025**
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		34,766	34,766	69,532	35,983	35,983	71,965	37,242	37,242	74,484
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		11,063	11,063	22,127	11,451	11,451	22,901	11,851	11,851	23,703
Audit Expense	3.5%	3.5%		6,846	6,846	13,693	7,086	7,086	14,172	7,334	7,334	14,668
Bookkeeping/Accounting Services	3.5%	3.5%		20,710	20,710	41,421	21,435	21,435	42,871	22,186	22,186	44,371
Bad Debts	3.5%	3.5%		18,439	18,439	36,878	19,084	19,084	38,168	19,752	19,752	39,504
Miscellaneous	3.5%	3.5%		23,541	23,541	47,082	24,365	24,365	48,730	25,218	25,218	50,435
Sub-total Administration Expenses				***115,366***	***115,366***	**230,731**	***119,403***	***119,403***	**238,807**	***123,583***	***123,583***	**247,165**
Utilities												
Electricity	3.5%	3.5%		75,235	75,235	150,469	77,868	77,868	155,736	80,593	80,593	161,187
Water	3.5%	3.5%		156,384	156,384	312,768	161,857	161,857	323,715	167,522	167,522	335,045
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				***231,619***	***231,619***	**463,237**	***239,725***	***239,725***	**479,451**	***248,116***	***248,116***	**496,232**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,329	2,329	4,659	2,411	2,411	4,822	2,495	2,495	4,991
Payroll Taxes	3.5%	3.5%		37,016	37,016	74,032	38,312	38,312	76,623	39,652	39,652	79,305
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		5,095	5,095	10,189	5,273	5,273	10,546	5,458	5,458	10,915
Sub-total Taxes and Licenses				***44,440***	***44,440***	**88,880**	***45,995***	***45,995***	**91,991**	***47,605***	***47,605***	**95,211**
Insurance												
Property and Liability Insurance	3.5%	3.5%		97,081	97,081	194,162	100,479	100,479	200,958	103,996	103,996	207,991
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		23,135	23,135	46,270	23,945	23,945	47,890	24,783	24,783	49,566
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				***120,216***	***120,216***	**240,433**	***124,424***	***124,424***	**248,848**	***128,779***	***128,779***	**257,557**
Maintenance & Repair												
Payroll	3.5%	3.5%		200,464	200,464	400,928	207,480	207,480	414,960	214,742	214,742	429,484
Supplies	3.5%	3.5%		13,670	13,670	27,340	14,148	14,148	28,297	14,644	14,644	29,287
Contracts	3.5%	3.5%		112,898	112,898	225,797	116,850	116,850	233,700	120,940	120,940	241,879
Garbage and Trash Removal	3.5%	3.5%		75,637	75,637	151,273	78,284	78,284	156,568	81,024	81,024	162,048
Security Payroll/Contract	3.5%	3.5%		123,496	123,496	246,992	127,818	127,818	255,637	132,292	132,292	264,584
HVAC Repairs and Maintenance	3.5%	3.5%		10,049	10,049	20,098	10,401	10,401	20,802	10,765	10,765	21,530
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		377	377	754	390	390	780	404	404	807
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				***536,591***	***536,591***	**1,073,182**	***555,372***	***555,372***	**1,110,743**	***574,810***	***574,810***	**1,149,619**
Supportive Services	3.5%	3.5%		53,509	53,509	107,019	55,382	55,382	110,765	57,321	57,321	114,641
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			13,706			14,186			14,682
TOTAL OPERATING EXPENSES				***1,451,982***	***1,451,982***	**2,917,671**	***1,502,802***	***1,502,802***	**3,019,789**	***1,555,400***	***1,555,400***	**3,125,482**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				***64,100***	***64,100***	**128,200**	***64,100***	***64,100***	**128,200**	***64,100***	***64,100***	**128,200**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				***1,516,082***	***1,516,082***	**3,045,871**	***1,566,902***	***1,566,902***	**3,147,989**	***1,619,500***	***1,619,500***	**3,253,682**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				***(37,924)***	***(588,233)***	**(550,309)**	***(39,027)***	***(615,856)***	**(576,829)**	***(40,163)***	***(644,678)***	**(604,516)**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				***(37,924)***	***(588,233)***	**(550,309)**	***(39,027)***	***(615,856)***	**(576,829)**	***(40,163)***	***(644,678)***	**(604,516)**
Commercial Only Cash Flow						**75,848**			**78,055**			**80,325**
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				37,924	37,924		39,027	39,027		40,163	40,163	
AVAILABLE CASH FLOW				-	***(550,309)***	**(550,309)**	***(0)***	***(576,829)***	**(576,829)**	***0***	***(604,516)***	**(604,516)**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-		-	-	
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	(550,309)	**(550,309)**	(0)	(576,829)	**(576,829)**	0	(604,516)	**(604,516)**
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***	Year 15 is year indicated below:									
Will Project Defer Developer Fee?		***Yes***	2042									
1st Residual Receipts Split - Lender/Deferred Developer Fee		*50% / 50%*	2nd Residual Receipts Split Begins:									
2nd Residual Receipts Split - Lender/Owner		*67% / 33%*	2043									
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):		*Dist. Soft Debt Loans*	ative Deferred Developer Fee Earned			-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		*0.00%*	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		*0.00%*				-			-			-
Lender 5 Residual Receipts Due		*0.00%*				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						**648,000**			**756,000**			**864,000**
Replacement Reserve Deposits						**108,000**			**108,000**			**108,000**
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						**756,000**			**864,000**			**972,000**
			RR Balance/Unit			*$3,500*			*$4,000*			*$4,500*
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						-			-			-
			OR Balance as a % of Prior Yr Op Exps + Debt Service			*0.0%*			*0.0%*			*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-

	LOSP Units	Non-LOSP Units		Year 7			Year 8			Year 9		
Total # Units: 216	***108***	***108***		2034			2035			2036		
	50.00%	*50.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

1234 Great Highway

	LOSP Units	Non-LOSP Units
Total # Units: 216	108	108
	50.00%	50.00%

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 10 2037 LOSP	Year 10 2037 non-LOSP	Year 10 2037 Total	Year 11 2038 LOSP	Year 11 2038 non-LOSP	Year 11 2038 Total	Year 12 2039 LOSP	Year 12 2039 non-LOSP	Year 12 2039 Total
Residential - Tenant Rents	1.0%	2.5%		360,916	1,033,324	1,394,240	364,525	1,059,157	1,423,683	368,171	1,085,636	1,453,807
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,272,203		1,272,203	1,323,479		1,323,479	1,376,646		1,376,646
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			195,716			201,587			207,635
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		17,534	17,534	35,068	17,972	17,972	35,945	18,422	18,422	36,843
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				1,650,654	1,050,858	2,897,228	1,705,977	1,077,130	2,984,694	1,763,239	1,104,058	3,074,932
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(18,046)	(51,666)	(69,712)	(18,226)	(52,958)	(71,184)	(18,409)	(54,282)	(72,690)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				(97,858)			(100,794)			(103,818)
EFFECTIVE GROSS INCOME				1,632,608	999,192	2,729,658	1,687,750	1,024,172	2,812,716	1,744,830	1,049,776	2,898,424
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	104,213	104,213	208,425	107,860	107,860	215,720	111,635	111,635	223,270
Asset Management Fee	3.5%	3.5%	per MOHCD policy	16,546	16,546	33,091	17,125	17,125	34,249	17,724	17,724	35,448
Sub-total Management Expenses				120,758	120,758	241,516	124,985	124,985	249,969	129,359	129,359	258,718
Salaries/Benefits												
Office Salaries	3.5%	3.5%		20,944	20,944	41,889	21,677	21,677	43,355	22,436	22,436	44,872
Manager's Salary	3.5%	3.5%		138,885	138,885	277,769	143,746	143,746	287,491	148,777	148,777	297,554
Health Insurance and Other Benefits	3.5%	3.5%		87,211	87,211	174,422	90,264	90,264	180,527	93,423	93,423	186,845
Other Salaries/Benefits	3.5%	3.5%		20,520	20,520	41,041	21,239	21,239	42,477	21,982	21,982	43,964
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				267,561	267,561	535,121	276,925	276,925	553,850	286,618	286,618	573,235
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		38,545	38,545	77,091	39,895	39,895	79,789	41,291	41,291	82,582
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		12,266	12,266	24,532	12,695	12,695	25,391	13,140	13,140	26,279
Audit Expense	3.5%	3.5%		7,591	7,591	15,181	7,856	7,856	15,713	8,131	8,131	16,263
Bookkeeping/Accounting Services	3.5%	3.5%		22,962	22,962	45,924	23,766	23,766	47,532	24,598	24,598	49,195
Bad Debts	3.5%	3.5%		20,443	20,443	40,887	21,159	21,159	42,318	21,900	21,900	43,799
Miscellaneous	3.5%	3.5%		26,100	26,100	52,200	27,014	27,014	54,027	27,959	27,959	55,918
Sub-total Administration Expenses				127,908	127,908	255,816	132,385	132,385	264,769	137,018	137,018	274,036
Utilities												
Electricity	3.5%	3.5%		83,414	83,414	166,828	86,334	86,334	172,667	89,355	89,355	178,711
Water	3.5%	3.5%		173,386	173,386	346,772	179,454	179,454	358,909	185,735	185,735	371,470
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				256,800	256,800	513,600	265,788	265,788	531,576	275,090	275,090	550,181
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,583	2,583	5,165	2,673	2,673	5,346	2,767	2,767	5,533
Payroll Taxes	3.5%	3.5%		41,040	41,040	82,080	42,477	42,477	84,953	43,963	43,963	87,927
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		5,649	5,649	11,297	5,846	5,846	11,692	6,051	6,051	12,102
Sub-total Taxes and Licenses				49,271	49,271	98,543	50,996	50,996	101,992	52,781	52,781	105,562
Insurance												
Property and Liability Insurance	3.5%	3.5%		107,635	107,635	215,271	111,403	111,403	222,805	115,302	115,302	230,604
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		25,650	25,650	51,301	26,548	26,548	53,096	27,477	27,477	54,955
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				133,286	133,286	266,572	137,951	137,951	275,902	142,779	142,779	285,558
Maintenance & Repair												
Payroll	3.5%	3.5%		222,258	222,258	444,516	230,037	230,037	460,074	238,088	238,088	476,176
Supplies	3.5%	3.5%		15,156	15,156	30,312	15,687	15,687	31,373	16,236	16,236	32,471
Contracts	3.5%	3.5%		125,173	125,173	250,345	129,554	129,554	259,107	134,088	134,088	268,176
Garbage and Trash Removal	3.5%	3.5%		83,860	83,860	167,720	86,795	86,795	173,590	89,833	89,833	179,665
Security Payroll/Contract	3.5%	3.5%		136,922	136,922	273,844	141,714	141,714	283,429	146,674	146,674	293,349
HVAC Repairs and Maintenance	3.5%	3.5%		11,142	11,142	22,283	11,532	11,532	23,063	11,935	11,935	23,871
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		418	418	835	432	432	865	447	447	895
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				594,928	594,928	1,189,856	615,750	615,750	1,231,501	637,302	637,302	1,274,603
Supportive Services	3.5%	3.5%		59,327	59,327	118,654	61,403	61,403	122,807	63,552	63,552	127,105
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			15,196			15,728			16,279
TOTAL OPERATING EXPENSES				1,609,839	1,609,839	3,234,874	1,666,183	1,666,183	3,348,094	1,724,499	1,724,499	3,465,278
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				1,673,939	1,673,939	3,363,074	1,730,283	1,730,283	3,476,294	1,788,599	1,788,599	3,593,478
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				(41,331)	(674,747)	(633,416)	(42,533)	(706,111)	(663,578)	(43,769)	(738,823)	(695,054)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				(41,331)	(674,747)	(633,416)	(42,533)	(706,111)	(663,578)	(43,769)	(738,823)	(695,054)
Commercial Only Cash Flow						82,662			85,066			87,539
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				41,331	41,331		42,533	42,533		43,769	43,769	
AVAILABLE CASH FLOW				-	(633,416)	(633,416)	(0)	(663,578)	(663,578)	(0)	(695,054)	(695,054)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-		-	-	
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				-	(633,416)	(633,416)	(0)	(663,578)	(663,578)	(0)	(695,054)	(695,054)
Does Project have a MOHCD Residual Receipt Obligation?		Yes	Year 15 is year indicated below: 2042									
Will Project Defer Developer Fee?		Yes										
1st Residual Receipts Split - Lender/Deferred Developer Fee		50% / 50%	2nd Residual Receipts Split Begins: 2043									
2nd Residual Receipts Split - Lender/Owner		67% / 33%										
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):												
		Dist. Soft Debt Loans	ative Deferred Developer Fee Earned			-			-			-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due		100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment						-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
HCD Residual Receipts Amount Due		0.00%	No HCD Financing			-			-			-
Lender 4 Residual Receipts Due		0.00%				-			-			-
Lender 5 Residual Receipts Due		0.00%				-			-			-
Total Non-MOHCD Residual Receipts Debt Service						-			-			-
REMAINDER (Should be zero unless there are distributions below)						-			-			-
Owner Distributions/Incentive Management Fee						-			-			-
Other Distributions/Uses												
Final Balance (should be zero)						-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE												
Replacement Reserve Starting Balance						972,000			1,080,000			1,188,000
Replacement Reserve Deposits						108,000			108,000			108,000
Replacement Reserve Withdrawals (ideally tied to CNA)						-			-			-
Replacement Reserve Interest												
RR Running Balance						1,080,000			1,188,000			1,296,000
			RR Balance/Unit			$5,000			$5,500			$6,000
OPERATING RESERVE - RUNNING BALANCE												
Operating Reserve Starting Balance						-			-			-
Operating Reserve Deposits						-			-			-
Operating Reserve Withdrawals												
Operating Reserve Interest												
OR Running Balance						-			-			-
			OR Balance as a % of Prior Yr Op Exps + Debt Service			0.0%			0.0%			0.0%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE												
Other Reserve 1 Starting Balance						-			-			-
Other Reserve 1 Deposits						-			-			-
Other Reserve 1 Withdrawals												
Other Reserve 1 Interest												
Other Required Reserve 1 Running Balance						-			-			-
OTHER RESERVE 2 - RUNNING BALANCE												
Other Reserve 2 Starting Balance						-			-			-
Other Reserve 2 Deposits						-			-			-

	LOSP Units	Non-LOSP Units		Year 10 2037			Year 11 2038			Year 12 2039		
Total # Units: 216	*108*	*108*										
	50.00%	*50.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

1234 Great Highway

Total # Units:	LOSP Units	Non-LOSP Units
216	108	108
	50.00%	50.00%

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 13 2040 LOSP	Year 13 2040 non-LOSP	Year 13 2040 Total	Year 14 2041 LOSP	Year 14 2041 non-LOSP	Year 14 2041 Total	Year 15 2042 LOSP	Year 15 2042 non-LOSP	Year 15 2042 Total
Residential - Tenant Rents	1.0%	2.5%		371,852	1,112,777	1,484,629	375,571	1,140,597	1,516,167	379,326	1,169,111	1,548,438
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,431,773		1,431,773	1,488,929		1,488,929	1,548,187		1,548,187
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			213,864			220,280			226,888
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		18,882	18,882	37,764	19,354	19,354	38,709	19,838	19,838	39,676
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				1,822,508	1,131,659	3,168,031	1,883,854	1,159,951	3,264,085	1,947,352	1,188,950	3,363,190
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(18,593)	(55,639)	(74,231)	(18,779)	(57,030)	(75,808)	(18,966)	(58,456)	(77,422)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				(106,932)			(110,140)			(113,444)
EFFECTIVE GROSS INCOME				1,803,915	1,076,021	2,986,868	1,865,076	1,102,921	3,078,137	1,928,385	1,130,494	3,172,324
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	115,542	115,542	231,085	119,586	119,586	239,173	123,772	123,772	247,544
Asset Management Fee	3.5%	3.5%	per MOHCD policy	18,344	18,344	36,689	18,986	18,986	37,973	19,651	19,651	39,302
Sub-total Management Expenses				133,887	133,887	267,773	138,573	138,573	277,146	143,423	143,423	286,846
Salaries/Benefits												
Office Salaries	3.5%	3.5%		23,221	23,221	46,443	24,034	24,034	48,068	24,875	24,875	49,751
Manager's Salary	3.5%	3.5%		153,984	153,984	307,968	159,373	159,373	318,747	164,951	164,951	329,903
Health Insurance and Other Benefits	3.5%	3.5%		96,693	96,693	193,385	100,077	100,077	200,154	103,579	103,579	207,159
Other Salaries/Benefits	3.5%	3.5%		22,751	22,751	45,503	23,548	23,548	47,095	24,372	24,372	48,744
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				296,649	296,649	593,298	307,032	307,032	614,064	317,778	317,778	635,556
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		42,736	42,736	85,472	44,232	44,232	88,464	45,780	45,780	91,560
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		13,600	13,600	27,199	14,076	14,076	28,151	14,568	14,568	29,137
Audit Expense	3.5%	3.5%		8,416	8,416	16,832	8,710	8,710	17,421	9,015	9,015	18,031
Bookkeeping/Accounting Services	3.5%	3.5%		25,458	25,458	50,917	26,350	26,350	52,699	27,272	27,272	54,544
Bad Debts	3.5%	3.5%		22,666	22,666	45,332	23,459	23,459	46,919	24,280	24,280	48,561
Miscellaneous	3.5%	3.5%		28,938	28,938	57,875	29,951	29,951	59,901	30,999	30,999	61,998
Sub-total Administration Expenses				141,814	141,814	283,628	146,777	146,777	293,555	151,914	151,914	303,829
Utilities												
Electricity	3.5%	3.5%		92,483	92,483	184,965	95,720	95,720	191,439	99,070	99,070	198,140
Water	3.5%	3.5%		192,236	192,236	384,472	198,964	198,964	397,928	205,928	205,928	411,856
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				284,719	284,719	569,437	294,684	294,684	589,367	304,998	304,998	609,995
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		2,863	2,863	5,727	2,964	2,964	5,927	3,067	3,067	6,135
Payroll Taxes	3.5%	3.5%		45,502	45,502	91,004	47,095	47,095	94,189	48,743	48,743	97,486
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		6,263	6,263	12,525	6,482	6,482	12,964	6,709	6,709	13,417
Sub-total Taxes and Licenses				54,628	54,628	109,256	56,540	56,540	113,080	58,519	58,519	117,038
Insurance												
Property and Liability Insurance	3.5%	3.5%		119,337	119,337	238,675	123,514	123,514	247,028	127,837	127,837	255,674
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		28,439	28,439	56,878	29,434	29,434	58,869	30,465	30,465	60,929
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				147,776	147,776	295,553	152,949	152,949	305,897	158,302	158,302	316,604
Maintenance & Repair												
Payroll	3.5%	3.5%		246,421	246,421	492,843	255,046	255,046	510,092	263,973	263,973	527,945
Supplies	3.5%	3.5%		16,804	16,804	33,608	17,392	17,392	34,784	18,001	18,001	36,001
Contracts	3.5%	3.5%		138,781	138,781	277,562	143,638	143,638	287,277	148,666	148,666	297,332
Garbage and Trash Removal	3.5%	3.5%		92,977	92,977	185,954	96,231	96,231	192,462	99,599	99,599	199,198
Security Payroll/Contract	3.5%	3.5%		151,808	151,808	303,616	157,121	157,121	314,243	162,621	162,621	325,241
HVAC Repairs and Maintenance	3.5%	3.5%		12,353	12,353	24,706	12,785	12,785	25,571	13,233	13,233	26,466
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		463	463	926	479	479	959	496	496	992
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				659,607	659,607	1,319,214	682,693	682,693	1,365,387	706,588	706,588	1,413,175
Supportive Services	3.5%	3.5%		65,777	65,777	131,554	68,079	68,079	136,158	70,462	70,462	140,924
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			16,848			17,438			18,048
TOTAL OPERATING EXPENSES				1,784,857	1,784,857	3,586,562	1,847,327	1,847,327	3,712,092	1,911,983	1,911,983	3,842,015
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				64,100	64,100	128,200	64,100	64,100	128,200	64,100	64,100	128,200
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				1,848,957	1,848,957	3,714,762	1,911,427	1,911,427	3,840,292	1,976,083	1,976,083	3,970,215
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				(45,042)	(772,936)	(727,895)	(46,351)	(808,506)	(762,155)	(47,698)	(845,589)	(797,891)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				(45,042)	(772,936)	(727,895)	(46,351)	(808,506)	(762,155)	(47,698)	(845,589)	(797,891)
Commercial Only Cash Flow						90,084			92,702			95,396
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				45,042	45,042		46,351	46,351		47,698	47,698	
AVAILABLE CASH FLOW				0	(727,895)	(727,895)	-	(762,155)	(762,155)	0	(797,891)	(797,891)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-		-	-	
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	(727,895)	(727,895)	-	(762,155)	(762,155)	0	(797,891)	(797,891)

Does Project have a MOHCD Residual Receipt Obligation?	Yes	Year 15 is year indicated below:
Will Project Defer Developer Fee?	Yes	2042
1st Residual Receipts Split - Lender/Deferred Developer Fee	50% / 50%	2nd Residual Receipts Split Begins:
2nd Residual Receipts Split - Lender/Owner	67% / 33%	2043

Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):

	Dist. Soft Debt Loans	Comments	Year 13 Total	Year 14 Total	Year 15 Total
		ative Deferred Developer Fee Earned	-	-	-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
MOHCD Residual Receipts Amount Due	100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	0.00%	No HCD Financing	-	-	-
Lender 4 Residual Receipts Due	0.00%		-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-
REMAINDER (Should be zero unless there are distributions below)			-	-	-
Owner Distributions/Incentive Management Fee			-	-	-
Other Distributions/Uses					
Final Balance (should be zero)			-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE					
Replacement Reserve Starting Balance			1,296,000	1,404,000	1,512,000
Replacement Reserve Deposits			108,000	108,000	108,000
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-
Replacement Reserve Interest					
RR Running Balance			1,404,000	1,512,000	1,620,000
		RR Balance/Unit	$6,500	$7,000	$7,500
OPERATING RESERVE - RUNNING BALANCE					
Operating Reserve Starting Balance			-	-	-
Operating Reserve Deposits			-	-	-
Operating Reserve Withdrawals					
Operating Reserve Interest					
OR Running Balance			-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service	0.0%	0.0%	0.0%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE					
Other Reserve 1 Starting Balance			-	-	-
Other Reserve 1 Deposits			-	-	-
Other Reserve 1 Withdrawals					
Other Reserve 1 Interest					
Other Required Reserve 1 Running Balance			-	-	-
OTHER RESERVE 2 - RUNNING BALANCE					
Other Reserve 2 Starting Balance			-	-	-
Other Reserve 2 Deposits			-	-	-

Total # Units:	LOSP Units	Non-LOSP Units										
216	*108*	*108*		Year 13			Year 14			Year 15		
	50.00%	*50.00%*		2040			2041			2042		
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

1234 Great Highway

Total # Units:	LOSP Units	Non-LOSP Units										
216	108	108			Year 16			Year 17			Year 18	
	50.00%	50.00%			2043			2044			2045	
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**	**LOSP**	**non-LOSP**	**Total**
Residential - Tenant Rents	1.0%	2.5%		383,120	1,198,339	1,581,459	386,951	1,228,298	1,615,249	390,820	1,259,005	1,649,826
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,609,621		1,609,621	1,673,309		1,673,309	1,739,331		1,739,331
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			233,695			240,706			247,927
Residential Parking	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		20,334	20,334	40,668	20,842	20,842	41,685	21,364	21,364	42,727
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-		-	-	
Gross Potential Income				**2,013,075**	**1,218,673**	**3,465,444**	**2,081,102**	**1,249,140**	**3,570,949**	**2,151,515**	**1,280,369**	**3,679,811**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(19,156)	(59,917)	(79,073)	(19,348)	(61,415)	(80,762)	(19,541)	(62,950)	(82,491)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				(116,848)			(120,353)			(123,964)
EFFECTIVE GROSS INCOME				**1,993,919**	**1,158,756**	**3,269,523**	**2,061,755**	**1,187,725**	**3,369,833**	**2,131,974**	**1,217,418**	**3,473,356**
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	128,104	128,104	256,208	132,588	132,588	265,175	137,228	137,228	274,456
Asset Management Fee	3.5%	3.5%	per MOHCD policy	20,339	20,339	40,677	21,051	21,051	42,101	21,787	21,787	43,575
Sub-total Management Expenses				**148,443**	**148,443**	**296,885**	**153,638**	**153,638**	**307,276**	**159,015**	**159,015**	**318,031**
Salaries/Benefits												
Office Salaries	3.5%	3.5%		25,746	25,746	51,492	26,647	26,647	53,294	27,580	27,580	55,159
Manager's Salary	3.5%	3.5%		170,725	170,725	341,449	176,700	176,700	353,400	182,885	182,885	365,769
Health Insurance and Other Benefits	3.5%	3.5%		107,205	107,205	214,409	110,957	110,957	221,914	114,840	114,840	229,681
Other Salaries/Benefits	3.5%	3.5%		25,225	25,225	50,450	26,108	26,108	52,216	27,022	27,022	54,043
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				**328,900**	**328,900**	**657,801**	**340,412**	**340,412**	**680,824**	**352,326**	**352,326**	**704,652**
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		47,382	47,382	94,764	49,041	49,041	98,081	50,757	50,757	101,514
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		15,078	15,078	30,156	15,606	15,606	31,212	16,152	16,152	32,304
Audit Expense	3.5%	3.5%		9,331	9,331	18,662	9,657	9,657	19,315	9,995	9,995	19,991
Bookkeeping/Accounting Services	3.5%	3.5%		28,226	28,226	56,453	29,214	29,214	58,428	30,237	30,237	60,473
Bad Debts	3.5%	3.5%		25,130	25,130	50,260	26,010	26,010	52,020	26,920	26,920	53,840
Miscellaneous	3.5%	3.5%		32,084	32,084	64,168	33,207	33,207	66,413	34,369	34,369	68,738
Sub-total Administration Expenses				**157,231**	**157,231**	**314,463**	**162,735**	**162,735**	**325,469**	**168,430**	**168,430**	**336,861**
Utilities												
Electricity	3.5%	3.5%		102,537	102,537	205,074	106,126	106,126	212,252	109,840	109,840	219,681
Water	3.5%	3.5%		213,135	213,135	426,271	220,595	220,595	441,190	228,316	228,316	456,632
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				**315,673**	**315,673**	**631,345**	**326,721**	**326,721**	**653,442**	**338,156**	**338,156**	**676,313**
Taxes and Licenses												
Real Estate Taxes	3.5%	3.5%		3,175	3,175	6,350	3,286	3,286	6,572	3,401	3,401	6,802
Payroll Taxes	3.5%	3.5%		50,449	50,449	100,898	52,215	52,215	104,429	54,042	54,042	108,084
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		6,943	6,943	13,887	7,187	7,187	14,373	7,438	7,438	14,876
Sub-total Taxes and Licenses				**60,567**	**60,567**	**121,134**	**62,687**	**62,687**	**125,374**	**64,881**	**64,881**	**129,762**
Insurance												
Property and Liability Insurance	3.5%	3.5%		132,312	132,312	264,623	136,942	136,942	273,885	141,735	141,735	283,471
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		31,531	31,531	63,062	32,634	32,634	65,269	33,777	33,777	67,553
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				**163,842**	**163,842**	**327,685**	**169,577**	**169,577**	**339,154**	**175,512**	**175,512**	**351,024**
Maintenance & Repair												
Payroll	3.5%	3.5%		273,212	273,212	546,423	282,774	282,774	565,548	292,671	292,671	585,342
Supplies	3.5%	3.5%		18,631	18,631	37,261	19,283	19,283	38,566	19,958	19,958	39,915
Contracts	3.5%	3.5%		153,869	153,869	307,738	159,254	159,254	318,509	164,828	164,828	329,657
Garbage and Trash Removal	3.5%	3.5%		103,085	103,085	206,170	106,693	106,693	213,386	110,427	110,427	220,855
Security Payroll/Contract	3.5%	3.5%		168,312	168,312	336,624	174,203	174,203	348,406	180,300	180,300	360,601
HVAC Repairs and Maintenance	3.5%	3.5%		13,696	13,696	27,392	14,175	14,175	28,351	14,671	14,671	29,343
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		513	513	1,027	531	531	1,063	550	550	1,100
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				**731,318**	**731,318**	**1,462,636**	**756,914**	**756,914**	**1,513,829**	**783,406**	**783,406**	**1,566,813**
Supportive Services	3.5%	3.5%		72,928	72,928	145,856	75,480	75,480	150,961	78,122	78,122	156,244
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			18,680			19,334			20,011
TOTAL OPERATING EXPENSES				**1,978,903**	**1,978,903**	**3,976,486**	**2,048,164**	**2,048,164**	**4,115,663**	**2,119,850**	**2,119,850**	**4,259,711**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)												
Reserves/Ground Lease Base Rent/Bond Fees												
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000	54,000	54,000	108,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				**64,100**	**64,100**	**128,200**	**64,100**	**64,100**	**128,200**	**64,100**	**64,100**	**128,200**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				**2,043,003**	**2,043,003**	**4,104,686**	**2,112,264**	**2,112,264**	**4,243,863**	**2,183,950**	**2,183,950**	**4,387,911**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)												
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**(49,084)**	**(884,246)**	**(835,163)**	**(50,510)**	**(924,539)**	**(874,030)**	**(51,976)**	**(966,532)**	**(914,555)**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				**(49,084)**	**(884,246)**	**(835,163)**	**(50,510)**	**(924,539)**	**(874,030)**	**(51,976)**	**(966,532)**	**(914,555)**
Commercial Only Cash Flow						**98,167**			**101,019**			**103,953**
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				49,084	49,084		50,510	50,510		51,976	51,976	
AVAILABLE CASH FLOW				**0**	**(835,163)**	**(835,163)**	**0**	**(874,030)**	**(874,030)**	**(0)**	**(914,555)**	**(914,555)**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			**DSCR:**									
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-		-	-	
Other Payments				-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	(835,163)	**(835,163)**	0	(874,030)	**(874,030)**	(0)	(914,555)	**(914,555)**

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Year 15 is year indicated below: 2042
Will Project Defer Developer Fee?	**Yes**	
1st Residual Receipts Split - Lender/Deferred Developer Fee	50% / 50%	2nd Residual Receipts Split Begins: 2043
2nd Residual Receipts Split - Lender/Owner	67% / 33%	

Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): ative Deferred Developer Fee Earned

			Year 16 Total	Year 17 Total	Year 18 Total
MOHCD RESIDUAL RECEIPTS DEBT SERVICE	Dist. Soft Debt Loans				
MOHCD Residual Receipts Amount Due	100.00%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE					
HCD Residual Receipts Amount Due	0.00%	No HCD Financing	-	-	-
Lender 4 Residual Receipts Due	0.00%		-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-
REMAINDER (Should be zero unless there are distributions below)			-	-	-
Owner Distributions/Incentive Management Fee			-	-	-
Other Distributions/Uses			-	-	-
Final Balance (should be zero)			-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE					
Replacement Reserve Starting Balance			**1,620,000**	**1,728,000**	**1,836,000**
Replacement Reserve Deposits			**108,000**	**108,000**	**108,000**
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-	-
Replacement Reserve Interest					
RR Running Balance			**1,728,000**	**1,836,000**	**1,944,000**
		RR Balance/Unit	*$8,000*	*$8,500*	*$9,000*
OPERATING RESERVE - RUNNING BALANCE					
Operating Reserve Starting Balance			-	-	-
Operating Reserve Deposits			-	-	-
Operating Reserve Withdrawals					
Operating Reserve Interest					
OR Running Balance			-	-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE					
Other Reserve 1 Starting Balance			-	-	-
Other Reserve 1 Deposits			-	-	-
Other Reserve 1 Withdrawals					
Other Reserve 1 Interest					
Other Required Reserve 1 Running Balance			-	-	-
OTHER RESERVE 2 - RUNNING BALANCE					
Other Reserve 2 Starting Balance			-	-	-
Other Reserve 2 Deposits			-	-	-

	LOSP Units	Non-LOSP Units		Year 16 2043			Year 17 2044			Year 18 2045		
Total # Units: 216	*108*	*108*										
	50.00%	*50.00%*										
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance						-			-			-

1234 Great Highway

	LOSP Units	Non-LOSP Units
Total # Units: 216	*108*	*108*
	50.00%	*50.00%*

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 19 2046 LOSP	Year 19 2046 non-LOSP	Total (Year 19)	Year 20 2047 LOSP	Year 20 2047 non-LOSP	Total (Year 20)
Residential - Tenant Rents	1.0%	2.5%		394,729	1,290,480	1,685,209	398,676	1,322,742	1,721,418
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-		-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a		1,807,769		1,807,769	1,878,711		1,878,711
Commercial Space	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			255,365			263,026
Residential Parking	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		-	-	-	-	-	-
Supportive Services Income	2.5%	2.5%		-	-	-	-	-	-
Interest Income - Project Operations	2.5%	2.5%		-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		21,898	21,898	43,795	22,445	22,445	44,890
Tenant Charges	2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Residential Income	2.5%	2.5%		-	-	-	-	-	-
Other Commercial Income	n/a	2.5%	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-		-	-	
Gross Potential Income				**2,224,396**	**1,312,378**	**3,792,138**	**2,299,832**	**1,345,187**	**3,908,045**
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(19,736)	(64,524)	(84,260)	(19,934)	(66,137)	(86,071)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a				(127,682)			(131,513)
EFFECTIVE GROSS INCOME				**2,204,659**	**1,247,854**	**3,580,196**	**2,279,898**	**1,279,050**	**3,690,461**
OPERATING EXPENSES									
Management									
Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	142,031	142,031	284,062	147,002	147,002	294,004
Asset Management Fee	3.5%	3.5%	per MOHCD policy	22,550	22,550	45,100	23,339	23,339	46,678
Sub-total Management Expenses				**164,581**	**164,581**	**329,162**	**170,341**	**170,341**	**340,683**
Salaries/Benefits									
Office Salaries	3.5%	3.5%		28,545	28,545	57,090	29,544	29,544	59,088
Manager's Salary	3.5%	3.5%		189,286	189,286	378,571	195,911	195,911	391,821
Health Insurance and Other Benefits	3.5%	3.5%		118,860	118,860	237,720	123,020	123,020	246,040
Other Salaries/Benefits	3.5%	3.5%		27,967	27,967	55,935	28,946	28,946	57,892
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-
Sub-total Salaries/Benefits				**364,658**	**364,658**	**729,315**	**377,421**	**377,421**	**754,841**
Administration									
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-
Office Expenses	3.5%	3.5%		52,534	52,534	105,067	54,372	54,372	108,744
Office Rent	3.5%	3.5%		-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		16,717	16,717	33,435	17,303	17,303	34,605
Audit Expense	3.5%	3.5%		10,345	10,345	20,691	10,707	10,707	21,415
Bookkeeping/Accounting Services	3.5%	3.5%		31,295	31,295	62,590	32,390	32,390	64,781
Bad Debts	3.5%	3.5%		27,862	27,862	55,725	28,838	28,838	57,675
Miscellaneous	3.5%	3.5%		35,572	35,572	71,144	36,817	36,817	73,634
Sub-total Administration Expenses				**174,325**	**174,325**	**348,651**	**180,427**	**180,427**	**360,853**
Utilities									
Electricity	3.5%	3.5%		113,685	113,685	227,370	117,664	117,664	235,328
Water	3.5%	3.5%		236,307	236,307	472,614	244,578	244,578	489,155
Gas	3.5%	3.5%		-	-	-	-	-	-
Sewer	3.5%	3.5%		-	-	-	-	-	-
Sub-total Utilities				**349,992**	**349,992**	**699,984**	**362,242**	**362,242**	**724,483**
Taxes and Licenses									
Real Estate Taxes	3.5%	3.5%		3,520	3,520	7,040	3,643	3,643	7,286
Payroll Taxes	3.5%	3.5%		55,934	55,934	111,867	57,891	57,891	115,783
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		7,698	7,698	15,397	7,968	7,968	15,936
Sub-total Taxes and Licenses				**67,152**	**67,152**	**134,304**	**69,502**	**69,502**	**139,005**
Insurance									
Property and Liability Insurance	3.5%	3.5%		146,696	146,696	293,392	151,831	151,831	303,661
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		34,959	34,959	69,918	36,182	36,182	72,365
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-
Sub-total Insurance				**181,655**	**181,655**	**363,310**	**188,013**	**188,013**	**376,026**
Maintenance & Repair									
Payroll	3.5%	3.5%		302,915	302,915	605,829	313,517	313,517	627,033
Supplies	3.5%	3.5%		20,656	20,656	41,312	21,379	21,379	42,758
Contracts	3.5%	3.5%		170,597	170,597	341,195	176,568	176,568	353,137
Garbage and Trash Removal	3.5%	3.5%		114,292	114,292	228,584	118,292	118,292	236,585
Security Payroll/Contract	3.5%	3.5%		186,611	186,611	373,222	193,142	193,142	386,284
HVAC Repairs and Maintenance	3.5%	3.5%		15,185	15,185	30,370	15,716	15,716	31,433
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		569	569	1,139	589	589	1,178
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				**810,826**	**810,826**	**1,621,651**	**839,205**	**839,205**	**1,678,409**
Supportive Services	3.5%	3.5%		80,857	80,857	161,713	83,686	83,686	167,373
Commercial Expenses			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			20,711			21,436
TOTAL OPERATING EXPENSES				**2,194,045**	**2,194,045**	**4,408,801**	**2,270,836**	**2,270,836**	**4,563,109**
PUPA (w/o Reserves/GL Base Rent/Bond Fees)									
Reserves/Ground Lease Base Rent/Bond Fees									
Ground Lease Base Rent				7,500	7,500	15,000	7,500	7,500	15,000
Bond Monitoring Fee				2,600	2,600	5,200	2,600	2,600	5,200
Replacement Reserve Deposit				54,000	54,000	108,000	54,000	54,000	108,000
Operating Reserve Deposit				-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				**64,100**	**64,100**	**128,200**	**64,100**	**64,100**	**128,200**
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)				**2,258,145**	**2,258,145**	**4,537,001**	**2,334,936**	**2,334,936**	**4,691,309**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)									
NET OPERATING INCOME (INCOME minus OP EXPENSES)				**(53,486)**	**(1,010,291)**	**(956,805)**	**(55,039)**	**(1,055,886)**	**(1,000,848)**
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									
Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%			-			-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)				**(53,486)**	**(1,010,291)**	**(956,805)**	**(55,039)**	**(1,055,886)**	**(1,000,848)**
Commercial Only Cash Flow						**106,971**			**110,077**
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				53,486	53,486		55,039	55,039	
AVAILABLE CASH FLOW				**(0)**	**(956,805)**	**(956,805)**	**0**	**(1,000,848)**	**(1,000,848)**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***						
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	-	-		-	-	
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	-	-		-	-	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-		-	-	
Other Payments				-	-		-	-	
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-		-	-	
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-		-	-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-		-	-	
TOTAL PAYMENTS PRECEDING MOHCD				-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				(0)	(956,805)	**(956,805)**	0	(1,000,848)	**(1,000,848)**

Does Project have a MOHCD Residual Receipt Obligation?	***Yes***	Year 15 is year indicated below:
Will Project Defer Developer Fee?	***Yes***	2042
1st Residual Receipts Split - Lender/Deferred Developer Fee	*50% / 50%*	2nd Residual Receipts Split Begins:
2nd Residual Receipts Split - Lender/Owner	*67% / 33%*	2043

Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):

ative Deferred Developer Fee Earned

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	*Dist. Soft Debt Loans*	Comments	Total (Year 19)	Total (Year 20)
MOHCD Residual Receipts Amount Due	*100.00%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
HCD Residual Receipts Amount Due	*0.00%*	No HCD Financing	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-
REMAINDER (Should be zero unless there are distributions below)			-	-
Owner Distributions/Incentive Management Fee			-	-
Other Distributions/Uses				
Final Balance (should be zero)			-	-
REPLACEMENT RESERVE - RUNNING BALANCE				
Replacement Reserve Starting Balance			**1,944,000**	**2,052,000**
Replacement Reserve Deposits			**108,000**	**108,000**
Replacement Reserve Withdrawals (ideally tied to CNA)			-	-
Replacement Reserve Interest				
RR Running Balance			**2,052,000**	**2,160,000**
		RR Balance/Unit	*$9,500*	*$10,000*
OPERATING RESERVE - RUNNING BALANCE				
Operating Reserve Starting Balance			-	-
Operating Reserve Deposits			-	-
Operating Reserve Withdrawals				
Operating Reserve Interest				
OR Running Balance			-	-
		OR Balance as a % of Prior Yr Op Exps + Debt Service	*0.0%*	*0.0%*
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE				
Other Reserve 1 Starting Balance			-	-
Other Reserve 1 Deposits			-	-
Other Reserve 1 Withdrawals				
Other Reserve 1 Interest				
Other Required Reserve 1 Running Balance			-	-
OTHER RESERVE 2 - RUNNING BALANCE				
Other Reserve 2 Starting Balance			-	-
Other Reserve 2 Deposits			-	-

				Year 19			Year 20		
Total # Units:	LOSP Units	Non-LOSP Units		2046			2047		
216	***108***	***108***							
	50.00%	*50.00%*							
INCOME	**% annual inc LOSP**	**% annual increase**	**Comments (related to annual inc assumptions)**	***LOSP***	***non-LOSP***	**Total**	***LOSP***	***non-LOSP***	**Total**
Other Reserve 2 Withdrawals									
Other Reserve 2 Interest									
Other Required Reserve 2 Running Balance						-			-

Attachment B
Updated Predevelopment Budget

MOHCD Proforma - Predevelopment Financing Sources Uses of Funds

Application Date: 4/4/25 **# Units:** 199
Project Name: 1234 Great Highway ***# Bedrooms:*** 203
Project Address: 1234 Great Highway **# Beds:**
Project Sponsor: Tenderloin Neighborhood Development Corporation, Self-Help for the Elderly

							Total Sources	Comments
SOURCES	**23,348,500**	**651,500**	**2,410,826**	**672,674**	**165,000**	**-**	**27,248,500**	
Name of Sources:	MOHCD/OCII	MOHCD PreDev Loan 1	MOHCD Predev CSH Payoff	MOHCD Repay TNDC				
USES								
ACQUISITION								
Acquisition cost or value	21,700,000						21,700,000	
Legal / Closing costs / Broker's Fee	455,000	84,000					539,000	
Holding Costs		567,500					567,500	
Transfer Tax	1,193,500						1,193,500	
TOTAL ACQUISITION	**23,348,500**	**651,500**	**0**	**0**	**0**	**0**	**24,000,000**	
CONSTRUCTION (HARD COSTS)								
Unit Construction/Rehab							0	Include FF&E
Commercial Shell Construction							0	
Demolition							0	
Environmental Remediation							0	
Onsight Improvements/Landscaping							0	
Offsite Improvements							0	
Infrastructure Improvements							0	HOPE SF/OCII costs for streets etc.
Parking							0	
GC Bond Premium/GC Insurance/GC Taxes							0	
GC Overhead & Profit							0	
CG General Conditions							0	
Sub-total Construction Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Design Contingency (remove at DD)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Bid Contingency (remove at bid)							0	5% up to $30MM HC, 4% $30-$45MM, 3% $45MM+
Plan Check Contingency (remove/reduce during Plan Review)							0	4% up to $30MM HC, 3% $30-$45MM, 2% $45MM+
Hard Cost Construction Contingency							0	5% new construction / 15% rehab
Sub-total Construction Contingencies	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
TOTAL CONSTRUCTION COSTS	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
SOFT COSTS								
Architecture & Design								
Architect design fees				608,205			608,205	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				7,003			7,003	
Additional Services				6,225			6,225	
Sub-total Architect Contract	*0*	*0*	*0*	*621,433*	*0*	*0*	*621,433*	
Other Third Party design consultants (not included under Architect contract)				23,716			23,716	See Breakdown of Costs from TNDC
Total Architecture & Design	**0**	**0**	**0**	**645,149**	**0**	**0**	**645,149**	
Engineering & Environmental Studies								
Survey							0	
Geotechnical studies				1,896			1,896	
Phase I & II Reports							0	
CEQA / Environmental Review consultants							0	
NEPA / 106 Review							0	
CNA/PNA (rehab only)							0	
Other environmental consultants							0	Joint trench, Telecomm, Archeology, Traffic Consultant, Interior Design, Other
Total Engineering & Environmental Studies	**0**	**0**	**0**	**1,896**	**0**	**0**	**1,896**	
Financing Costs								
Construction Financing Costs								
Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording			38,165				38,165	
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*	*38,165*	*0*	*0*	*0*	*38,165*	
Permanent Financing Costs								
Permanent Loan Origination Fee							0	
Credit Enhance. & Appl. Fee							0	
Title & Recording							0	
Sub-total Perm. Financing Costs	*0*	*0*	*0*	*0*	*0*	*0*	*0*	
Total Financing Costs	**0**	**0**	**38,165**	**0**	**0**	**0**	**38,165**	
Legal Costs								
Borrower Legal fees							0	
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel							0	
Legal - Entitlement				2,438			2,438	
Total Legal Costs	**0**	**0**	**0**	**2,438**	**0**	**0**	**2,438**	
Other Development Costs								
Appraisal							0	
Market Study							0	
* Insurance				12,358			12,358	
* Property Taxes							0	
Accounting / Audit				975			975	
* Organizational Costs				197			197	
Entitlement / Permit Fees				2,697			2,697	
* Marketing / Rent-up							0	
* Furnishings							0	$2,000/unit; See MOHCD U/W Guidelines: http://sfmohcd.org/documents-reports-and-forms
PGE / Utility Fees							0	
TCAC App / Alloc / Monitor Fees				1,500			1,500	
* Financial Consultant fees							0	
Construction Management fees / Owner's Rep				2,750			2,750	
Security during Construction							0	
* Relocation							0	
Events/Community Outreach				2,716			2,716	
Repayment of CSH Loan (payoff date July 1, 2026)			2,372,661				2,372,661	As of April 1, 2026, will update with final amount closer to loan committee date
Other (specify)							0	
Total Other Development Costs	**0**	**0**	**2,372,661**	**23,192**	**0**	**0**	**2,395,854**	
Soft Cost Contingency								
Contingency (Arch, Eng, Fin, Legal & Other Dev)		0			0	0	0	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	**0**	**0**	**2,410,826**	**672,674**	**0**	**0**	**3,083,500**	
RESERVES								
* Operating Reserves							0	
Replacement Reserves							0	
* Tenant Improvements Reserves							0	
Other (specify)							0	
Other (specify)							0	
Other (specify)							0	
TOTAL RESERVES	**0**	**0**	**0**	**0**	**0**	**0**	**0**	
DEVELOPER COSTS								
Developer Fee - Cash-out Paid at Milestones					165,000		165,000	
Developer Fee - Cash-out At Risk							0	
Commercial Developer Fee								
Developer Fee - GP Equity (also show as source)								
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**	**165,000**	**0**	**165,000**	
TOTAL DEVELOPMENT COST	**23,348,500**	**651,500**	**2,410,826**	**672,674**	**165,000**	**0**	**27,248,500**	
Development Cost/Unit by Source	117,329	3,274	12,115	3,380	829	0	136,927	
Development Cost/Unit as % of TDC by Source	85.7%	2.4%	8.8%	2.5%	0.6%	0.0%	100.0%	
Acquisition Cost/Unit by Source	109,045	0	0	0	0	0	109,045	
Construction Cost (inc Const Contingency)/Unit By Source	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

Construction line item costs as a % of hard costs

Total Soft Cost Contingency as % of Total Soft Costs: **0.0%**

**Possible non-eligible GO Bond/COP Amount:*	*0*
City Subsidy/Unit	117,329
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

Attachment C

CSH Loan Statement

CSH

Roxanne Huey
Tenderloin Neighborhood
Development Corporation

,

Project Name: 1234 Great Highway

PAYOFF STATEMENT AS OF 8/1/2026

Payment of the following amounts will satisfy all obligations of this loan if received by the close of business on the date indicated above but you must arrange to pay all costs necessary to record any required satisfaction pieces.

Loan Advances	2,209,213.81
Capitalized Fees	0.00
Capitalized Interest	0.00
Interest Reserve	163,447.47
Total Advanced	**2,372,661.28**

Balance Outstanding	2,372,661.28
Fees Outstanding	0.00
Interest Outstanding	0.00
Total Outstanding	**2,372,661.28**

If payment is received by CSH after the date above, please use the schedule below to determine the amount owed. The per diem interest is $304.49.

Loan #	24-010-L	Tenderloin Neighborhood Development (
Account Name	**Tenderloin Neighborhood Development Corp**	Borrower
Loan Product	CSH Predev/Acq - Interest Holdback	
Maturity Date	6/21/2027	
Interest Rate	4.62 % Fixed Rate	

	Outstanding			
Payout Date	Principal	Interest	Fees	Total Payout
8/1/2026	2,372,661.28	0.00	0.00	2,372,661.28
8/2/2026	2,372,661.28	304.49	0.00	2,372,965.77

If you have any questions about this matter please do not hesitate to email us at loanservicing@csh.org

Regards,

Mileta Knezevic
Associate Asset Manager

49 South Van Ness Avenue, Suite 1400
San Francisco, CA 94103
628.652.7600
www.sfplanning.org

GENERAL PLAN REFERRAL

November 7, 2023

Case No.: 2023-010380GPR
Block/Lot Nos.: 1701/001A, 1701/002, 1701/006
Project Sponsor: Mayor's Office of Housing and Community Development
Applicant: Jennifer Collins, Project Manager
Mayor's Office of Housing and Community Development
jennifer.m.collins@sfgov.org
1 South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
Staff Contact: Amnon Ben-Pazi – 628-652-7428
Amnon.Ben-Pazi@sfgov.org

Recommended By: ______________________
Joshua Switzky, Acting Director of Citywide Policy *for*
Rich Hillis, Director of Planning

Finding: The project, on balance, is **in conformity** with the General Plan.

Project Description

The Project would demolish an existing tourist hotel and construct a new approximately seven-story building containing approximately 216 dwelling units for low-, very low- and extremely low-income senior households. Approximately half of the dwelling units would be for formerly homeless seniors. An adult day health care center would be located on the ground floor.

Environmental Review

The project is considered ministerial and is not subject to CEQA pursuant to California Assembly Bill No. 2162 (AB-2162) and/or Bill No. 1449 (AB-1449).

General Plan Compliance and Basis for Recommendation

As described below, the proposed Project is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with the General Plan.

Note: General Plan Objectives are shown in **BOLD UPPER CASE** font; Policies are in **Bold** font; staff comments are in *italic* font.

HOUSING ELEMENT

OBJECTIVE 1.C
ELIMINATE HOMELESSNESS.

OBJECTIVE 3.B
CREATE A SENSE OF BELONGING FOR ALL COMMUNITIES OF COLOR WITHIN WELL-RESOURCED NEIGHBORHOODS THROUGH EXPANDED HOUSING CHOICE.

OBJECTIVE 4.A
SUBSTANTIALLY EXPAND THE AMOUNT OF PERMANENTLY AFFORDABLE HOUSING FOR EXTREMELY LOW- TO MODERATE-INCOME HOUSEHOLDS.

OBJECTIVE 4.B
DIVERSIFY HOUSING TYPES FOR ALL CULTURES, FAMILY STRUCTURES, AND ABILITIES.

POLICY 8
Expand permanently supportive housing and services for individuals and families experiencing homelessness as a primary part of a comprehensive strategy to eliminate homelessness.

POLICY 19
Enable low- and moderate-income households, particularly American Indian, Black, and other people of color, to live and prosper in Well-resourced Neighborhoods by increasing the number of permanently affordable housing units in those neighborhoods.

POLICY 32
Promote and facilitate aging in place for seniors and multi-generational living that supports extended families and communal households.

The Project site is in a well-resourced neighborhood. The Project would provide permanently affordable housing and facilitate aging in place for low-income seniors, including formerly homeless households.

Planning Code Section 101 Findings

Planning Code Section 101.1 establishes Eight Priority Policies and requires review of discretionary approvals and permits for consistency with said policies. The Project is found to be consistent with the Eight Priority Policies as set forth in Planning Code Section 101.1 for the following reasons:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

   The Project would include a community-serving adult day health care center, would further enhance nearby neighborhood-serving retail establishments by providing housing for potential customers of such establishments.

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

   The Project would preserve neighborhood character and enhance the economic and cultural diversity of the neighborhood by providing housing affordable to senior households who might otherwise be unable to remain in the City.

3. That the City's supply of affordable housing be preserved and enhanced;

   The Project would enhance the City's supply of affordable housing by adding approximately 216 new units to the City's affordable housing stock.

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood parking;

   The Project would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking in San Francisco.

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

   The Project would not include commercial office development. The project would remove the existing hotel use and would include a new community-serving adult day health care center.

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

   The Project would be designed to current building codes which address safety in the event of seismic events.

7. That the landmarks and historic buildings be preserved;

The Project would not have an adverse effect on the City's landmarks and historic buildings.

8. That our parks and open space and their access to sunlight and vistas be protected from development;

   The Project site is near Golden Gate Park and Ocean Beach. The proposed building would be designed to comply with the City's objective development standards and policies as provided by AB 2162.

Finding:	The project, on balance, is **in conformity** with the General Plan.

San Francisco Ethics Commission

25 Van Ness Avenue, Suite 220, San Francisco, CA 94102

Phone: 415.252.3100 · Fax: 415.252.3112

Filing Information

Record Number	SFEC126F0001530	**Status**	BOS Legislative Clerk Acceptance
SFEC126f Form Type	126f4 BOS	**File Number (BOS)**	260773
Type of Filing	Original		

Contractor Information

Contractor Name	1234 Great Highway LLC	**Contractor Email**	jgoldstein@tndc.org
Contractor Phone #	(408) 348-6572	**International Address?**	No
Contractor Address (US)	201 Eddy Street	**Contractor City and State**	San Francisco - CA
Contractor Zip Code	94102	**Country**	United States of America

Contract Information

Contract Amount

$27,248,500.00

Description of Amount of Contract

$3,248,500 of Housing Trust Funds for predevelopment expenses (new funding). $24,000,000 of funding was previously approved by the BOS (see file no. 231198; resolution no. 551-23).

Contract Description

The City and County of San Francisco, acting by and through the Mayor's Office of Housing and Community Development, is proposing to provide an additional predevelopment loan for the proposed project located at 1234 Great Highway, an approximately 216-unit 100% affordable multifamily housing project for low-income seniors plus ground floor commercial space. The current $24,000,000 loan is being increased to pay off a predevelopment loan from another lender carrying a 4.62% interest rate. The project is going on an extended hold due to lack of available state financing. The increased $3,248,500 amount will relieve the sponsor from debt-burden during the hold period, repay sponsor for predevelopment expenses paid from operations, and pay sponsor the developer fee due at the time the project receives planning approval, expected in July 2026.

City Agency - Departmental Contact Information

Departmental Contact

Jenny Collins

Departmental Contact Phone #

(415) 244-3243

Full Department Name

MYR - Mayor's Office

Contract Approval

Mayoral Approval Not Required

false

Affiliates and subcontractors

Entity Type	First Name	Last Name	Entity or Sub/Contractor Name
CEO	Jennifer	Dolin	

COO	Katie	Lamont	
CFO	Roxanne	Huey	
Board of Directors	Susan	Johnson	
Board of Directors	Fernando	Pujals	
Board of Directors	Loren	Sanborn	
Board of Directors	Art	Fatum	
Board of Directors	Dave	Kroot	
Board of Directors	Tracey	Edwards	
Board of Directors	Mark	Cloutier	
Board of Directors	Jane	Graf	
Board of Directors	Kenneth	Kim	
Board of Directors	Wylie	Liu	
Board of Directors	Freddy	Martin	
Board of Directors	Kathy	Rock	
Board of Directors	Birute	Skurdenis	
Board of Directors	Michael	Vuong	
Board of Directors	Shabren	Harvey-Smith	
Board of Directors	Paul	Rosenstiel	
Board of Directors	Alice	Talcott	
Shareholder	Tenderloin Neighborhood	Development Corporation	
Shareholder	Tenderloin Neighborhood	Development Corporation	

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Dexter Darmali, Legislative & Ethics Secretary
RE: 100% Affordable Housing - Amended Loan Agreement - 1234 Great Highway LLC - 1234, 1270, and 1280 Great Highway - Not to Exceed $27,248,500]
DATE: June 30, 2026

Resolution 1) approving and authorizing a First Amendment to Loan Agreement in a total amount not to exceed $27,248,500 ("Loan Agreement") to finance predevelopment costs associated with the development of an approximately 216-unit multifamily residential project affordable to low-income and formerly homeless seniors, including a commercial shell for community serving space (the "Project") on the property located at 1234, 1270, and 1280 Great Highway; 2) adopting findings that the Project and proposed transactions are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and 3) authorizing the Director of MOHCD to make certain modifications to the Loan Agreement, as defined herein, and take certain actions in furtherance of this Resolution, as defined herein.

Should you have any questions, please contact Adam Thongsavat at adam.thongsavat@sfgov.org