

Citywide Affordable Housing Loan Committee

San Francisco Mayor’s Office of Housing & Community Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure
Controller’s Office of Public Finance

78 Haight Street (AKA Octavia Parcel U)

\$26,746,467 Funding Amount

includes \$4,780,239 of State NPLH funds

includes \$945,000 as AHP Bridge Loan

Gap Request

Evaluation of Request for:	Gap Funding
Loan Committee Date:	January 14, 2022
Prepared By:	Anne Romero, Sr. Project Manager
MOHCD Asset Manager:	Omar Cortez
Sources and Amounts of New Funds Recommended:	New gap fund request: \$24,146,217 \$4,000,000 2019 GO Bond \$10,500,000 Market Octavia Fund \$4,865,978 AHF Inclusionary \$4,780,239 No Place Like Home
Sources and Amounts of Previous Predevelopment City Funds:	Total Predevelopment: \$2,600,250 \$2,000,000 ERAF \$600,250 Affordable Housing Fund
TOTAL GAP REQUEST:	\$26,746,467
RFP:	Octavia Blvd Parcels RS&U
Applicant/Sponsor(s) Name:	Tenderloin Neighborhood Development Corporation (TNDC)

EXECUTIVE SUMMARY

Sponsor Information:

Project Name:	78 Haight	Sponsor(s):	Tenderloin Neighborhood Development Corporation
Project Address (w/ cross St):	78 Haight Street (at Octavia)	Ultimate Borrower Entity:	Octavia RSU Associates, L.P.

Project Summary:

On behalf of Octavia RSU Associates, L.P., Tenderloin Neighborhood Development Corporation (TNDC) requests a final MOHCD gap commitment of up to \$26,746,467 for 78 Haight Street, also known as Parcel U (the "Project"), which is consistent with the preliminary gap amount approved by Loan Committee on January 29, 2021. The sponsor plans to close construction in April 2022 alongside 9% tax credit equity. This request includes No Place Like Home (NPLH) funds through San Francisco's Alternative County award in an amount of \$4.8 million, and an AHP bridge loan in the amount of \$945,000, which would be repaid upon receipt.

78 Haight will provide 63 units of affordable housing on a very small infill site, including 32 units for Transition Age Youth (TAY) who are homeless or at risk of homelessness. This site has long been envisioned for TAY housing under the 2007 TAY Housing Plan, and the project has rotated through various financing scenarios including a committed state CA Housing & Community Development MHP loan that was to accompany a bond allocation and 4% tax credits; ultimately the project's 2021 Round 1 CDLAC application was not successful, and the sponsor pivoted to a 9% tax credit structure, submitting an application for the 2021 California Tax Credit Allocation Committee (TCAC) 9% second round under the competitive Special Needs Set-Aside. The Project received a final recommendation for reservation for 9% and state low-income housing tax credits at the TCAC meeting on October 20, 2021. The project must close construction financing and start construction by mid-April, 2022 to meet the tax credit award requirements. Given that hard cost bids were obtained in July 2021, the sponsor has the goal of closing by early April to hold the construction pricing. This gap request to MOHCD is made up of \$21.97 million in MOHCD funds (\$348K / unit) and an additional \$4.78 million in No Place Like Home (NPLH) funds for 13 NPLH TAY units targeted to TAY with serious mental illness (\$368K / NPLH unit). Total proposed MOHCD financing, including NPLH, is \$26,746,467 (\$425K / unit). This amount also includes a bridge loan to cover their assumed FHLB Affordable Housing Program (AHP) award in the amount of \$945,000, and the sponsor will apply in Round I 2022.

Project Description:

Construction Type:	Type I	Project Type:	New Construction
Number of Stories:	7	Lot Size (acres and sf):	0.128 acres / 5,581 sf
Number of Units:	63	Architect:	Paulett Taggart Architects
Total Residential Area:	44,185 sf	General Contractor:	Guzman Suffolk Joint Venture

Total Commercial Area:	3,216 sf	Property Manager:	Tenderloin Neighborhood Development Corporation
Total Building Area:	47,401 sf	Supervisor and District:	Sup. Preston - D5
Land Owner:	City of San Francisco		
Total Development Cost (TDC):	\$54,417,514	Total Acquisition Cost:	\$37,438
TDC/unit:	\$863,770	TDC less land cost/unit:	\$863,175
Loan Amount Requested:	\$26,746,467	Request Amount / unit:	\$424,547 (including NPLH)
HOME Funds?	N	Parking?	N

PRINCIPAL DEVELOPMENT ISSUES

- High Construction and Total Development Cost – Construction costs and Total Development Cost are related to the very small size of the urban infill site with Type I construction, so 9% tax credits became the most viable financing plan – see Section 4.3. Construction Supervisor/Construction Representative’s Evaluation, and Section 6. Financing Plan.
- High operating costs and high LOSP request – Operating Costs and LOSP per unit costs appear high on a per unit basis due to the small size of project, need for 24 hour desk clerk coverage and deeper affordability under 9% Special Needs Set Aside – see Section 7. Project Operations.
- A Capitalized Operating Subsidy Reserve (COSR) is required to achieve 9% tax credit affordability requirements of average AMI of 40% threshold for project feasibility, and is proposed for 18 years under this recommended budget – see Section 7. Project Operations.
- Childcare Commercial Space – MOHCD staff requests more information on the budget for the commercial space Tenant Improvements, as the proposed amount, based on a cost estimate from the General Contractor, appears low based on other childcare spaces in development. See Section 4.4.4. Commercial Space Tenant Improvement Buildout and proposed Loan Condition.
- The Shoring & Underpinning Agreement with neighbor is not finalized. The development team is still trying to negotiate a Shoring and Underpinning Agreement with the neighbor at 68 Haight Street. TNDC is concerned that the needed agreement with Mount Trinity Baptist Church (MTBC) may not be reached and is considering an alternate soldier beam/lagging system that would not require MTBC’s written permission. Please see Section 4.3. Construction Supervisor/Construction Representative’s Evaluation.
- TAY PSH units are underrepresented in the PSH pipeline. Proceeding with this project is critical to meeting the City’s TAY housing goals. The most recent 2019 Point In Time Homeless Count showed 1,145 homeless youth, with 24% in shelters and 76% (870 youth) living on the streets. Please see Section 1.1. Project Background.

SOURCES AND USES SUMMARY

Predevelopment Sources	Amount	Terms	Status
MOHCD Predev (ERAF, AHF)	\$2,600,250	55 yrs @ 3% / Res Rec	Committed and closed
TNDC Working Capital	\$319,018	0% interest repaid at construction loan closing	Committed
Total	\$2,919,268		

Permanent Sources	Amount	Terms	Status
MOHCD	\$21,021,228	55 yrs @ 3% / Res Rec	This Request
No Place Like Home (through MOHCD)	\$4,780,239	55 yrs @ 0%	This Request
AHP (Federal Home Loan Bank)	\$945,000	55 years @ 0%	This Request
Federal LIHTC Equity	\$24,622,538	\$0.095	Committed
State LIHTC Equity	\$2,423,019	\$0.90	Committed
GP Capital	\$100	--	Committed
Accrued Deferred Interest - MOHCD	\$625,390		This Request
Total	\$54,417,514		

Permanent Uses	Amount	Per Unit	Per SF
Acquisition	\$37,438	\$594	\$0.8
Hard Costs	\$35,861,808	\$588,161	\$757
Soft Costs	10683	\$179,074	\$225
Developer Fee	\$2,200,000	\$34,921	\$119
Reserves (including COSR 1 and 2)	\$5,634,398	\$75,901	\$46
Total	\$54,417,514	\$863,770	\$1,148

1. BACKGROUND

1.1. Project History Leading to This Request. 78 Haight Street (aka Parcel U) is a 5,600 sf corner parcel located at Haight Street and Octavia Boulevard. In 1989, the City's Central Freeway sustained earthquake damage severe enough to require its demolition from Fell Street north to Turk Street. After years of analysis and consideration of alternative construction/replacement scenarios, the citizens of San Francisco adopted Propositions E (1998) and I (1999), which approved the Central Freeway's replacement with an elevated structure from Mission to Market Streets, and a ground-level boulevard on Octavia Boulevard, running from Market to Fell. Companion State legislation directed the California Department of Transportation (Caltrans) to transfer twenty-two (22) Central Freeway right-of-way parcels as excess parcels to the City at no cost, while directing the City, through a community-based public planning process, to establish uses for the excess parcels that included affordable rental and/or ownership housing (referred to here as the "Central Freeway Housing Plan").

78 Haight Street is one of the last Central Freeway housing parcels to be developed, and will provide 63 units of affordable housing, including 32 units for Transition Age Youth (TAY) experiencing or at risk of homelessness. The project site has long been identified for TAY housing under TAY housing plans given the small site which can only support a small project, ideal for TAY, and the dynamism and safety of the surrounding neighborhood. The Department of Homelessness and Supportive Housing (HSH) Strategic Plan Framework has identified the goal of reducing youth homelessness by 50% by 2023 by pursuing multiple housing strategies. The 2019 Point In Time Homeless Count showed 1,145 homeless youth, with 24% in shelters and 76% (870 youth) living on the streets. The City has the goal of increasing TAY housing options, focusing on developments outside of District 6 with units that have private bathrooms. TAY units are underrepresented in the PSH Pipeline, with only 3% of PSH units (52 units) under construction or in active predevelopment targeted to TAY, making this project all the more critical to complete.

TNDC was awarded funding under their response to the Octavia Boulevard Parcels RS&U Request for Proposals (RFP) that was issued on June 19, 2017, with Larkin Street Youth Services as the service provider. The proposal included a small childcare center on the ground floor, as suggested in the RFP, along Octavia. Shortly after the award, the project was put on hold due to budget constraints resulting from delays to a market rate development with an inclusionary housing contribution to the project. In March 2019, predevelopment financing was made available to restart this project from the ERAF (Educational Revenue Augmentation Fund) surplus. TNDC evaluated different options to include adjacent Parcels R&S in the project to increase the unit count. Parcels R&S have very high cost-per-unit numbers due to the small lot sizes which necessitate greater structural reinforcement with similar height buildings; these are being explored as separate developments in collaboration with the Office of Economic and Workforce Development (OEWD) and are no longer part of the project site. In September 2019, Loan Committee approved \$2,600,250 in predevelopment financing for the Parcel U site as a stand-alone project.

On January 29, 2021, Loan Committee provided a preliminary gap commitment of \$26,746,467 to enable the project to apply for a CDLAC bond allocation in Round 1 2021, but the application was not awarded due to the highly competitive scoring criteria for SF projects and high cost per unit. TNDC proposed a 9% tax credit scenario to MOHCD and applied under the Special Needs Set Aside with an award made on October 20, 2021. TNDC is forfeiting their MHP award as it is not compatible with 9% tax credits, and has managed to keep the MOHCD gap amount the same. Proposed operating costs have increased somewhat which results in an increase in needed LOSP for the TAY units.

With the pivot to competitive 9% tax credits, the non-TAY units are now more deeply affordable. Initially 31 units were for adults earning up to 70% of TCAC AMI (80% of MOHCD AMI), as required for the small project to cashflow. Now 27 units will be for adults earning up to 50% of TCAC AMI (65% MOHCD AMI) and 4 will be at 40% of TCAC AMI (50% of MOHCD AMI). This deeper affordability on the nonTAY units has created the need for a Capitalized Operating Subsidy Reserve (COSR) to cover operating costs given the lower rents. The COSR ranges from around \$40K in Year 1 to \$272K in Year 20.

The team has selected Merritt Community Capital as the investor and Silicon Valley Bank as the Construction Lender. The final GMP amount was issued in late October and the contract was finalized in December. This gap request is the remaining financing approval needed to start construction, and the gap loan amount (including NPLH funds) and ground lease will need to be approved by the Board of Supervisors.

- 1.2. Applicable NOFA/RFQ/RFP. (See Attachment E for Threshold Eligibility Requirements and Ranking Criteria). TNDC was awarded funding under their response to the *Octavia Boulevard Parcels RS&U Request for Proposals* that was issued on June 19, 2017, with Larkin Street Youth Services as the service provider.
- 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. TNDC created Octavia RSU Associates, LP, with Octavia RSU GP, LLC, a TNDC affiliate, as General Partner and Manager.
 - 1.3.2. Joint Venture Partnership. N/A
 - 1.3.3. Demographics of Board of Directors, Staff and People Served. 85% of staff, 60% of the board, and 50% of executives are BIPOC. TNDC hired a Director of Racial Equity & Inclusion in March 2021.
 - 1.3.4. Racial Equity Vision. TNDC is committed to increasing racial equity. TNDC's mission includes working towards equalizing opportunities for people from underserved and underrepresented communities through its development, management, and residential services. TNDC is actively implementing practices to be part of the solution for communities that have long been denied opportunities on account of race.
 - In 2004, TNDC launched its Cultural and Linguistic Competency Committee, which has since become the Committee on Equity (COE).
 - In 2017, TNDC formed its Racial Justice Police Conduct Task Force to address police harassment issues in the Tenderloin, and to dialogue with the local precinct captain.

- In 2019, TNDC launched its Racial Equity Initiative, an endeavor with representation from all departments. The Racial Equity Initiative has implemented several policies centered on racial equity during the current coronavirus pandemic, including increasing TNDC’s minimum wage based on internal research demonstrating that lowest paid TNDC staff were disproportionately Black and Latinx.
- While TNDC has not yet developed a Racial Equity Vision, TNDC hired a Director of Racial Equity and Inclusion in March 2021.
- Race & Ethnicity of head of household in TNDC properties in operation:

8. Overview by Head of Household Race & Ethnicity (Only Properties in Operation)

	# 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	NA
Vacant	191	NA
Grand Total	3,873	100%

*Note: The demographic info at 270 Turk and Avery Lane is not available, therefore included in "Not Disclosed".

1.3.5. Relevant Experience. TNDC has significant experience in new construction projects for low income households, and has developed two supportive housing projects for TAY in collaboration with Larkin Street Youth Services. 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 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.

1.3.6. Project Management Capacity. Below is a list of TNDC staff members assigned to 78 Haight Street along with the percentage of their total workload that will be dedicated to this project:

- Honey Zaw (Project Manager) - 50%
- Esther Kim (Assistant Project Manager) - 50%
- Shreya Shah (Associate Director of Housing Development) - 20%
- Katie Lamont (Senior Director of Housing Development) - 5%

Honey Zaw, Project Manager at TNDC is working on one portfolio rehabilitation project in addition to 78 Haight Street. Honey joined TNDC in 2018. Honey has been critical to the successful construction of one recent TNDC new construction, 222 Taylor Street, and she is currently managing the fire restoration and the rehab of the Sierra Madre Apartments. Prior to TNDC, Honey worked at Home Rise (formerly known as Community Housing Partnership), started in Fund Development department and transitioned to Housing Operations, Compliance and finally Real Estate Development. Honey has her undergraduate degree in Communication from Ripon College, Wisconsin.

Esther Kim, Assistant Project Manager joined TNDC as an assistant project manager in March 2021, where she is working on new construction projects in predevelopment and in construction. Prior to her role at TNDC, Esther gained experience in the entitlements process and marketing while working on large mixed-use, mixed-income developments in Los Angeles. Esther holds Bachelor of Arts and Bachelor of Science degrees from the University of Southern California and a Master in City Planning degree from the Massachusetts Institute of Technology.

1.3.7. Past Performance.

1.3.7.1. City audits/performance plans. TNDC participated in the citywide fiscal and compliance monitoring program in the last couple of years and last year they were monitored by DCYF. There are no known findings or issues with the audit.

1.3.7.2. Marketing/lease-up/operations. The MOHCD Marketing and Lease Up Report Card Assessment of recent marketing efforts is not complete as the most recent TNDC project is still in its lease up phase. In general, however, the MOHCD marketing manager staff has not found any issues with the marketing or lease-up of TNDC projects with this team. The property management team has a diverse staff, doesn't check credit and criminal background of applicants, and more than meets the requirements of the Fair Chance Ordinance. The typical Resident Selection Criteria of TNDC for recent projects is low-barrier.

2. SITE (See Attachment E for Site map with amenities)

Site Description	
Zoning:	Hayes - Neighborhood Commercial Transit District NCT5 height and bulk limits will be determined using SB 35 and the individually requested State Density Bonus Program, that will permit a maximum height of 75 feet
Maximum units allowed by current zoning (N/A if rehab):	N/A
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	The site is not within an Earthquake Fault Zone, as defined by the Alquist-Priolo Earthquake Fault Zoning act. The risk of surface faulting and consequent secondary ground failure is low.
Soil type:	General soil profile consists of heterogeneous fill, Dune Sand, and the Colma Formation. Marsh Deposits were encountered between the Dune Sand and Colma Foundation at Parcel U.
Environmental Review:	Phase I (September 15, 2014) Phase II – N/A EIR – N/A
Adjacent uses (North):	Rose Street. Across Rose Street is Parcel T, market-rate housing under construction at time of loan committee.
Adjacent uses (South):	Haight Street. Across Haight Street is a single market-rate condominium building (8 Octavia Street)
Adjacent uses (East):	Church
Adjacent uses (West):	Octavia Street. Across Octavia is a mixed residential neighborhood with limited street-level retail.
Neighborhood Amenities within 0.5 miles:	Golden Gate Urgent Care, Kanbar Performing Arts Center, Page and Laguna Mini Park, Rainbow Grocery, Whole Foods Market, Hayes Valley Playground, Bessie Smith Nursery & School, etc.
Public Transportation within 0.5 miles:	F, K, L, M, N, 6, 7, 14, 21, 71, 26
Article 34:	Article 34 authority is obtained.
Article 38:	Site is located in an area with elevated pollutant concentrations. Sensitive use buildings, as defined in the Applicability section of the Ordinance, must comply with Health Code Article 38.
Accessibility:	15% mobility and 10% Communication units
Green Building:	Green Point Rated
Recycled Water:	Exempt – see https://www.sfwater.org/index.aspx?page=687
Storm Water Management:	Storm Water Management Plan will be developed

2.1. Description. The infill site is a roughly rectangular lot with frontage on Octavia Street. Since demolition of the freeway off-ramp, the site has been used for surface parking by the adjacent Mt. Trinity Baptist Church on Haight Street. The church has an ongoing Permit to Enter with the Real Estate Department (RED) to use the lot for parking.

2.2. Zoning. N/A

2.3. Probable Maximum Loss. N/A

2.4. Local/Federal Environmental Review. N/A

2.5. Environmental Issues. N/A

- Phase I/II Site Assessment Status and Results. AEW Engineering Inc., (March 10, 2021) - there is no evidence of recognized environmental conditions in connection with the site and no Phase II is required. The site is not in an area that is subject to San Francisco's Article 22A Maher Ordinance.
- Potential/Known Hazards. Soil analytical results conducted by Langan Engineering and Environmental Services, Inc. (August 27, 2020) indicate that some of the fill material at the site contains hazardous concentration of soluble lead and low level contamination from petroleum hydrocarbons, resulting in needed soil off haul during construction. A site mitigation plan from Langan is dated November 29, 2018.

2.6. Adjacent uses and neighborhood amenities. The location has long been considered an ideal site for TAY given that it is a dynamic and safe neighborhood with excellent access to transit to access the entire city, social services, and it has significant open space. Neighborhood amenities include Golden Gate Urgent Care, Kanbar Performing Arts Center, Patricia's Green in Hayes Valley, Page and Laguna Mini Park, Hayes Valley Playground, and Bessie Smith Nursery & School.

2.7. Green Building. The building will be Green Point Rated (GPR), as required by the 9% tax credit program.

3. COMMUNITY SUPPORT

3.1. Prior Outreach. The surrounding Hayes Valley neighborhood is largely supportive and welcoming of the project. TNDC has met with leadership from the Hayes Valley Neighborhood Association (HVNA), as well as met twice with HVNA Transportation and Planning Committee. TNDC has conducted broader community outreach as well.

TNDC has been in communication with the neighboring church, Mt. Trinity Baptist Church, to negotiate a Shoring and Underpinning Agreement which is still in progress. TNDC has agreed to cover the costs of repairs to the adjacent church's wall prior to constructing the building, and to cover the cost

of an attorney and an engineer to ensure that the church has its interests represented. The church has agreed to review the proposed agreement in January 2022, however agreement has not yet occurred. TNDC is developing a back-up alternative for shoring if required.

3.2. Future Outreach. N/A

3.3. Proposition I Notification. Posted on 10/8/2019 for one month.

4. DEVELOPMENT PLAN

4.1. Site Control. The City currently owns the land. The LP has an option to lease and will ground lease the site from the City at construction loan closing pending Board of Supervisors' approval. The terms outlined in the Option Agreement are for a standard term of 75 years from the date of construction completion of the Project, with an option to extend the term for an additional 24 years. The ground lease base rent is \$15,000 per year and residual rent is 10% of the land value of the Property.

4.2. Proposed Design. The project is located at the corner of Haight Street and Octavia Boulevard on an extremely small parcel of 5,580 s.f. that slopes down from Haight Street to Rose Street with a 12 foot grade change. The building is Type I with 7 residential stories over a full basement with 63 units, and a roof deck and laundry plus community room on the 8th floor. Given the site slope, the grade change allows a basement that is at-grade on the north edge and accessible from the sidewalk on Rose Street and is fully subterranean on the south side along Haight Street. The design includes a separate childcare parcel fronting Octavia Street utilizing 3,350 square feet.

Unit configuration is a double-loaded corridor on floors 2 through 7 with the exception of the "TAY Suite" on the 2nd floor.

Residential SF:	44,185
Commercial SF:	3,216
Building Total SF:	47,401

4.2.1. Target Population and Unit Type. The project will have 56 studios and 5 one-bedroom units. 32 of the apartments will be programmed for TAY experiencing homelessness, including the 5 one-bedrooms for parenting TAY, and the remaining 31 units will be programmed for low-income households. Funding sources include No Place Like Home (NPLH) funds from the City's Alternative County NPLH allocation for 13 TAY units, which will require that these units serve TAY who are homeless or at risk of homelessness and have a serious mental illness. The NPLH program requires an experienced service provider for the target population, site suitability, and

integration of the units within the building. MOHCD, HSH and DPH are coordinating the inclusion of NPLH units across the supportive housing portfolio. The location of this project, experienced TAY service provider, and collaborative history of TNDC and Larkin Street Youth Services at TAY supportive housing projects make this project a good candidate for TAY NPLH units.

All TAY units will receive referrals through the Coordinated Entry System, including referrals for the NPLH tenants and parenting TAY.

4.3. Construction Supervisor/Construction Representative's Evaluation. The proposed development at 78 Haight is situated on a 5,580 square foot lot at the corner of Octavia Boulevard and Haight Street in San Francisco's Hayes Valley neighborhood (Supervisory District 5). The project is an eight (8) story building over a partial basement, which houses a trash room, mechanical room, fire pump and electrical room, on a moderately sloped parcel.

In a SFDBI and SFFD Preapplication Meeting, since 78 Haight has three street frontages (Haight, Octavia and Rose Streets), SFDBI and SFFD agreed to measure the building height from the northwest corner rather than at the lowest northeast corner along Rose Street (which would further restrict the building height) with the caveat that the 8th Level's roof does not exceed 85 feet above grade-plane. Since the Addendum No. 01 permit drawings indicate a 85'-7" datum point, MOHCD has requested the project team check for compliance to the agreed-upon signed Preapplication Meeting Minutes. Since AB-005 has been signed by SFFD as required in the Preapplication Meeting Minutes and the Architect, upon further review and discussion with MOHCD, believes the project to be compliance and no follow-up with SFFD will be needed.

The ground floor (Level 1) will house a property management office, a resident services room and a childcare space. The residential entrance to the building is currently located off of Haight Street. The entrance to the childcare facility is currently located mid-block on Octavia Boulevard.

From the SFDBI and SFFD Preapplication Meeting, the childcare facility will be allowed to have one exit (instead of two exits) from the classroom due to the proximity of the exit to the public way. In the past, CA Community Care Licensing would require the childcare's exterior play area to be located on-site but the site does not have sufficient exterior space to accommodate this exterior play area. The project sponsor has indicated that CA Community Care Licensing will allow the exterior play area to be off-site.

Levels 2 to 7 contain the Studios and 1-BR units. MOHCD reviewed Addendum No. 01, which includes 10% mobility units and 4% communication units. However, TCAC has recently increased the requirement to 15% mobility units and 10% communication units. Subsequently, Addendum No. 02 has been submitted with the correct required percentages.

Level 8 includes the roof deck, community room, laundry room and one common restroom.

The GMP cost estimate of \$34,154,103 has been provided by the joint venture General Contracting Firms of Suffolk and Guzman. The project sponsor is using 5% hard cost contingency which would make the construction cost be \$35,861,808. The tight site (5,580 square feet) and the required construction type of concrete does not lend itself to pricing efficiencies by way of scale nor does it lend itself to pricing efficiencies on a per unit basis given the same scale constraints. The current per square foot cost is \$757, with current per unit costs of \$569,235, which is \$56.5K higher than the average for similar projects in the MOHCD portfolio.

The adjacent property to the southeast is the Mt. Trinity Baptist Church (MTBC), and the church building slightly overhangs onto 78 Haight's property. TNDC had hoped to execute an agreement with MTBC for underpinning/shoring, scaffolding, flashing cap cover and access before the end of 2021 but MTBC did not want to discuss until early January 2022. TNDC is concerned that a shoring/underpinning agreement with MTBC will not be reached and has started considering an alternate soldier beam/lagging system that would not require MTBC's written permission. According to the General Contractors, the soldier beam/lagging system would not revise the Basement interior's current configuration.

4.4. Commercial Space. The Octavia Boulevard Parcels RS&U RFP was amended after it was issued to add the provision of a childcare facility on the ground floor given the need for childcare in San Francisco, severe need in this neighborhood, the potential availability of childcare tenant improvement funding from Market-Octavia Child Care impact fees, and the potential need for childcare by parenting TAY. The childcare entrance will be on Octavia with the child care space structured as a separate parcel, and the childcare operations will not interact with the residential building and entrance on Haight Street. A Request for Proposals (RFP) to build out, lease and operate the Childcare Development Center ("CDC") was issued on February 10, 2020, and Wu Yee Children's Services was selected to be the operator on March 31, 2020 with Letter of Intent executed on July 10, 2020.

The CDC will primarily serve children from low income families and childcare slots are open to the public. The CDC will serve 34 children, including 6 infants, 7 toddlers and 20 preschoolers. Wu Yee Childcare Services will be responsible for all buildout beyond the warm shell to complete and furnish the space, meeting MOHCD Commercial Space Underwriting Guidelines.

4.4.1. Space Description.

- 1 commercial space parcel on the ground floor which is being subdivided from the residential parcel
- Address: 120 Octavia Street, San Francisco, CA 94102
- Tenant's Occupied Square Footage: 3,216 s.f.

4.4.2. Commercial Leasing Plan.

- There will be a master lease between Octavia RSU Associates, L.P. and TNDC Commercial Entity (entity formation in process). The commercial space will be subleased to Wu Yee Children's Services.

4.4.3. Rent Terms and Operating Pro Forma.

- The initial sublease term will be 10 years with two Five Year Options
- Base rent will be \$1 / year (similar to other childcare facilities in affordable housing development that commit to 90% subsidized childcare slots)
- Tenant shall pay its pro-rata share of all operating and capital costs of the project, including annual replacement reserve of \$2,306 / year, utilities, commercial management fee of at least \$1,000 / year, all real estate taxes including tenants' share of property taxes
- Tenant will be responsible for its own interior maintenance, janitorial and municipal trash collection

4.4.4. Tenant Improvement Build Out. The estimated Tenant Improvement budget is \$252,000, to be funded by the Low Income Investment Fund (LIIF). The cost estimate is based on three bids from general contractors for the TI scope, with the scope based on the schematic design and scope checklist that MOHCD provided, with warm shell being funded by the residential project. MOHCD questions if this cost is accurate based on other Childcare TI buildout comps, and TNDC will provide follow up information as outlined in the proposed Loan Condition prior to construction loan closing.

Mike Neumann, Wu Yee's Chief Operations Officer, will be the staff member in charge of the build-out. He is experienced with design management, code compliance, licensing requirements, entitlements, permits bidding and construction management. During his 35 year career, he has held management position with Asian Neighborhood Design, Chinese Community Housing Corporation, SF MOHCD and Swinerton Builders. During this period, he has been involved in the development and construction of child development centers, affordable housing, senior care centers, recreation and parks, fitness centers, museums, performing arts and green planning. Mike managed development for five other Wu Yee childcare centers.

4.4.5. How Commercial Leasing Plan Advances Racial Equity Goals.

Community Benefits stated in the lease identify the following community benefit services that tenant will provide the community surrounding the project for the duration of the term:

- Providing child development services to the community where the Project is located;

- Providing access to family support services for immigrants, first generation families and other low-income people and families;
- Operating a child development program for children ages one month to five years old;
- Ensuring that ninety percent (90%) of the children engaged in the Primary Activity come from low-income families, (according to San Francisco Pilot State Medium Income ceilings) target the city's target population, so long as sufficient government assistance is available to Tenant to subsidize the attendance of such children and Tenant diligently pursues such funding;
- Marketing and providing the Services and Primary Activity to low-income residents of the Project;
- Prioritizing residents of the Project in the provision of the Services and Primary Activity; and
- Serving families in Hayes Valley and neighboring zip codes as much as possible.

- 4.5. Service Space. The building design includes a "TAY Suite" on the second floor, which includes two offices for on-site social services, a staff restroom, and a tenant lounge for use by the TAY residents. Support services will be provided by Larkin Street Youth Services (LSYS). HSH and LSYS have reviewed and provided input on design of the service provision space for the TAY residents and believe that it is appropriate to serve the needs of TAY, including the NPLH population, given the supportive services plan.
- 4.6. Interim Use. Interim use of the site has been parking for the neighboring church, which is managed through the City's Real Estate Division (RED). All revenue from Market Octavia Plan parcels' interim uses goes to Public Works for Market Octavia Plan projects.
- 4.7. Infrastructure. N/A
- 4.8. Communications Wiring and Internet Access. The project will provide Ethernet cable design for data/internet. Service to the building from Public Right of Way to a MPOE and to IDF is designed to adequately accommodate fiber and cabling for multiple service providers, following the minimum specs included in the MOHCD Communication Systems Design Standards.
- 4.9. Public Art Component. The public art is a vertical solar panel mural installation of "Now and Then" of the former Central Freeway site, installed on the Haight Street façade. The artwork by Kota Ezawa was selected in August 2021 with support from the Hayes Valley Neighborhood Association. The artwork will be printed onto a special film which will be applied onto Solar Photovoltaic (PV) panels to be installed on the south face of the building facing Haight Street. This installation of the artistic solar panel will meet the project's goal of achieving sustainable design on-site as well as providing public art which references the history of the parcel.

The team obtained partial approval of the public art from the San Francisco Arts Commission’s Visual Arts Committee (SFAC) in December 2021. SFAC approved the design but requested to review a sample of the physical art. The team is currently working to obtain the sample, and upon receipt and approval by the project team and the artist, the final solar films will be produced in 2023 and installed during construction.

The public art line item is valued at \$121K.

4.10. Marketing, Occupancy, and Lease-Up. The development will include the four legislated preferences of the City (Certificate of Preference, Neighborhood Resident Housing Preference (projected at 40% of lottery units or 12 units), Displaced Tenant Housing Preference and San Francisco Live / Work Preference) as permitted by financing for the nonPSH lottery housing units. Referrals to units for TAY experiencing homelessness will be provided by the HSH TAY Coordinated Entry System, alongside a LOSP subsidy, including for the TAY No Place Like Home subsidy.

As required by the tax credit program, all unit rents are at least 10% below market.

4.11. Relocation. N/A – the parking lot use is month to month, and the church is aware of the pending construction start.

5. DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	Paulett Taggart Architects	Y	N
Landscape Architect	TS Studio	Y	N
Surveyor	Luk & Associates	Y	N
Window Testing Consultant	Auerbach Glasow	Y	N
Energy Consultant	Bright Green Strategies	Y	N
General Contractor	Guzman Suffolk Joint Venture	Y	N
Owner’s Rep/Construction Manager	Regent Construction	Y	N
Financial Consultant	California Housing Partnership	Y	N
Legal	Gubb & Barshay	Y	N

5.1. Procurement Plan. Project meets the SBE/LBE participation goal of 20% for professional services and 23% for construction as determined by CMD.

5.2. Opportunities for BIPOC-Led Organizations. TNDC frequently partners with other organizations in their affordable housing developments, including development and service provision. However, this project is not structured as a joint venture, and the primary partnership is with Larkin Street Youth

Services, which is not a BIPOC-Led organization, for the TAY support services.

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)

6.1. Prior MOHCD/OCII Funding:

Loan Type/ Program	Loan Date	Loan Amount	Interest Rate	Maturity Date	Repayment Terms	Outstanding Principal Balance	Accrued Interest to Date
Predev	1/10/2020	\$2,600,250	3%	55 years from conversion date	Residual Receipts	\$0	
Total:		\$2,600,250					

6.2. Disbursement Status. The predevelopment loan has been fully expended as of the December 2021 draw. TNDC will provide working capital to the extent needed to take the project to construction loan closing, estimated at around \$320,000, with 0% interest.

6.3. Fulfillment of Loan Conditions. All of the predevelopment loan conditions have been met. Below is the status of Loan Conditions from the preliminary gap request that went to Loan Committee on February 21, 2020 and the preliminary gap updated request from January 29, 2021:

a) TNDC to implement cost containment strategies that limit the MOHCD subsidy to under \$250K per unit and limits the total development costs excluding land to under \$675K per unit. DONE. TNDC has pursued cost containment strategies, as reviewed and approved by the MOHCD Construction Supervisor. The financing structure has changed various times and ultimately this high per unit cost is the result of the extremely small site, Type I construction, and density of studios (primary unit type). It is not possible for TNDC to develop this project with a MOHCD subsidy under \$250K / unit and total development cost under \$675K / unit.

b) TNDC to submit Request For Proposals (RFPs) for equity investors to MOHCD for review before they are finalized and released to investors. DONE

c) TNDC to submit raw financial data from developer or financial consultant to MOHCD prior to selection of equity investor. DONE

d) Sponsor to break out the hard cost contingencies across the MOHCD proforma and discuss with the MOHCD Construction Representative the appropriate and commensurate reductions based

on the current stage of design and permit review/plan check comments and outstanding predevelopment risk exposure, as well as continue hard cost reduction efforts and value engineering as design progresses. DONE

e) Explore options to reduce the operating costs, including an evaluation of the need for 24 hour desk clerk coverage. DONE
Operating costs have increased since the preliminary gap request, primarily in the area of insurance, which is an industry wide phenomenon; 24 hour desk clerk coverage is required by TCAC because there is no property manager unit on site.

f) Sponsor will provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps TNDC will take 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 African American San Franciscans. IN PROGRESS

6.3.1. Permanent Sources Evaluation Narrative: The Borrower proposes to use the following sources to permanently finance the project, totaling \$54,417,514:

- MOHCD Loan Note A (\$21,021,228): 55 year, 3%, residual receipts;
- MOHCD NPLH Loan Note B (\$4,780,239): 55 year, 0% interest, deferred payment under a separate Note
- MOHCD Loan AHP Bridge Loan Note C: (\$945,000): Earlier of 2 year or upon receipt, 0% interest
- Accrued Deferred Interest MOHCD (\$625,390)
- Federal 9% Tax Credit Equity (\$24,622,538) with Merritt Community Capital as the investor with equity pricing at \$0.985 for federal credits
- State LIHTC Equity (\$2,423,019) with Merritt Community Capital with equity pricing of \$0.900 for state credits
- General Partner Equity (\$100) as required by TCAC

Please note the construction financing and AHP award terms:

- Construction Loan (\$19,749,088): While not a permanent source, the construction loan terms are interest rate of 2.6%, 26 month term with Silicon Valley Bank as the construction lender.
- AHP (\$945,000) if awarded: Silicon Valley Bank is the bank sponsor with proposed disbursement date of upon receipt of

award during construction. A successful award would pay off the MOHCD Loan Note C, and bring the total MOHCD financing (including NPLH) to \$25,801,467 (\$410K / unit).

6.3.2. Commercial Space Sources and Uses Narrative: The residential development budget includes \$2,053,537 to build the ground floor Commercial Shell which will house the Childcare Development Center, providing a warm shell compliant with the MOHCD Commercial Space Policy. The commercial shell hard costs are allocated using a square foot methodology. The Tenant Improvement costs will be funded by the commercial tenant and are estimated at \$250,000 (see Section 4.4.4 Commercial Space Tenant Improvement Buildout).

Permanent Uses Evaluation:

Development Budget		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Hard Cost per unit is within standards	Y	Hard costs are high at \$569K / unit (\$56K over the average for similar sites), yet acceptable given the very small site, density of studio units and Type I construction; see Construction Supervisor evaluation
Construction Hard Cost Contingency is at least 5% (new construction)	Y	Hard Cost Contingency is 5%
Architecture and Engineering Fees are within standards	Y	Reasonable at 6% of hard cost for this size of project
Construction Management Fees are within standards	Y	Proposed total Construction Management Fee of \$118,388 is within MOHCD Underwriting Guidelines for predev and construction period
Developer Fee is within standards, see also disbursement chart below	Y	Developer fee complies with TCAC Regulations at the lesser of \$2.2 million or 15% of the project's unadjusted eligible basis Project management fee: \$1,100,000 At risk fee: \$1,100,000 Deferred fee: \$0 GP equity: \$100 Commercial fee: \$0 Total fee: \$2,200,000
Consultant and legal fees are reasonable	Y	

Entitlement fees are accurately estimated	Y	
Construction Loan interest is appropriately sized	Y	Construction loan is sized at 24 month term with 2.6% interest
Soft Cost Contingency is 10% per standards	N	Soft Cost Contingency is 9% of soft costs which is reasonable for this stage of the project when soft costs are more defined
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized operating reserve is \$583,916 for 6 months which is a requirement of the investor
Capitalized Operating Supplemental Reserve (COSR) 1	N	A COSR 1 in amount of \$3,287,392 is needed to achieve feasible operations for 18 years given the deeper income targeting of the non-TAY units
COSR 2	N	A supplemental COSR 2 in amount of \$1,494,417 is capitalized to capture any excess proceeds which will potentially repay MOHCD's loan at completion of construction. Please see proposed loan condition

6.5.4 Developer Fee Evaluation: The milestones for the payment of the developer fee to the sponsor are specified below.

Total Developer Fee:	\$2,200,000	
Project Management Fee Paid to Date:	\$ 165,000	
Amount of Remaining Project Management Fee:	\$1,035,000	
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"):	\$0	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$100	
Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management	Amount Paid at Milestone	Percentage Project Management Fee
Project Management: at closing of preconstruction financing – FUNDED	\$165,000	15%
Project Management: at end of predevelopment	\$385,000	35%
Construction close	\$220,000	%
Milestone	\$230,000	%

At Project Completion (CFO)	\$200,000	%
Project close-out		%
Milestones for Disbursement of that portion of Developer Fee defined as At Risk Fee		Percentage At Risk Fee
100% lease up and draft cost certification	\$220,000	20%
Permanent conversion	\$550,000	50%
Project close-out	\$330,000	30%

7. PROJECT OPERATIONS (See Attachment I and J for Operating Budget and Proforma)

7.1. Annual Operating Budget. Since the preliminary gap request in 2020, the proposed operating budget has increased from \$15,200 PUPA to \$18,171 / unit before reserves. Increases are minor except in property and liability insurance, which has significantly increased with quotes at \$86K more than TNDC received in 2020. The project's relatively small size of 63 units and 24 hour desk clerk coverage result in fewer economies of scale than a larger project. Given the small size of the project and difficulty for the nonTAY units to cashflow with deeper affordability than earlier planned, MOHCD staff recommend approval for the TAY PSH units (51% of total) to fund 75% of the desk clerk coverage cost.

Because the project shifted to a 9% tax credit scenario with deeper affordability on the non-LOSP units per TCAC competitive application requirements, the project needs a Capitalized Operating Subsidy Reserve (COSR 1) to cover operating costs. Average targeted income for the special needs units and non-special needs SRO units is no more than 40% of the TCAC Area Median Income.

7.2. Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	N/A	There is no permanent debt
For TCAC projects: Vacancy rate meets TCAC Standards	Y	Vacancy rate is 5%
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	N	Income escalation factor is 2% for both TAY PSH units and nonPSH units, which is a reasonable assumption for TAY units given employment and education supports. The 2% annual

		income growth is paired with the 3% annual operating expense escalation.
<i>For TCAC projects:</i> Annual Operating Expenses are increased at 3.5% per year	N	Expenses escalation factor is 3% per investor and lender direction
Base year operating expenses per unit are reasonable per comparables	N	Total Operating Expenses are \$18,171 per unit which appears high but is due to small size of project with 24 hour desk clerk coverage. Operating budget is reasonable.
Property Management Fee is at allowable <u>HUD Maximum</u>	Y	Total Property Management Fee is \$49,140 or \$65 PUPM which does not exceed HUD's maximum fee.
Property Management staffing level is reasonable per comparables	Y	Refer to chart below.
Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$23,460 /yr Annual PM Fee is \$19,750/yr For a combined fee of \$43,210
<i>For TCAC projects:</i> 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 with no trending

7.3. Staffing Summary. Staffing is lean and reasonable for a project of this size.

- 1 FTE general manager
- 2.5 full time maintenance staff
- 4.3 full time front desk staff
- .16FTE – share of 2022 allocation for 6 compliance specialists.

7.4. Income Restrictions for All Sources. MOHCD and TCAC are the only restrictions on the project and proposed AHP restrictions would be sized at 50% and 65% MOHCD AMI.

UNIT SIZE		MAXIMUM INCOME LEVEL		
NON-LOTTERY	No. of Units	MOHCD	TCAC	AHP
0 BR – [LOSP]	27	50% MOHCD AMI	30% TCAC AMI	50% MOHCD AMI
1 BR – [LOSP]	5	50% MOHCD AMI	25% TCAC AMI	50% MOHCD AMI
Sub-Total	32			
LOTTERY				
0 BR	27	65% MOHCD AMI	50% TCAC AMI	65% MOHCD AMI
0 BR	4	50% MOHCD AMI	40% TCAC AMI	50% MOHCD AMI
Sub-Total	31			
STAFF UNITS				
X BR	0			
TOTAL	63			
PROJECT AVERAGE		44%	37%	
AVERAGE FOR LOTTERY UNITS ONLY		65%	47%	

7.5. MOHCD Restrictions.

Unit Size	No. of Units	Maximum Income Level
Studio	31	50% of Median Income
Studio	27	65% of Median Income
1BR	5	50% of Median Income
BR		% of Median Income
BR		% of Median Income
BR		% of Median Income
BR		% of Median Income
BR		Manager's Unit

8. SUPPORT SERVICES

8.1. Services Plan. Larkin Street Youth Services (LSYS) and TNDC will both be service providers at the site with LSYS serving the TAY units, and TNDC providing services to the other units. TNDC and LSYS have a long collaboration in TAY housing including 864 Ellis (24 units) and Aarti (40 units).

8.1.1. TAY Units

Larkin Street Youth Services (LSYS) has been working in partnership with TNDC since 2017 to plan the programming of supportive services for the TAY units at 78 Haight Street. LSYS has extensive experience providing services to TAY, including TAY with serious mental illness through their MHSA TAY portfolio and programs. LSYS services' contract will be funded by HSH.

The goal of services in permanent supportive housing (PSH) for TAY is to ensure tenants can remain stably housed. Services in PSH will be led 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; and an ability to collaborate with tenants and property management with the goal of tenant housing stability.

On site services will include, but not limited to the following:

- Outreach: Engage tenants to provide information about available Support Services and invite them to participate.
- Case Management services to tenants with the primary goal of maintaining housing stability, including ongoing meetings and counseling to establish goals, develop service plans, which are tenant-driven without predetermined goals, provide referrals and linkages to off-site services, and track progress toward achieving those goals.
- Assessment of tenant health, mental health, and substance use treatment needs and incorporate these into their case management plan.
- Referrals to financial and community supports that will support food security.
- Public benefits advocacy to assist tenants with obtaining and maintaining benefits, including, but not limited to, cash aid (e.g., CalWORKs, County Adult Assistance Program, Social Security Income), CalFresh and other food programs, Medi-Cal health coverage, medical clinics and/or In-Home Support Services (IHSS).
- Coordination with outside service providers to support housing stability and long-term exit planning.
- Connect tenants with educational and employment services to increase education and skill levels and through counseling, case management, referrals to community programs, and workshops, staff shall provide financial literacy education (e.g. rent payment, obtaining public benefits, budgeting, financial planning, saving, credit repair).

- Staff shall identify tenants with unmet behavioral health needs that are impacting their ability to be stably housed and shall refer tenants to appropriate community resources, including to the Department of Public Health (DPH) Community Behavioral Health TAY system. In addition on site behavioral health support will provide direct clinical care and offer support to case management staff.
- Groups, events, and activities with input from tenants to build community engagement, develop peer support, share information, form social connections or to celebrate significant events.

8.1.2. Non-TAY Units

TNDC’s Tenant Services Team will provide .4 FTE Social Worker to support the remaining 31 units of non-TAY residents at the project at a cost of \$50,068 annually to be funded from the operating budget. Services will include on-site courses in nutrition, health information/awareness, food cultivation, and/or food preparation. All services are free, voluntary, and confidential. Social workers provide one-on-one support to help tenants remain housed and resourced to reach their self-determined goals and needs. Social workers provide guidance on a wide range of areas: outreach, advocacy, conflict resolution, translation and interpretation, and emotional support. The proposed services are based on principals of trauma informed care, harm reduction, and cross system partnerships.

8.2. Services Budget.

8.2.1. TAY - \$328,948 annually, or \$10,280 PUPA with the staffing identified below:

Tier 5+ Budget Template: 32 Units			32
Case Management ratio 20:1			
Staffing Costs	Salary	FTEs	Cost
Case Managers	62,600	1.2	75,120
Support Services			
Manager/Supervisor	80,000	1.0	80,000
Clinical Social Worker/Case Manager	75,000	0.40	30,000
Clinical Supervision	107,629	0.10	10,763
Total Salaries/FTEs		2.7	195,883
Fringe Benefits	35.00%		68,559
Total Staffing Costs			264,442
Staff Operating Expenses	cost/unit	250	8,000
Client Support and Supplies	cost/unit	200	6,400

Client Wellness Incentive	cost/unit	125	4,000
Staff Training and Support	cost/unit	100	3,200
Indirect costs		15%	42,906
TOTAL			328,948
Annual Cost Per Unit			10,279.63

8.2.2. Non-TAY Units - \$50,432 annually or \$1,626 PUPA

8.3. HSH Assessment of Service Plan and Budget. HSH staff have reviewed and approved the target budget using Tier 5+ funding levels and a case a management ratio of 20:1, given the needs to TAY, including 13 units targeted to TAY with serious mental illness. HSH and MOHCD staff will meet with the development team and service providers during construction to refine the budget and service plan, and coordinate lease up referrals for the TAY units.

9. STAFF RECOMMENDATIONS

9.1. Proposed Loan Terms

Financial Description of Proposed Loan – Note A	
Loan Amount:	\$21,021,228 City Sources
Loan Term:	55 years
Loan Maturity Date:	2078
Loan Repayment Type:	Residual Receipts
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	September 6, 2019 (original predev loan approval)

Financial Description of Proposed Loan – Note B	
Loan Amount:	\$4,780,239 NPLH – separate Note
Loan Term:	55 years
Loan Maturity Date:	2078
Loan Repayment Type:	Deferred
Loan Interest Rate:	0%
Date Loan Committee approves prior expenses can be paid:	September 6, 2019 (original predev loan approval)

Financial Description of Proposed Bridge Loan – Note C	
Loan Amount:	\$945,000 – AHP Bridge Loan separate Note (AHF Inclusionary)
Loan Term:	Earlier of AHP funding or 2 years
Loan Maturity Date:	April 2024
Loan Repayment Type:	Due in full on maturity date
Loan Interest Rate:	0%
Date Loan Committee approves prior expenses can be paid:	September 6, 2019 (original predev loan approval)

9.2. Recommended Loan Conditions

1. Sponsor will repay the MOCHD loan with the amount of the COSR 2 unless it is needed for another purpose, which will require MOHCD review and approval.
2. Sponsor must provide additional information on the commercial space Tenant Improvement budget prior to construction loan closing, alongside warm shell assumptions for MOHCD staff to verify that it meets the Commercial Space Underwriting Guidelines.
3. Sponsor must provide MOHCD with detailed monthly updates via the MOH Monthly Project Update until start of construction, including on:
 - Status of neighbor negotiations
 - Outcomes achieved related to racial equity goals, and
 - Commercial-use space development
4. Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take 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 African American San Franciscans.
5. Sponsor must provide quarterly updated response to any letters requesting corrective action.
6. Sponsor must submit an updated 1st year operating budget and 20-year cash flow – if any changes have occurred – by November 1st before the fiscal year the project will achieve TCO so that MOHCD may request the LOSP subsidy (anticipated to be needed by November 2022).
7. Sponsor to work with MOHCD and HSH to plan the lease up process for the referrals from Coordinated Entry.

10. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

APPROVE. DISAPPROVE. TAKE NO ACTION.

Eric D. Shaw, Director
Mayor's Office of Housing

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Sally Oerth, Interim Executive Director
Office of Community Investment and Infrastructure

Date: _____

APPROVE. DISAPPROVE. TAKE NO ACTION.

Anna Van Degna, Director
Controller's Office of Public Finance

Date: _____

- 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. Development Budget
 - J. 1st Year Operating Budget
 - K. 20-year Operating Pro Forma

Chavez, Rosanna (MYR)

From: Shaw, Eric (MYR)
Sent: Friday, January 14, 2022 11:35 AM
To: Chavez, Rosanna (MYR)
Subject: FINAL GAP COMMITMENT FOR 78 HAIGHT

I approve

Eric D. Shaw
Director

Mayor's Office of Housing and Community Development
City and County of San Francisco
1 South Van Ness Avenue, 5th Floor

Chavez, Rosanna (MYR)

From: Menjivar, Salvador (HOM)
Sent: Wednesday, January 19, 2022 12:16 PM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Octavia RSU Associates +TNDC request

I am sorry this is late...

I approve TNDC requests for a final MOHCD gap loan of up to \$26,746,467 for 78 Haight Street.

Best,

salvador



Salvador Menjivar
Director of Housing
Pronouns: He/Him
San Francisco Department of Homelessness and Supportive Housing
salvador.menjivar1@sfgov.org | 415-308-2843

Learn: hsh.sfgov.org | Follow: [@SF_HSH](https://twitter.com/SF_HSH) | Like: [@SanFranciscoHSH](https://twitter.com/SanFranciscoHSH)

CONFIDENTIALITY NOTICE: This e-mail is intended for the recipient only. If you receive this e-mail in error, notify the sender and destroy the e-mail immediately. Disclosure of the Personal Health Information (PHI) contained herein may subject the discloser to civil or criminal penalties under state and federal privacy laws.

Chavez, Rosanna (MYR)

From: Oerth, Sally (CII)
Sent: Friday, January 14, 2022 11:36 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR); Blitzer, Mara (MYR)
Subject: Final Gap commitment for 78 Haight, 1.14.22 Loan Committee

I approve the gap funding request for the 78 Haight project, as presented at the 1.14.22 Loan Committee.



Sally Oerth
Interim Executive Director

📍 One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103
📞 415.749.2588
🏠 www.sfocii.org

Chavez, Rosanna (MYR)

From: Pereira Tully, Marisa (CON)
Sent: Friday, January 14, 2022 11:35 AM
To: Chavez, Rosanna (MYR)
Cc: Shaw, Eric (MYR)
Subject: Final Gap Commitment for 78 Haight

Approve

Marisa Pereira Tully (she/her)
Controller's Office of Public Finance
City and County of San Francisco

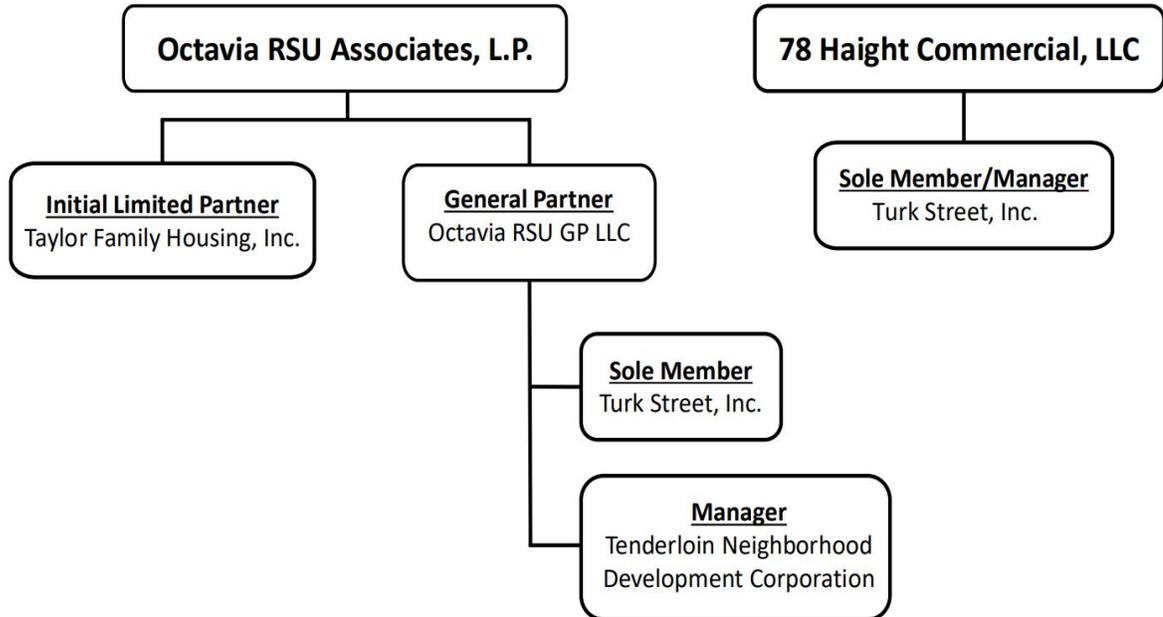
Attachment A: Project Milestones and Schedule

No.		Performance Milestone	Estimated or Actual Date
A.		Prop I Noticing (if applicable)	9/9/2019
1		Acquisition/Predev Financing Commitment	9/6/2019
2		Site Acquisition	N/A
3		Development Team Selection	
	a.	Architect	June, 2017
	b.	General Contractor	Oct, 2019
	c.	Owner's Representative	August, 2018
	d.	Property Manager	N/A
	e.	Service Provider	N/A
4		Design	
	a.	Submittal of Schematic Design & Cost Estimate	Dec, 2019
	b.	Submittal of Design Development & Cost Estimate	Mar, 2020
	c.	Submittal of 50% CD Set & Cost Estimate	July, 2020
	d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	July, 2021 (90% CD's)
5		Commercial Space	
	a.	Commercial Space Plan Submission	7/7/2020 (subdivision)
	b.	LOI/s Executed	7/3/2020
6		Environ Review/Land-Use Entitlements	
	a.	SB 35 Application Submission	1/7/2020
	b.	CEQA Environ Review Submission	N/A
	c.	NEPA Environ Review Submission	N/A
	d.	CUP/PUD/Variances Submission	N/A
7		PUC/PG&E	
	a.	Temp Power Application Submission	12/1/2020
	b.	Perm Power Application Submission	6/15/2020
8		Permits	
	a.	Building / Site Permit Application Submitted	11/14/2019
	b.	Addendum #1 Submitted	9/12/2020
	c.	Addendum #2 Submitted	4/13/2021
9		Request for Bids Issued	9/1/2020
10		Service Plan Submission	N/A
	a.	Preliminary	October 2019
	b.	Final	Spring 2023
11		Additional City Financing	
	a.	Preliminary Gap Financing Application	1/29/2021

	b.	Gap Financing Application	1/14/2022
12		Other Financing	
	a.	HCD Application	Sept, 2020/February 2021
	b.	Construction Financing RFP	Oct, 2021
	c.	AHP Application	March, 2022
	d.	CDLAC Application	N/A
	e.	TCAC Application	July, 2021
	f.	Other Financing Application	N/A
	g.	LOSP Funding Request	12/17/2022
13		Closing	
	a.	Construction Loan Closing	4/1/2022
	b.	Conversion of Construction Loan to Permanent Financing	12/1/2023
14		Construction	
	a.	Notice to Proceed	4/1/2022
	b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	8/1/2023
15		Marketing/Rent-up	9/1/2023
	a.	Marketing Plan Submission	10/1/2023
	b.	Commence Marketing	11/1/2023
	c.	95% Occupancy	12/1/2023
16		Cost Certification/8609	6/1/2024
17		Close Out MOH/OCII Loan(s)	7/1/2024

Attachment B: Borrower Org Chart

78 Haight Street Organizational Structure



- Octavia RSU Associates, L.P., a California limited partnership. EIN: 84-2120618
- Octavia RSU GP LLC, a California limited liability company.
- Turk Street, Inc., a California nonprofit public benefit corporation. EIN: 94-3297381
- Taylor Family Housing, Inc., a California nonprofit public benefit corporation. EIN: 94-3403318 To be replaced by Investor's entity at close
- Tenderloin Neighborhood Development Corporation, a California nonprofit public benefit corporation. EIN: 94-2761808
- 78 Haight Commercial, LLC, a California limited liability company.

Attachment C: Development Staff Resumes

TNDC staff members assigned to 78 Haight Street along with the percentage of their total workload that will be dedicated to this project:

- Honey Zaw (Project Manager) - 50%
- Esther Kim (Assistant Project Manager) - 50%
- Shreya Shah (Associate Director of Housing Development) - 20%
- Katie Lamont (Senior Director of Housing Development) - 5%

Honey Zaw, Project Manager at TNDC is working on one portfolio rehabilitation project in addition to 78 Haight Street. Honey joined TNDC in 2018. Honey has been critical to the successful construction of one recent TNDC new construction, 222 Taylor Street, and she is currently managing the fire restoration and the rehab of the Sierra Madre Apartments. Prior to TNDC, Honey worked at Home Rise (formerly known as Community Housing Partnership), started in Fund Development department and transitioned to Housing Operations, Compliance and finally Real Estate Development. Honey has her undergraduate degree in Communication from Ripon College, Wisconsin.

Esther Kim, Assistant Project Manager joined TNDC as an assistant project manager in March 2021, where she is working on new construction projects in predevelopment and in construction. Prior to her role at TNDC, Esther gained experience in the entitlements process and marketing while working on large mixed-use, mixed-income developments in Los Angeles. Esther holds Bachelor of Arts and Bachelor of Science degrees from the University of Southern California and a Master in City Planning degree from the Massachusetts Institute of Technology.

Attachment D: Asset Management Evaluation of Project Sponsor

TNDC has an adequately staffed asset management division that works closely with property management and development.

- # of projects and avg. # of units/project currently in sponsor's asset management portfolio: Two Asset Managers manage a portfolio of 21-23 projects, with an average number of units per project of 94.
- sponsor's current asset management staffing – job titles, FTEs, avg # units assigned to each FTE, org chart and status of each position (filled/vacant): TNDC's Asset Management Department is closely entwined with the in-house property management team, and is staffed with 3.4 FTE's including a Director of Asset Management and three Asset Managers with the titles Asset Manager I and Asset Manager II. All asset management positions are currently filled.
- description of scope and range of duties of sponsor's asset management team: Two Asset Managers manage a portfolio of 21-23 projects, with an average number of units per project of 94. The third Asset Manager works on high priority special projects across the portfolio. In addition, TNDC contracts on an on-going basis with a consultant to complete property tax exemptions. The department is overseen by TNDC's Chief Financial Officer, Ron Lathouwers. TNDC projects the addition of 1 new project to its portfolio each year through 2024.
- description of sponsor's coordination between asset management and other functional teams, including property management, accounting, compliance, facilities management: To affect physical standards, the Department approves individual capital improvement proposals in the stabilized portfolio, approves annual capital budgets, and prepares long-term capital needs projections and re-investment plans. With Housing Development, the Department participates in an inter-departmental Re-Capitalization Group, consisting of CFO, CEO, Senior Director of Property Operations, and Senior Director of Housing Development, which makes portfolio reinvestment decisions.

Attachment E: Threshold Eligibility Requirements and Ranking Criteria

Minimum Experience and Capacity Requirements

All respondents must meet the following Minimum Experience and Capacity Requirements in order to qualify for selection under this RFP:

1. Development Team Characteristics: The proposed Development Team must include:

- At least one community-based non-profit development entity as sole developer or joint-venture partner, defined as a nonprofit organization whose mission includes the development of affordable housing or economic development in low income communities, with experience developing housing for low- and very low-income households in San Francisco (which experience can be satisfied through a development consultant);
- A lead architectural firm with experience in design and construction of multifamily housing. While the lead architect's LBE status will not be considered in scoring responses to this RFP, it will be counted toward the Project's overall procurement goals, which will be set at a later date.
- A property management entity with experience managing low- and very low-income affordable housing in a culturally competent manner;
- A one community-based, service-providing entity with experience providing culturally competent services appropriate for low-income families, and/or
- A community-based, service-providing entity with experience providing culturally competent services appropriate for youth at risk of homelessness or currently homeless.

Letters of Intent or Memoranda of Understanding from service providers and property management entities that are not affiliated with the developer must be submitted with the application.

2. Development Team Minimum Experience Qualifications

Minimum experience must be demonstrated by identifying specific Qualifying Projects in which team members have participated, as further described below.

For Developer, Owner and Property Manager, a **Qualifying Project (QP)** must have all of the following characteristics:

- new construction
- residential
- a majority of multiple-bedroom units
- location in San Francisco
- affordable to low- and very-low income families
- financed by use of Low Income Housing Tax credits

For the Architect, a Qualifying Project must be new residential construction, of which a majority are multiple-bedroom units preferably completed in the last five (5) years, herein referred to as an **Architect Qualifying Project (AQP)**.

Minimum Developer Experience: The proposed Developer must have completed within the past five years or have entitlements for at least one Qualifying Project in San Francisco targeting low and very low-income families and using financing sources similar to those proposed for development of the Site.

For joint venture Developer teams, the experience of the lead 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 RFP response and must be acceptable to MOHCD.

Minimum Ownership Experience: The proposed Owner (the Developer or other entity if the proposal includes turning ownership over to a different corporate entity upon completion of development) must have owned at least one Qualifying Project in San Francisco for at least 5 years prior to the Submittal Deadline of this RFP. The project must have targeted low- and very low-income families and utilized financing sources similar to those proposed for development of the Site. For purposes of this requirement, the general partner of a tax credit partnership intended to take ownership of the completed project is the proposed "Owner".

Minimum Property Manager Experience: The proposed property manager must have managed at least three Qualifying Projects in San Francisco, each for at least 24 months, all of which must have targeted low- and very low-income families, at least one of which must have included formerly homeless families, and at least one of which was financed with Low Income Housing Tax Credits.

Minimum Architectural Experience: The proposed lead architectural firm must have completed at least two (2) AQP.

Minimum Service Provider Experience: The proposed service provider(s) must have at least 36 months experience providing supportive services to low-income families in San Francisco, preferably in the general vicinity of the Site and at least 36 months experience providing services to homeless families. This experience should include linking clients to the City's safety net of services and supporting their efforts to access those services.

Note Regarding Experience: For any Respondent 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 what they are anticipated to perform during the proposed development of the Site.

3. Minimum Developer and Architect Capacity Qualifications

The proposed Developer and Architect must document their capacity to successfully plan, design, and develop the housing they propose to develop, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. This documentation should include a description of the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. In addition, the Developer or other proposed owner (as general partner of a proposed tax credit partnership) must provide evidence of its capacity to own and asset manage the proposed project or specific plans for increasing its capacity if necessary.

C. Selection Criteria – (100 points possible):

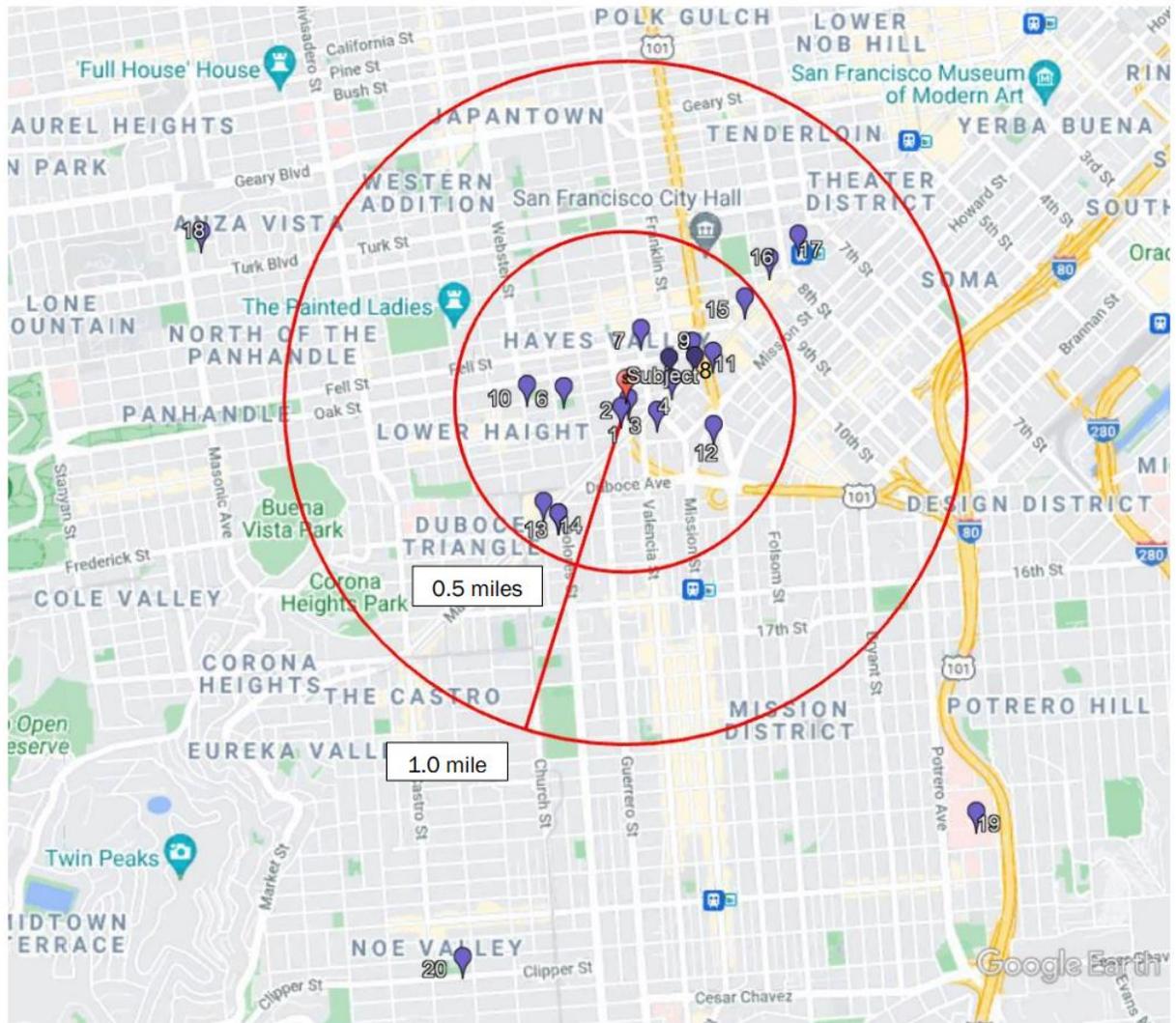
All applications that meet the minimum experience and capacity requirements will be rated and ranked according to the following scoring criteria (see Scoring Criteria details below):

	Category	Points
(1)	Experience:	40
a.	Developer Experience (20 pts):	
b.	Architect Experience (10 pts):	
c.	Property Management Experience (5 pts):	
d.	Service Provider Experience (5 pts):	
(2)	Development Concept and Preliminary Site Plan:	40
(3)	Financing and Cost Control Innovations:	10
(4)	Services Plan:	10
	TOTAL POSSIBLE POINTS	100

Attachment F: Site Map with amenities

Locational Amenities Map

The Subject will be located in close proximity to many amenities and services. The following map and table below display the distances and location of various services from the site.



LOCATIONAL AMENITIES

#	Service or Amenity	Distance from Subject (Crow)	#	Service or Amenity	Distance from Subject (Crow)
1	Wu Yee Childcare Services	<0.1 miles	11	Bank of America	0.3 miles
2	Mt. Trinity Baptist Church	<0.1 miles	12	Chevron	0.3 miles
3	Bus Stop	0.1 miles	13	Safeway	0.4 miles
4	Dignity Health - Urgent Care	0.1 miles	14	Whole Foods Market	0.4 miles
5	Fire Department	0.2 miles	15	Post Office	0.5 miles
6	Koshland Park	0.2 miles	16	San Francisco Public Library	0.6 miles
7	Walgreens	0.2 miles	17	Heart of the City Farmers' Market	0.7 miles
8	Muni Rail Station	0.2 miles	18	Raoul Wallenberg Traditional High School	1.3 miles
9	Sheriff's Department	0.3 miles	19	Zuckerberg San Francisco General Hospital and Trauma Center	1.6 miles
10	John Muir Elementary School	0.3 miles	20	James Lick Middle School	1.7 miles

Attachment G: Elevations and Floor Plans

78 Haight Renderings





**Attachment H: Comparison of City Investment in Other Housing
Developments**

Affordable Multifamily Housing New Construction Cost Comparison

Updated 1/10/2022

	Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. 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	Gross TDC/unit	Gross TDC/BR	Gross TDC/ sq.ft ⁶	Subsidy / unit	Leveraging ⁷	
Delta of Subject and Comparable Projects	\$ (21,557)	\$ (21,342)	\$ (177)	\$ 56,475	\$ 61,449	\$ 21	\$ 103,935	\$ 105,778	\$ 118	\$ 138,853	\$ 145,885	\$ 108	\$ 228,905		
Delta Percentage	-97%	-97%	-96%	11%	12%	3%	55%	56%	43%	19%	20%	10%	117%		
SUBJECT PROJECT 78 Haight Street	\$ 594	\$ 594	\$ 7	\$ 569,235	\$ 569,235	\$ 757	\$ 293,941	\$ 293,941	\$ 391	\$ 863,770	\$ 863,770	\$ 1,148	\$ 424,547	50.8%	
Comparable Projects	Average: \$ 22,151	\$ 21,936	\$ 183.69	\$ 512,760	\$ 507,786	\$ 736	\$ 190,006	\$ 188,163	\$ 273	\$ 724,917	\$ 717,885	\$ 1,040	\$ 195,642	73.0%	
All Projects:	AVERAGE	\$ 36,832	\$ 26,295	\$ 192	\$ 590,127	\$ 391,992	\$ 572	\$ 164,388	\$ 112,143	\$ 186	\$ 786,240	\$ 525,742	\$ 770	\$ 229,265	70%

Costs **lower** than comparable average Costs **higher** than comparable average Costs similar to comparable average

	Lot sq.ft	Completion/ start date	# of Units	# of BR ¹	Building Square Footage			Total Project Costs			Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
					Res. ²	Non-Res. Sq. ft.	Total sq. ft.	Acq. Cost ³	Constr. Cost ⁴	Soft Cost							
ALL PROJECTS	Average:	34,657		120	188	115,262	14,915	128,087	\$ 3,597,835	\$ 68,467,422	\$ 18,989,895	\$ 91,307,560	\$ 27,751,804	\$ 88,418,894			
Comparable Projects Completed (filtered)	Average:	10,822		61	63	48,756	9,758	58,514	\$ 2,778,333	\$ 35,424,620	\$ 9,736,499	\$ 47,939,452	\$ 16,262,084	\$ 45,161,119			
Comparable Projects Under Construction (filtered)	Average:	7,248		71	71	37,204	620	37,824	\$ 1,698,349	\$ 25,972,716	\$ 11,913,648	\$ 39,584,713	\$ 2,031,847	\$ 37,886,364			
Comparable Projects In Predevelopment (filtered)	Average:	6,552		73	73	40,807	5,122	45,929	\$ 45,813	\$ 43,291,259	\$ 17,142,731	\$ 60,479,803	\$ 21,649,589	\$ 60,433,990			
Total Comparable Projects	Average:	8,207		68	69	42,256	5,167	47,422	\$ 1,507,498	\$ 34,896,199	\$ 12,930,959	\$ 49,334,656	\$ 13,314,507	\$ 47,827,158			
SUBJECT PROJECT 78 Haight Street	5,581		63	63	44,185	3,216	47,401	\$ 37,438	\$ 35,861,808	\$ 18,518,268	\$ 54,417,514	\$ 26,746,467	\$ 54,380,076				
Delta of Subject and Comp Project Averages		-2626		-5	-6	1929	-1951	-21	-1470060	965609	5587309	5082858	13431960	6552918			
Delta Percentage		-32%		-7%	-8%	5%	-38%	0%	-98%	3%	43%	10%	101%	14%			

PROJECTS COMPLETED				Building Square Footage					Total Project Costs			Total Dev. Cost w/land	Local Subsidy ⁵	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Res. ²	Non-Res. Sq. ft.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost							
95 Laguna Senior	95 Laguna	14,300	May-19	79	82	59,785	7,316	67,101	\$ 5,012,000	\$ 35,931,057	\$ 11,343,750	\$ 52,286,807	\$ 21,234,000	\$ 47,274,807	9% LIHTC	Type II over 2 Type IA	7	Incl Community Services space
Booker T Washington	800 Presidio	8,000	Feb-18	50	52	40,340	20,700	61,040	\$ 3,323,000	\$ 36,834,303	\$ 6,019,350	\$ 46,176,653	\$ 9,026,304	\$ 42,853,653	HCD MHP Loan	Type V over Type I		TDC incl Community Center \$8.4MM
735 Davis Senior Housing	735 Davis	10,165	May-21	53	54	46,143	1,257	47,400	\$ -	\$ 33,508,500	\$ 11,846,397	\$ 45,354,897	\$ 18,525,849	\$ 45,354,897		Type IIIA & V over Type I	5-6	Senior

PROJECTS UNDER CONSTRUCTION				Building Square Footage					Total Project Costs			Total Dev. Cost w/land	Local Subsidy ⁵	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR ¹	Res. ²	Non-Res. Sq. ft.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost							
Casa de la Mision	3001 24th Street	6,715	Sep-21	45	45	26,439	1,239	27,678	\$ 3,225,000	\$ 17,049,794	\$ 7,106,021	\$ 27,380,815	\$ 1,313,694	\$ 24,155,815	9% LIHTC & private dc	Type V over Type I		
53 Colton (Plumbers Union DA)	53 Colton	7,790	Jul-22	96	96	47,969	-	47,969	\$ 171,897	\$ 34,895,639	\$ 16,721,274	\$ 51,788,610	\$ 2,750,000	\$ 51,616,913	4% HCD MHP, AHP	Type IIIA over Type I	6	Constrained site, efficiency studios

PROJECTS IN PREDEVELOPMENT				Building Square Footage					Total Project Costs			Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Building Type	Stories	Comments
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR ¹	Res. ²	Non-Res. Sq. ft.	Total	Acq. Cost ³	Constr. Cost ⁴	Soft Cost							
Central Freeway Parcel U	78 Haight Street	5,583	Mar-22	63	63	42,099	3,216	45,315	\$ 37,439	\$ 35,861,808	\$ 16,722,044	\$ 52,621,291	\$ 24,572,585	\$ 52,583,852	9% Fed & St. Credits	Type I	7	Final pricing 10/26/21
180 Jones Street	180 Jones Street	4,853	Feb-22	70	70	34,863	3,304	38,167	\$ 100,000	\$ 35,746,770	\$ 17,576,236	\$ 53,423,006	\$ 15,200,000	\$ 53,323,006	4% LIHTC + MHP	Type I	9	Small very tight site, studios (80% CD est. 3/26/21)
772 Pacific Avenue	772 Pacific Avenue	9,219	Apr-24	86	86	45,458	8,847	54,305	\$ -	\$ 58,265,200	\$ 17,129,912	\$ 75,395,112	\$ 25,176,182	\$ 75,395,112	4% Credits: MHP, AHP	Type IA	8	Comm rpt of Asia SF rest (9/30/21 Loan Eval)

Attachment I: Predevelopment Budget

N/A

Attachment J: Development Budget

Application Date: 11/15/21 # Units: 63
 Project Name: Octavia Parcel U # Bedrooms: 5
 Project Address: 78 Haight Street # Beds:
 Project Sponsor: Tenderloin Neighborhood Development Corporation LOSP Project

SOURCES	Total Sources							Comments
	21,021,228	4,780,239	24,622,538	2,423,019	100	625,390	945,000	
	No Place Like Home (MOHCD)	Federal LIHTC Equity	State LIHTC Equity	GP Capital		Accrued Deferred Interest - MOHCD	AHP - Federal Home Loan Bank	
USES	Name of Sources: MOHCD/OCII							

ACQUISITION	Total Sources							
	21,021,228	4,780,239	24,622,538	2,423,019	100	625,390	945,000	54,417,514
Acquisition cost or value	0							0
Legal / Closing costs / Broker's Fee	5,000							5,000
Holding Costs	0							0
Transfer Tax	32,438							32,438
TOTAL ACQUISITION	37,438	0	0	0	0	0	0	37,438

CONSTRUCTION (HARD COSTS)	Total Sources								
	21,021,228	4,780,239	24,622,538	2,423,019	100	625,390	945,000	54,417,514	
Unit Construction/Rehab	2,087,085	4,780,239	15,509,650	2,423,019	100		945,000	25,745,093	Escalation, Design, Bid, and GC Contingency are spread over all the items.
Commercial Shell Construction	2,053,538							2,053,538	Commercial Shell AND TI costs
Demolition	0							0	
Environmental Remediation	0							0	See below at Other Environmental
Onsite Improvements/Landscaping	1,271,135							1,271,135	
Offsite Improvements	730,886							730,886	
Infrastructure Improvements	0							0	
Parking	0							0	
GC Bond Premium/GC Insurance/GC Taxes	1,020,527							1,020,527	Subguard, OCIP, P&P Bond, Other taxes
GC Overhead & Profit	1,154,970							1,154,970	
CG General Conditions	2,177,954							2,177,954	
Sub-total Construction Costs	10,496,095	4,780,239	15,509,650	2,423,019	100	0	945,000	34,154,103	
Design Contingency (remove at DD)	0							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)	0							0	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)	0							0	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency	1,707,705							1,707,705	5%
Sub-total Construction Contingencies	1,707,705	0	0	0	0	0	0	1,707,705	
TOTAL CONSTRUCTION COSTS	12,203,800	4,780,239	15,509,650	2,423,019	100	0	945,000	35,861,808	Construction line item costs as a % of hard costs 3.0% 3.4% 6.4%

SOFT COSTS	Total Sources								
	21,021,228	4,780,239	24,622,538	2,423,019	100	625,390	945,000	54,417,514	
Architecture & Design									
Architect design fees	991,392							991,392	Combined add services and reimbursables
Design Subconsultants to the Architect (incl. Fees)	735,488							735,488	
Architect Construction Admin	558,110							558,110	
Reimbursables	0							0	
Additional Services	0							0	
Sub-total Architect Contract	2,284,990	0	0	0	0	0	0	2,284,990	
Other Third Party design consultants (not included under Architect contract)	152,725							152,725	Peer review consultant, spec reproduction, dry utilities consultant, plan checker/permit expediter
Total Architecture & Design	2,437,715	0	0	0	0	0	0	2,437,715	
Engineering & Environmental Studies									
Survey	25,000							25,000	
Geotechnical studies	122,000							122,000	
Phase I & II Reports	100,000							100,000	No Phase II report
CEQA / Environmental Review consultants	0							0	
NEPA / 106 Review	0							0	
CNA/PNA (rehab only)	0							0	
Other environmental consultants	250,000							250,000	Special Inspections Engineer + Environmental Remediation
Total Engineering & Environmental Studies	497,000	0	0	0	0	0	0	497,000	
Financing Costs									
Construction Financing Costs									
Construction Loan Origination Fee	0							0	
Construction Loan Interest	691,450					625,390		1,316,840	Includes pre dev loan interest
Title & Recording	70,000							70,000	Escrow fee at closing
CDLAC & CDIAC fees	0							0	
Bond Issuer Fees	235,492							235,492	Includes CDLAC and CDIAC fees for previous applications
Other Bond Cost of Issuance	0							0	
Other Lender Costs (specify)	0							0	
Sub-total Const. Financing Costs	996,942	0	0	0	0	625,390	0	1,622,332	
Permanent Financing Costs									
Permanent Loan Origination Fee	0							0	
Credit Enhance. & Appt. Fee	0							0	
Title & Recording	10,000							10,000	Escrow at conversion
Sub-total Perm. Financing Costs	10,000	0	0	0	0	0	0	10,000	
Total Financing Costs	1,006,942	0	0	0	0	625,390	0	1,632,332	
Legal Costs									
Borrower Legal fees	85,000							85,000	
Land Use / CEQA Attorney fees	0							0	
Tax Credit Counsel	140,000							140,000	
Bond Counsel	0							0	
Construction Lender Counsel	0							0	
Permanent Lender Counsel	10,000							10,000	
Other Legal (specify)	0							0	
Total Legal Costs	235,000	0	0	0	0	0	0	235,000	
Other Development Costs									
Appraisal	15,000							15,000	
Market Study	15,000							15,000	
Insurance	0		688,247					688,247	Liability and Builder's Risk
Property Taxes	173,000							173,000	
Accounting / Audit	40,726		39,274					80,000	
Organizational Costs	10,000							10,000	
Entitlement / Permit Fees	608,188		691,812					1,300,000	
Marketing / Rent-up	110,000							110,000	Leasing office, outreach, marketing, rent-up
Furnishings	434,300							434,300	\$2,000/unit; See MOHCD UW Guidelines on: http://sfmohcd.org/documents-reports-and-forms
PCE / Utility Fees	675,000							675,000	Includes water meters
TOAC App / Allow / Monitor Fees	0		127,830					127,830	
Financial Consultant fees	65,000							65,000	
Construction Management fees / Owner's Rep	118,388							118,388	
Security during Construction	240,000							240,000	
Relocation	0							0	
Construction Costs Not in Contract	827,984							827,984	Street space fees, neighbor agreement, storm water prevention, facade testing, solar pv, covid delays, fire pump, etc. and other scopes that aren't included in both PTA and G/S.
SFAC 1% Public Art	121,467							121,467	Includes art consultant fee, artwork design fee, and installation coordination fee
Other (specify)	0							0	
Total Other Development Costs	3,454,053	0	1,547,163	0	0	0	0	5,001,216	Total Soft Cost Contingency as % of Total Soft Costs 9.9%
Soft Cost Contingency									
Contingency (Arch, Eng, Fin, Legal & Other Dev)	880,607							880,607	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	8,511,317	0	1,547,163	0	0	625,390	0	10,683,870	

RESERVES	Total Sources								
	21,021,228	4,780,239	24,622,538	2,423,019	100	625,390	945,000	54,417,514	
Operating Reserves			583,916					583,916	
Replacement Reserves								0	
Tenant Improvements Reserves								0	
Lease Up Reserve	268,673							268,673	
COSR 1			3,287,392					3,287,392	
COSR 2			1,494,417					1,494,417	
TOTAL RESERVES	268,673	0	5,365,725	0	0	0	0	5,634,398	

DEVELOPER COSTS	Total Sources								
	21,021,228	4,780,239	24,622,538	2,423,019	100	625,390	945,000	54,417,514	
Developer Fee - Cash-out Paid at Milestones			2,200,000					2,200,000	
Developer Fee - Cash-out At Risk								0	
Commercial Developer Fee								0	
Developer Fee - GP Equity (also show as source)								0	
Developer Fee - Deferred (also show as source)								0	
Development Consultant Fees								0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)								0	
TOTAL DEVELOPER COSTS	0	0	2,200,000	0	0	0	0	2,200,000	

TOTAL DEVELOPMENT COST	Total Sources								
	21,021,228	4,780,239	24,622,538	2,423,019	100	625,390	945,000	54,417,514	
Development Cost/Unit by Source	333,670	75,877	390,834	38,461	2	9,927	15,000	863,770	
Development Cost/Unit as % of TDC by Source	38.6%	8.8%	45.2%	4.5%	0.0%	1.1%	1.7%	100.0%	

Acquisition Cost/Unit by Source	Total Sources								
	21,021,228	4,780,239	24,622,538	2,423,019	100	625,390	945,000	54,417,514	
	0	0	0	0	0	0	0	0	

Construction Cost (inc Const Contingency)/Unit by Source	Total Sources								
	21,021,228	4,780,239	24,622,538	2,423,019	100	625,390	945,000	54,417,514	
	193,711	75,877	246,185	38,461	2	0	15,000	569,235	
Construction Cost (inc Const Contingency)/SF	297.46	100.85	327.20	51.12	0.00	0.00	19.94	756.56	

*Possible non-eligible GO Bond/COP Amount: 7,203,617
 City Subsidy/Unit: 333,670

Tax Credit Equity Pricing: 0.985
 Construction Bond Amount: 17,959,004
 Construction Loan Term (in months): 24 months
 Construction Loan Interest Rate (as %): 2.60%

Attachment K: 1st Year Operating Budget

Application Date: 11/15/2021
 Total # Units: 63
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2023

Project Name: Octavia Parcel U
 Project Address: 78 Haight Street
 Tenderloin Neighborhood Development Corporation

Project Sponsor: **TCAC Income Limits In Use!** Correct errors noted in Col N!

INCOME	LOSP/non-LOSP Allocation		Total	Comments
	51%	49%		
Residential - Tenant Rents	99,000	515,952	614,952	Links from 'New Proj - Rent & Unit Mx Worksheet
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj - Rent & Unit Mx Worksheet
Residential - LOSP Tenant Assistance Payments	539,925		539,925	
Commercial Space			1	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
Supportive Services Income	0	0	0	Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet
Laundry and Vending	4,434	4,260	8,694	Links from 'Utilities & Other Income' Worksheet
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet
Other Commercial Income	0	0	0	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%
Withdrawal from Capitalized Reserve (deposit to operating account)	0	111,374	111,374	COSR 1
Gross Potential Income	643,359	631,586	1,274,946	
Vacancy Loss - Residential - Tenant Rents	(4,950)	(25,798)	(30,748)	Vacancy loss is 5% of Tenant Rents.
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!
Vacancy Loss - Commercial	0	0	(1)	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%
EFFECTIVE GROSS INCOME	638,409	605,788	1,244,198	PUPA: 19,749

OPERATING EXPENSES				
Management				Alternative LOSP Split
Management Fee	25,061	24,079	49,140	Management Fee
Asset Management Fee	11,965	11,495	23,460	Excludes comm mgmt fee
Sub-total Management Expenses	37,026	35,574	72,600	PUPA: 1,152
Salaries/Benefits				Alternative LOSP Split
Office Salaries	38,271	36,770	75,041	51% of GM salaries = \$3,577 + 51% of General Office Salaries 34,540 (will be paid by LOSP)
Manager's Salary	0	0	0	Manager's Salary
Health Insurance and Other Benefits	70,041	67,294	137,336	worker's comp, health, payroll taxes
Other Salaries/Benefits	71,840	69,022	140,862	Includes: asst facilities mgr, janitor & cleaning, and maintenance payroll
Administrative Rent-Free Unit	0	0	0	Administrative Rent-Free Unit
Sub-total Salaries/Benefits	180,152	173,087	353,239	PUPA: 5,607

Administration				
Advertising and Marketing	739	710	1,449	
Office Expenses	0	0	0	
Office Rent	0	0	0	
Legal Expense - Property	3,570	3,430	7,000	
Audit Expense	13,570	13,038	26,608	Includes audit and accounting
Bookkeeping/Accounting Services	0	0	0	
Bad Debts	0	0	0	
Miscellaneous	21,930	21,070	42,999	
Sub-total Administration Expenses	39,809	38,247	78,056	PUPA: 1,239

Utilities				
Electricity	13,371	12,847	26,218	
Water	41,936	40,291	82,227	Includes water and sewer
Gas	0	0	0	
Sewer	0	0	0	
Sub-total Utilities	55,307	53,138	108,445	PUPA: 1,721

Taxes and Licenses				
Real Estate Taxes	2,396	2,302	4,699	Real Estate Taxes
Payroll Taxes	0	0	0	Included above with health insurance and other benefits
Miscellaneous Taxes, Licenses and Permits	1,002	963	1,965	
Sub-total Taxes and Licenses	3,398	3,265	6,664	PUPA: 106

Insurance				
Property and Liability Insurance	81,232	78,047	159,279	
Fidelity Bond Insurance	0	0	0	
Worker's Compensation	0	0	0	Included in Health Insurance and Other Benefits
Director's & Officers' Liability Insurance	0	0	0	
Sub-total Insurance	81,232	78,047	159,279	PUPA: 2,528

Maintenance & Repair				
Payroll	0	0	0	
Supplies	0	0	0	
Contracts	0	0	0	
Garbage and Trash Removal	23,538	22,615	46,153	
Security Payroll/Contract	141,540	47,180	188,720	75% of desk clerk salaries paid by LOSP
HVAC Repairs and Maintenance	11,102	10,667	21,769	Includes HVAC, fire life safety, others
Vehicle and Maintenance Equipment Operation and Repairs	0	0	0	
Miscellaneous Operating and Maintenance Expenses	28,605	27,483	56,089	Includes misc repairs, extermination, grounds, elevator
Sub-total Maintenance & Repair Expenses	204,785	107,945	312,730	PUPA: 4,964

Supportive Services	0	53,068	53,068	Includes social services and programming
Commercial Expenses			710	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%

TOTAL OPERATING EXPENSES 601,709 542,372 1,144,791 PUPA: 18,171

Reserves/Ground Lease Base Rent/Bond Fees				
Ground Lease Base Rent	7,650	7,350	15,000	Ground lease with MOHCD Provide additional comments here, if needed.
Bond Monitoring Fee	0	0	0	
Replacement Reserve Deposit	16,065	15,435	31,500	
Operating Reserve Deposit	0	0	0	
Other Required Reserve 1 Deposit	0	0	0	
Other Required Reserve 2 Deposit	0	0	0	
Required Reserve Deposits, Commercial	0	0	0	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	23,715	22,785	46,500	PUPA: 738

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees) 625,424 565,157 1,191,291 PUPA: 18,909

NET OPERATING INCOME (INCOME minus OP EXPENSES) 12,984 40,632 52,907 PUPA: 840

DEBT SERVICE/MUST PAY PAYMENTS (hard debt/amortized loans)				
Hard Debt - First Lender	0	0	0	Provide additional comments here, if needed.
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lend)	0	0	0	Provide additional comments here, if needed.
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0	Provide additional comments here, if needed.
Hard Debt - Fourth Lender	0	0	0	Provide additional comments here, if needed.
Commercial Hard Debt Service	0	0	0	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)	12,984	40,632	52,907	
Commercial Only Cash Flow			(710)	
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)	(362)	(348)		Allocation of Commercial Surplus to LOSP/Non-
AVAILABLE CASH FLOW	12,622	40,284	52,907	

USES OF CASH FLOW BELOW (This row also shows DSCR.)				
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL				
"Below-the-line" Asset Mgt Fee (uncommon in new projects, see policy)	0	0	0	
Partnership Management Fee (see policy for limits)	10,073	9,678	19,750	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	2,850	2,450	5,300	
Other Payments	0	0	0	
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0	MOHCD - GAP Provide additional comments here, if needed.
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0	MOHCD - NPLH Provide additional comments here, if needed.
Deferred Developer Fee (Enter amt <= Max Fee from call 1130)	0	0	0	Def. Develop. Fee split: 0% Provide additional comments here, if needed.
TOTAL PAYMENTS PRECEDING MOHCD	12,623	12,128	24,750	PUPA: 393

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) (0) 28,157 28,157

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

Sum of DD F from LOSP and non-LOSP:
 Ratio of Sum of DDF and calculated 50%:

Soft Debt Lenders with Residual Receipts Obligations	(Select lender name/program from drop down)	Total Principal Amt	Distrib. of Soft Debt Loans
MOHCD/OCIL - Soft Debt Loans	All MOHCD/OCIL Loans payable from res. recs		0.00%
MOHCD/OCIL - 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	18,771	18,771	67% of residual receipts, multiplied by 100% -- MOHCD's pro rata share of all soft debt
Proposed MOHCD Residual Receipts Amount to Loan Repayment	18,771	18,771	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 repaymt.

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 9,386

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

REMAINDER (Should be zero unless there are distributions below) 9,386
 Owner Distributions/Incentive Management Fee 9,386 100% of Borrower share of 33% of residual receipts
 Other Distributions/Uses 0
Final Balance (should be zero) 0

Application Date: 11/15/2021
 Total # Units: 63
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2023

INCOME			
Residential - Tenant Rents		non-LOSP	Approved By (reqd)
Residential - Tenant Assistance Payments (Non-LOSP)	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)		0.00%	100.00%
Gross Potential Income			
Vacancy Loss - Residential - Tenant Rents			
Vacancy Loss - Residential - Tenant Assistance Payments			
Vacancy Loss - Commercial			
EFFECTIVE GROSS INCOME			

OPERATING EXPENSES			
Management			
Management Fee	LOSP	non-LOSP	Approved By (reqd)
Asset Management Fee			
Sub-total Management Expenses			
Salaries/Benefits			
Office Salaries	LOSP	non-LOSP	Approved By (reqd)
Manager's Salary	51.00%	49.00%	
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	51.00%	49.00%	
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			
Miscellaneous			
Sub-total Administration Expenses			

Utilities			
Electricity	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Water	51.00%	49.00%	
Gas			
Sewer			
Sub-total Utilities			

Taxes and Licenses			
Real Estate Taxes	LOSP	non-LOSP	Approved By (reqd)
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			
Payroll	LOSP	non-LOSP	Approved By (reqd)
Supplies			LOSP-specific expenses must be tracked at entry level in projects
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			

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

TOTAL OPERATING EXPENSES

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

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

NET OPERATING INCOME (INCOME minus OP EXPENSES)

DEBT SERVICE/MUST PAY PAYMENTS (hard debt/amortized loans)			
Hard Debt - First Lender	LOSP	non-LOSP	Approved By (reqd)
	0.00%	100.00%	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			
Hard Debt - Fourth Lender			
Commercial Hard Debt Service			
TOTAL HARD DEBT SERVICE			

CASH FLOW (NOI minus DEBT SERVICE)

Commercial Only Cash Flow			
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	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)			
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt <= Max Fee from call 1130)		0.00%	100.00%
TOTAL PAYMENTS PRECEDING MOHCD			

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?

Will Project 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 #VALUE!

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

Octavia Parcel U

TCAC Income Limits In Use!

Total # Units:	LOSP Units		Non-LOSP Units		Year 1 2023			Year 2 2024			Year 3 2025		
	63	32	31		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME													
Residential - Tenant Rents		2.0%	2.0%		99,000	515,922	614,922	100,980	526,271	627,251	103,000	536,796	639,796
Residential - Tenant Assistance Payments (Non-LOSP)		n/a											
Residential - LOSP Tenant Assistance Payments		n/a	n/a		539,925		539,925	556,108		556,108	572,795		572,795
Commercial Space		n/a	2.5%				1			1			1
Residential Parking		0.0%											
Miscellaneous Rent Income		0.0%											
Supportive Services Income		0.0%											
Interest Income - Project Operations		0.0%											
Laundry and Vending		0.0%			4,434	4,260	8,694	4,434	4,260	8,694	4,434	4,260	8,694
Tenant Charges		0.0%											
Miscellaneous Residential Income		0.0%											
Other Commercial Income		n/a	2.5%										
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a			111,374	111,374		115,078	115,078		122,821	122,821
Gross Potential Income					643,359	631,586	1,274,946	661,522	645,609	1,307,132	680,229	663,878	1,344,107
Vacancy Loss - Residential - Tenant Rents		n/a	n/a		(4,950)	(25,796)	(30,746)	(5,049)	(26,314)	(31,363)	(5,150)	(26,840)	(31,990)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a										
Vacancy Loss - Commercial		n/a	n/a				(1)			(1)			(1)
EFFECTIVE GROSS INCOME					638,409	605,788	1,244,198	656,473	619,296	1,275,769	675,079	637,038	1,312,117
OPERATING EXPENSES													
Management													
Management Fee	3.0%	3.0%	1st Year to be set according to HUD schedule.		25,061	24,079	49,140	25,813	24,801	50,614	26,588	25,545	52,133
Asset Management Fee	3.0%	3.0%	per MOHCD policy		11,965	11,495	23,460	12,324	11,840	24,164	12,693	12,195	24,889
Sub-total Management Expenses					37,026	35,574	72,600	38,137	36,641	74,778	39,281	37,740	77,021
Salaries/Benefits													
Office Salaries	3.0%	3.0%			38,271	36,770	75,041	39,419	37,873	77,293	40,602	39,010	79,611
Manager's Salary	3.0%	3.0%											
Health Insurance and Other Benefits	3.0%	3.0%			70,041	67,294	137,336	72,142	69,313	141,456	74,307	71,393	145,699
Other Salaries/Benefits	3.0%	3.0%			71,840	69,022	140,862	73,995	71,093	145,088	76,215	73,226	149,441
Administrative Rent-Free Unit	3.0%	3.0%											
Sub-total Salaries/Benefits					180,152	173,087	353,239	185,556	178,280	363,836	191,123	183,628	374,751
Administration													
Advertising and Marketing	3.0%	3.0%			739	710	1,449	761	731	1,492	784	753	1,537
Office Expenses	3.0%	3.0%											
Office Rent	3.0%	3.0%											
Legal Expense - Property	3.0%	3.0%			3,570	3,430	7,000	3,677	3,533	7,210	3,787	3,639	7,426
Audit Expense	3.0%	3.0%			13,570	13,038	26,608	13,977	13,429	27,406	14,396	13,832	28,228
Bookkeeping/Accounting Services	3.0%	3.0%											
Bad Debts	3.0%	3.0%											
Miscellaneous	3.0%	3.0%			21,930	21,070	42,999	22,587	21,702	44,289	23,265	22,363	45,618
Sub-total Administration Expenses					39,809	38,247	78,056	41,003	39,395	80,398	42,233	40,577	82,810
Utilities													
Electricity	3.0%	3.0%			13,371	12,847	26,218	13,773	13,232	27,005	14,186	13,629	27,815
Water	3.0%	3.0%			41,936	40,291	82,227	43,194	41,500	84,693	44,489	42,745	87,234
Gas	3.0%	3.0%											
Sewer	3.0%	3.0%											
Sub-total Utilities					55,307	53,138	108,445	56,966	54,732	111,698	58,675	56,374	115,049
Taxes and Licenses													
Real Estate Taxes	3.0%	3.0%			2,396	2,302	4,698	2,468	2,372	4,840	2,542	2,443	4,985
Payroll Taxes	3.0%	3.0%											
Miscellaneous Taxes, Licenses and Permits	3.0%	3.0%			1,002	963	1,965	1,032	992	2,024	1,063	1,021	2,084
Sub-total Taxes and Licenses					3,398	3,265	6,664	3,500	3,363	6,864	3,605	3,464	7,069
Insurance													
Property and Liability Insurance	3.0%	3.0%			81,232	78,047	159,279	83,669	80,388	164,057	86,179	82,800	168,979
Fidelity Bond Insurance	3.0%	3.0%											
Worker's Compensation	3.0%	3.0%											
Director's & Officers' Liability Insurance	3.0%	3.0%											
Sub-total Insurance					81,232	78,047	159,279	83,669	80,388	164,057	86,179	82,800	168,979
Maintenance & Repair													
Payroll	3.0%	3.0%											
Supplies	3.0%	3.0%											
Contracts	3.0%	3.0%											
Garbage and Trash Removal	3.0%	3.0%			23,538	22,615	46,153	24,244	23,293	47,538	24,971	23,992	48,964
Security Payroll/Contract	3.0%	3.0%			141,540	47,180	188,720	145,786	48,595	194,381	150,160	50,053	200,213
HVAC Repairs and Maintenance	3.0%	3.0%			11,102	10,967	22,069	11,435	10,987	22,422	11,778	11,316	23,094
Vehicle and Maintenance Equipment Operation and Repairs	3.0%	3.0%											
Miscellaneous Operating and Maintenance Expenses	3.0%	3.0%			28,605	27,483	56,088	29,463	28,308	57,771	30,347	29,157	59,505
Sub-total Maintenance & Repair Expenses					204,785	107,945	312,730	210,929	111,183	322,112	217,257	114,519	331,776
Supportive Services	3.0%	3.0%				53,068	53,068		54,660	54,660		56,300	56,300
Commercial Expenses										735			761
TOTAL OPERATING EXPENSES					601,709	542,372	1,144,791	619,761	558,643	1,179,138	638,354	575,402	1,214,516
RESERVES/GROUND LEASE BASE RENT/BOND FEES													
Ground Lease Base Rent					7,650	7,350	15,000	7,650	7,350	15,000	7,650	7,350	15,000
Bond Monitoring Fee													
Replacement Reserve Deposit					16,065	15,435	31,500	16,065	15,435	31,500	16,065	15,435	31,500
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					23,715	22,785	46,500	23,715	22,785	46,500	23,715	22,785	46,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)					625,424	565,157	1,191,291	643,476	581,428	1,225,638	662,069	598,187	1,261,016
NET OPERATING INCOME (INCOME minus OP EXPENSES)					12,984	40,632	52,907	12,997	37,868	50,130	13,010	38,651	51,101
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)													
Hard Debt - First Lender													
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)													
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)													
Hard Debt - Fourth Lender													
Commercial Hard Debt Service													
TOTAL HARD DEBT SERVICE													
CASH FLOW (NOI minus DEBT SERVICE)					12,984	40,632	52,907	12,997	37,868	50,130	13,010	38,651	51,101
Commercial Only Cash Flow							(710)			(734)			(760)
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					(362)	(349)		(375)	(360)		(388)	(372)	
AVAILABLE CASH FLOW					12,622	40,284	52,907	12,622	37,508	50,130	12,622	38,478	51,101
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)	3.0%	3.0%	per MOHCD policy										
Partnership Management Fee (see policy for limits)	3.0%	3.0%	per MOHCD policy		10,073	9,678	19,750	10,073	9,678	19,750	10,073	9,678	19,750
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase		2,550	2,450	5,000	2,550	2,450	5,000	2,550	2,450	5,000

Total # Units: Non-LOSP
 LOSP Units Units
 63 32 31

		Year 1 2023			Year 2 2024			Year 3 2025		
annual inc	% annual increase	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total

INCOME

Other Required Reserve 2 Running Balance

Octavia Parcel U

INCOME	Total # Units:		LOSP Units			Non-LOSP Units			Year 4 2026			Year 5 2027			Year 6 2028		
	63	32	31	51.00%	49.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total			
	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		
Residential - Tenant Rents	2.0%	2.0%		105,060	547,532	652,592	107,161	558,483	665,644	109,304	569,653	678,957					
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-	-	-	-	-	-	-		
Residential - LOSP Tenant Assistance Payments	n/a	n/a		590,022	-	590,022	807,745	-	807,745	626,041	-	626,041					
Commercial Space	n/a	2.5%	From Commercial Op. Budget Worksheet: Commercial to Residential allocation: 100%	-	-	1	-	-	1	-	-	1					
Residential Parking	0.0%	0.0%		-	-	-	-	-	-	-	-	-	-	-	-		
Miscellaneous Rent Income	0.0%	0.0%		-	-	-	-	-	-	-	-	-	-	-	-		
Supportive Services Income	0.0%	0.0%		-	-	-	-	-	-	-	-	-	-	-	-		
Interest Income - Project Operations	0.0%	0.0%		-	-	-	-	-	-	-	-	-	-	-	-		
Laundry and Vending	0.0%	0.0%		4,434	4,260	8,694	4,434	4,260	8,694	4,434	4,260	8,694					
Tenant Charges	0.0%	0.0%		-	-	-	-	-	-	-	-	-	-	-	-		
Miscellaneous Residential Income	0.0%	0.0%		-	-	-	-	-	-	-	-	-	-	-	-		
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	-	130,895	130,895	-	139,312	139,312	-	148,085	148,085					
Gross Potential Income				699,496	682,687	1,382,184	719,340	702,055	1,421,396	739,779	721,998	1,461,777					
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(5,253)	(27,377)	(32,630)	(5,359)	(27,924)	(33,282)	(5,465)	(28,463)	(33,948)					
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-	-	-	-	-	-	-		
Vacancy Loss - Commercial	n/a	n/a		-	-	(1)	-	-	(1)	-	-	(1)					
EFFECTIVE GROSS INCOME				694,243	655,311	1,349,554	713,982	674,131	1,388,114	734,313	693,515	1,427,829					
OPERATING EXPENSES																	
Management																	
Management Fee	3.0%	3.0%	1st Year to be set according to HUD schedule.	27,385	26,311	53,697	28,207	27,101	55,308	29,053	27,914	56,967					
Asset Management Fee	3.0%	3.0%	per MOHCD policy	13,074	12,561	25,635	13,466	12,938	26,404	13,870	13,326	27,197					
Sub-total Management Expenses				40,459	38,872	79,332	41,673	40,039	81,712	42,923	41,240	84,163					
Salaries/Benefits																	
Office Salaries	3.0%	3.0%		41,820	40,180	82,000	43,074	41,385	84,460	44,367	42,627	86,994					
Manager's Salary	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Health Insurance and Other Benefits	3.0%	3.0%		76,536	73,534	150,070	78,832	75,741	154,572	81,197	78,013	159,210					
Other Salaries/Benefits	3.0%	3.0%		78,501	75,423	153,924	80,856	77,685	158,541	83,282	80,016	163,298					
Administrative Rent-Free Unit	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Sub-total Salaries/Benefits				196,857	189,137	385,994	202,763	194,811	397,574	208,845	200,655	409,501					
Administration																	
Advertising and Marketing	3.0%	3.0%		807	776	1,583	832	799	1,631	857	823	1,680					
Office Expenses	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Office Rent	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Legal Expense - Property	3.0%	3.0%		3,901	3,748	7,649	4,018	3,860	7,879	4,139	3,976	8,115					
Audit Expense	3.0%	3.0%		14,828	14,247	29,075	15,273	14,674	29,948	15,731	15,115	30,846					
Bookkeeping/Accounting Services	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Bad Debts	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Miscellaneous	3.0%	3.0%		23,963	23,023	46,986	24,682	23,714	48,396	25,422	24,425	49,848					
Sub-total Administration Expenses				43,500	41,794	85,294	44,805	43,048	87,853	46,149	44,339	90,488					
Utilities																	
Electricity	3.0%	3.0%		14,611	14,038	28,650	15,050	14,459	29,509	15,501	14,893	30,394					
Water	3.0%	3.0%		45,824	44,027	89,851	47,199	45,348	92,547	48,615	46,708	95,323					
Gas	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Sewer	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Sub-total Utilities				60,435	58,065	118,501	62,248	59,807	122,056	64,116	61,602	125,718					
Taxes and Licenses																	
Real Estate Taxes	3.0%	3.0%		2,619	2,516	5,135	2,697	2,591	5,289	2,778	2,669	5,447					
Payroll Taxes	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Miscellaneous Taxes, Licenses and Permits	3.0%	3.0%		1,095	1,052	2,147	1,128	1,084	2,211	1,162	1,116	2,278					
Sub-total Taxes and Licenses				3,714	3,568	7,282	3,825	3,675	7,500	3,940	3,785	7,725					
Insurance																	
Property and Liability Insurance	3.0%	3.0%		88,765	85,284	174,048	91,428	87,842	179,270	94,170	90,477	184,648					
Fidelity Bond Insurance	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Worker's Compensation	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Director's & Officers' Liability Insurance	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Sub-total Insurance				88,765	85,284	174,048	91,428	87,842	179,270	94,170	90,477	184,648					
Maintenance & Repair																	
Payroll	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Supplies	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Contracts	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Garbage and Trash Removal	3.0%	3.0%		25,721	24,712	50,433	26,492	25,483	51,946	27,287	26,217	53,504					
Security Payroll/Contract	3.0%	3.0%		154,665	151,555	306,219	159,305	153,102	312,406	164,084	156,695	320,779					
HVAC Repairs and Maintenance	3.0%	3.0%		12,131	11,656	23,787	12,495	12,005	24,501	12,870	12,366	25,236					
Vehicle and Maintenance Equipment Operation and Repairs	3.0%	3.0%		-	-	-	-	-	-	-	-	-					
Miscellaneous Operating and Maintenance Expenses	3.0%	3.0%		31,258	30,032	61,290	32,195	30,933	63,128	33,161	31,861	65,022					
Sub-total Maintenance & Repair Expenses				223,774	217,955	441,729	230,488	224,493	455,975	242,402	238,138	480,540					
Supportive Services	3.0%	3.0%		-	57,989	57,989	-	59,729	59,729	-	61,520	61,520					
Commercial Expenses			From Commercial Op. Budget Worksheet: Commercial to Residential allocation: 100%	-	-	787	-	815	-	843	-	883					
TOTAL OPERATING EXPENSES				657,504	592,664	1,250,164	677,229	610,444	1,287,673	697,546	628,757	1,327,147					
Reserves/Ground Lease Base Rent/Bond Fees																	
Ground Lease Base Rent			delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.	7,650	7,350	15,000	7,650	7,350	15,000	7,650	7,350	15,000					
Bond Monitoring Fee				-	-	-	-	-	-	-	-	-					
Replacement Reserve Deposit				16,065	15,435	31,500	16,065	15,435	31,500	16,065	15,435	31,500					
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				23,715	22,785	46,500	23,715	22,785	46,500	23,715	22,785	46,500					
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)				681,219	615,449	1,297,455	700,944	633,229	1,334,173	721,261	651,542	1,373,647					
NET OPERATING INCOME (INCOME minus OP EXPENSES)				13,024	39,862	52,099	13,038	40,902	53,125	13,052	41,973	54,182					
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																	
Hard Debt - First Lender			delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.	-	-	-	-	-	-	-	-	-					
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														

Total # Units: Non-LOSP
 LOSP Units Units
 63 32 31

			Year 4 2026			Year 5 2027			Year 6 2028		
annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total

INCOME

Other Required Reserve 2 Running Balance

Octavia Parcel U

INCOME	Total # Units:		Comments (related to annual inc assumptions)	Year 7 2029			Year 8 2030			Year 9 2031		
	LOSP Units	Non-LOSP Units		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	63	32		31	51.00%	49.00%	annual inc LOSP	% annual increase				
Residential - Tenant Rents				111,490	581,046	692,536	113,720	592,667	706,387	115,994	604,520	720,514
Residential - Tenant Assistance Payments (Non-LOSP)				-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments				644,905	-	644,905	664,357	-	664,357	684,413	-	684,413
Commercial Space				-	-	1	-	-	1	-	-	1
Residential Parking				-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income				-	-	-	-	-	-	-	-	-
Supportive Services Income				-	-	-	-	-	-	-	-	-
Interest Income - Project Operations				-	-	-	-	-	-	-	-	-
Laundry and Vending				4,434	4,260	8,694	4,434	4,260	8,694	4,434	4,260	8,694
Tenant Charges				-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income				-	-	-	-	-	-	-	-	-
Other Commercial Income				-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)				-	157,227	157,227	-	166,750	166,750	-	176,668	176,668
Gross Potential Income				760,829	742,533	1,503,363	782,511	763,677	1,546,188	804,841	785,448	1,590,290
Vacancy Loss - Residential - Tenant Rents				(5,575)	(29,052)	(34,627)	(5,686)	(29,633)	(35,319)	(5,800)	(30,226)	(36,026)
Vacancy Loss - Residential - Tenant Assistance Payments				-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial				-	-	(1)	-	-	(1)	-	-	(1)
EFFECTIVE GROSS INCOME				755,255	713,481	1,468,736	776,825	734,043	1,510,869	799,042	755,222	1,554,264
OPERATING EXPENSES												
Management												
Management Fee	3.0%	3.0%	1st Year to be set according to HUD schedule.	29,925	28,751	58,676	30,822	29,614	60,436	31,747	30,502	62,249
Asset Management Fee	3.0%	3.0%	per MOHCD policy	14,286	13,728	28,012	14,175	14,138	28,853	15,156	14,562	29,718
Sub-total Management Expenses				44,211	42,479	86,688	45,537	43,752	89,289	46,903	45,064	91,968
Salaries/Benefits												
Office Salaries	3.0%	3.0%		45,698	43,906	89,603	47,069	45,223	92,291	48,481	46,579	95,060
Manager's Salary	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Health Insurance and Other Benefits	3.0%	3.0%		83,633	80,353	163,986	86,142	82,764	168,906	88,726	85,247	173,973
Other Salaries/Benefits	3.0%	3.0%		85,780	82,416	168,197	88,354	84,889	173,243	91,004	87,436	178,440
Administrative Rent-Free Unit	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				215,111	206,675	421,786	221,564	212,875	434,439	228,211	219,262	447,473
Administration												
Advertising and Marketing	3.0%	3.0%		882	848	1,730	909	873	1,782	936	899	1,835
Office Expenses	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Office Rent	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.0%	3.0%		4,263	4,096	8,358	4,391	4,218	8,609	4,522	4,345	8,867
Audit Expense	3.0%	3.0%		16,203	15,568	31,771	16,689	16,035	32,724	17,190	16,516	33,706
Bookkeeping/Accounting Services	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Bad Debts	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Miscellaneous	3.0%	3.0%		26,185	25,158	51,343	26,971	25,913	52,884	27,780	26,690	54,470
Sub-total Administration Expenses				47,534	45,670	93,203	48,960	47,040	95,999	50,428	48,451	98,879
Utilities												
Electricity	3.0%	3.0%		15,966	15,340	31,306	16,445	15,800	32,245	16,938	16,274	33,213
Water	3.0%	3.0%		50,073	48,110	98,183	51,576	49,553	101,128	53,123	51,040	104,162
Gas	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Sewer	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				66,039	63,450	129,489	68,021	65,353	133,374	70,061	67,314	137,375
Taxes and Licenses												
Real Estate Taxes	3.0%	3.0%		2,862	2,749	5,611	2,947	2,832	5,779	3,036	2,917	5,952
Payroll Taxes	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.0%	3.0%		1,196	1,150	2,346	1,232	1,184	2,416	1,269	1,220	2,489
Sub-total Taxes and Licenses				4,058	3,899	7,957	4,180	4,016	8,195	4,305	4,136	8,441
Insurance												
Property and Liability Insurance	3.0%	3.0%		96,995	93,192	190,187	99,905	95,987	195,893	102,903	98,867	201,770
Fidelity Bond Insurance	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				96,995	93,192	190,187	99,905	95,987	195,893	102,903	98,867	201,770
Maintenance & Repair												
Payroll	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Supplies	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Contracts	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Garbage and Trash Removal	3.0%	3.0%		28,106	27,003	55,109	28,949	27,814	56,762	29,817	28,648	58,465
Security Payroll/Contract	3.0%	3.0%		169,006	163,335	332,341	174,076	168,025	342,101	178,999	173,066	352,065
HVAC Repairs and Maintenance	3.0%	3.0%		13,256	12,737	25,993	13,654	13,119	26,773	14,064	13,512	27,576
Vehicle and Maintenance Equipment Operation and Repairs	3.0%	3.0%		-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.0%	3.0%		34,156	32,817	66,973	35,181	33,801	68,982	36,236	34,815	71,051
Sub-total Maintenance & Repair Expenses				244,524	236,892	481,416	251,860	244,759	496,549	254,116	246,986	500,157
Supportive Services												
Commercial Expenses				-	63,366	63,366	-	65,267	65,267	-	67,225	67,225
TOTAL OPERATING EXPENSES				718,473	647,620	1,366,965	740,027	667,049	1,407,979	762,228	687,060	1,450,223
RESERVES/GROUND LEASE BASE RENT/BOND FEES												
Ground Lease Base Rent				7,650	7,350	15,000	7,650	7,350	15,000	7,650	7,350	15,000
Bond Monitoring Fee				-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit				16,065	15,435	31,500	16,065	15,435	31,500	16,065	15,435	31,500
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				23,715	22,785	46,500	23,715	22,785	46,500	23,715	22,785	46,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)				742,188	670,405	1,413,465	763,742	689,834	1,454,479	785,943	709,845	1,496,723
NET OPERATING INCOME (INCOME minus OP EXPENSES)												
				13,067	43,075	55,271	13,083	44,210	56,390	13,099	45,377	57,542
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)												
Hard Debt - First Lender				-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)				-	-	-	-	-	-	-	-	-
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender				-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service				-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE				-	-	-	-	-	-	-	-	-
CASH FLOW (NOI minus DEBT SERVICE)												
Commercial Only Cash Flow				13,067	43,075	55,271	13,083	44,210	56,390	13,099	45,377	57,542
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)				(445)	(427)	(872)	(460)	(442)	(903)	(477)	(458)	(934)
AVAILABLE CASH FLOW				12,622	42,648	55,271	12,623	43,767	56,390	12,622	44,919	57,542
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)	3.0%	3.0%	per MOHCD policy	-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.0%	3.0%	per MOHCD policy	10,073	9,678	19,750	10,073	9,678	19,750	10,073	9,678	19,750
Investor Service Fee (aka LP Asset Mgt Fee) (see policy for limits)			per MOHCD policy no annual increase	2,550	2,450	5,000	2,550	2,450	5,000	2,550	2,450	5,000
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD				12,623	12,128	24,750	12,623	12,128	24,750	12,623	12,128	24,750
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				(0)	30,521	30,521	-	31,640	31,640	(0)	32,792	32,792
Does Project have a MOHCD Residual Receipt Obligation? Yes												
Will Project Defer Developer Fee? No												
Residual Receipts split for all years. - Lender/Owner 67% / 33%												
MOHCD RESIDUAL RECEIPTS DEBT SERVICE												
MOHCD Residual Receipts Amount Due				-	-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan												

Total # Units: Non-LOSP
 LOSP Units Units
 63 32 31

	51.00%	49.00%	Comments (related to annual inc assumptions)	Year 7 2029			Year 8 2030			Year 9 2031		
				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total

INCOME

Other Required Reserve 2 Running Balance

Octavia Parcel U

INCOME	Total # Units:		Non-LOSP Units			Year 10 2032			Year 11 2033			Year 12 2034			
	63	32	LOSP Units	51.00%	31	49.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	annual inc	% annual increase	Comments (related to annual inc assumptions)												
Residential - Tenant Rents	2.0%	2.0%				118,314	618,610	734,925	120,680	628,943	749,623	123,094	641,521	764,616	
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a				-	-	-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a				705,093	-	705,093	726,415	-	726,415	748,399	-	748,399	
Commercial Space	n/a	2.5%	From Commercial Op. Budget Worksheet: Commercial to Residential allocation: 100%			-	-	1	-	-	1	-	-	1	
Residential Parking	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous Rent Income	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Supportive Services Income	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Interest Income - Project Operations	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Laundry and Vending	0.0%	0.0%				4,434	4,260	8,694	4,434	4,260	8,694	4,434	4,260	8,694	
Tenant Charges	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous Residential Income	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
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			-	186,996	186,996	-	197,747	197,747	-	208,936	208,936	
Gross Potential Income						827,841	807,866	1,635,708	851,529	830,950	1,682,480	875,927	854,718	1,730,646	
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate			(5,916)	(30,831)	(36,746)	(6,034)	(31,447)	(37,481)	(6,155)	(32,076)	(38,231)	
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a				-	-	-	-	-	-	-	-	-	
Vacancy Loss - Commercial	n/a	n/a				-	-	(1)	-	-	(1)	-	-	(1)	
EFFECTIVE GROSS INCOME						821,925	777,036	1,598,962	845,495	799,503	1,644,998	869,773	822,641	1,692,414	
OPERATING EXPENSES															
Management															
Management Fee	3.0%	3.0%	1st Year to be set according to HUD schedule.			32,699	31,417	64,117	33,680	32,360	66,040	34,691	33,330	68,021	
Asset Management Fee	3.0%	3.0%	per MOHCD policy			15,611	14,999	30,610	16,079	15,449	31,528	16,562	15,912	32,474	
Sub-total Management Expenses						48,311	46,416	94,727	49,760	47,809	97,568	51,253	49,242	100,495	
Salaries/Benefits															
Office Salaries	3.0%	3.0%				49,935	47,977	97,912	51,433	49,416	100,849	52,976	50,899	103,875	
Manager's Salary	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Health Insurance and Other Benefits	3.0%	3.0%				91,388	87,804	179,192	94,129	90,438	184,568	96,953	93,151	190,105	
Other Salaries/Benefits	3.0%	3.0%				93,734	90,059	183,793	96,546	92,760	189,307	99,443	95,543	194,986	
Administrative Rent-Free Unit	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Sub-total Salaries/Benefits						235,057	225,839	460,897	242,109	232,615	474,724	249,372	239,593	488,965	
Administration															
Advertising and Marketing	3.0%	3.0%				964	926	1,890	993	954	1,947	1,023	983	2,006	
Office Expenses	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Office Rent	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Legal Expense - Property	3.0%	3.0%				4,658	4,475	9,133	4,798	4,610	9,407	4,942	4,748	9,690	
Audit Expense	3.0%	3.0%				17,706	17,012	34,717	18,237	17,522	35,759	18,784	18,048	36,832	
Bookkeeping/Accounting Services	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Bad Debts	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous	3.0%	3.0%				28,613	27,491	56,104	29,472	28,316	57,787	30,356	29,165	59,521	
Sub-total Administration Expenses						51,941	49,904	101,846	53,499	51,401	104,901	55,104	52,943	106,048	
Utilities															
Electricity	3.0%	3.0%				17,447	16,762	34,209	17,970	17,265	35,235	18,509	17,783	36,292	
Water	3.0%	3.0%				54,716	52,571	107,287	56,358	54,148	110,506	58,049	55,772	113,821	
Gas	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Sewer	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Sub-total Utilities						72,163	69,333	141,496	74,328	71,413	145,741	76,558	73,556	150,113	
Taxes and Licenses															
Real Estate Taxes	3.0%	3.0%				3,127	3,004	6,131	3,221	3,094	6,315	3,317	3,187	6,504	
Payroll Taxes	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous Taxes, Licenses and Permits	3.0%	3.0%				1,307	1,256	2,564	1,347	1,294	2,640	1,387	1,333	2,720	
Sub-total Taxes and Licenses						4,434	4,260	8,695	4,567	4,388	8,955	4,704	4,520	9,224	
Insurance															
Property and Liability Insurance	3.0%	3.0%				105,990	101,833	207,823	109,169	104,888	214,057	112,444	108,035	220,479	
Fidelity Bond Insurance	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Worker's Compensation	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Director's & Officers' Liability Insurance	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Sub-total Insurance						105,990	101,833	207,823	109,169	104,888	214,057	112,444	108,035	220,479	
Maintenance & Repair															
Payroll	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Supplies	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Contracts	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Garbage and Trash Removal	3.0%	3.0%				30,712	29,507	60,219	31,633	30,393	62,026	32,592	31,304	63,887	
Security Payroll/Contract	3.0%	3.0%				184,678	181,559	366,237	190,218	186,406	376,624	192,924	188,716	381,640	
HVAC Repairs and Maintenance	3.0%	3.0%				14,486	13,918	28,403	14,920	14,335	29,255	15,368	14,765	30,133	
Vehicle and Maintenance Equipment Operation and Repairs	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous Operating and Maintenance Expenses	3.0%	3.0%				37,323	35,860	73,183	38,443	36,935	75,379	39,596	38,044	77,640	
Sub-total Maintenance & Repair Expenses						267,198	259,784	526,422	275,214	262,669	537,280	267,471	259,821	526,660	
Supportive Services	3.0%	3.0%				-	69,242	69,242	-	71,319	71,319	-	73,459	73,459	
Commercial Expenses															
Commercial Expenses			From Commercial Op. Budget Worksheet: Commercial to Residential allocation: 100%			-	-	968	-	-	1,002	-	-	1,037	
TOTAL OPERATING EXPENSES						785,094	707,672	1,493,734	808,647	728,902	1,538,551	832,907	750,769	1,584,712	
Reserves/Ground Lease Base Rent/Bond Fees															
Ground Lease Base Rent						7,650	7,350	15,000	7,650	7,350	15,000	7,650	7,350	15,000	
Bond Monitoring Fee						-	-	-	-	-	-	-	-	-	
Replacement Reserve Deposit						16,065	15,435	31,500	16,065	15,435	31,500	16,065	15,435	31,500	
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						23,715	22,785	46,500	23,715	22,785	46,500	23,715	22,785	46,500	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)						808,809	730,457	1,540,234	832,362	751,687	1,585,051	856,622	773,554	1,631,212	
NET OPERATING INCOME (INCOME minus OP EXPENSES)						13,116	46,579	58,728	13,133	47,815	59,947	13,151	49,087	61,202	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)															
Hard Debt - First Lender						-	-	-	-	-	-	-	-	-	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)						-	-	-	-	-	-	-	-	-	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender						-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service			From Commercial Op. Budget Worksheet: Commercial to Residential allocation: 100%			-	-	-	-	-	-	-	-	-	
TOTAL HARD DEBT SERVICE						-	-	-	-	-	-	-	-	-	
CASH FLOW (NOI minus DEBT SERVICE)						13,116	46,579	58,728	13,133	<					

Total # Units: Non-LOSP
 LOSP Units Units
 63 32 31

	51.00%	49.00%	Comments (related to annual inc assumptions)	Year 10 2032			Year 11 2033			Year 12 2034		
				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total

INCOME

Other Required Reserve 2 Running Balance

Octavia Parcel U

INCOME	Total # Units:		Non-LOSP Units			Year 13 2035			Year 14 2036			Year 15 2037			
	63	32	LOSP Units	51.00%	31	49.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	annual inc	% annual increase	Comments (related to annual inc assumptions)												
Residential - Tenant Rents	2.0%	2.0%				125,556	654,352	779,908	128,067	667,439	795,506	130,628	680,788	811,416	
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a				-	-	-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a				771,066	-	771,066	794,437	-	794,437	818,532	-	818,532	
Commercial Space	n/a	2.5%	From Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-	-	1	-	-	1	-	-	1	
Residential Parking	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous Rent Income	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Supportive Services Income	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Interest Income - Project Operations	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Laundry and Vending	0.0%	0.0%				4,434	4,260	8,694	4,434	4,260	8,694	4,434	4,260	8,694	
Tenant Charges	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous Residential Income	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
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			-	220,579	220,579	-	232,693	232,693	-	245,292	245,292	
Gross Potential Income						901,056	879,191	1,780,248	926,938	904,392	1,831,331	953,594	930,340	1,883,935	
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate			(6,278)	(32,718)	(38,995)	(6,403)	(33,372)	(39,775)	(6,531)	(34,039)	(40,571)	
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a				-	-	-	-	-	-	-	-	-	
Vacancy Loss - Commercial	n/a	n/a				-	-	(1)	-	-	(1)	-	-	(1)	
EFFECTIVE GROSS INCOME						894,778	846,473	1,741,252	920,534	871,020	1,791,555	947,063	896,300	1,843,364	
OPERATING EXPENSES															
Management															
Management Fee	3.0%	3.0%	1st Year to be set according to HUD schedule.			35,732	34,330	70,062	36,804	35,360	72,164	37,908	36,421	74,329	
Asset Management Fee	3.0%	3.0%	per MOHCD policy			17,059	16,300	33,448	17,570	16,881	34,452	18,098	17,388	35,485	
Sub-total Management Expenses						52,790	50,720	103,510	54,374	52,242	106,616	56,005	53,809	109,814	
Salaries/Benefits															
Office Salaries	3.0%	3.0%				54,565	52,426	106,991	56,202	53,998	110,201	57,888	55,618	113,507	
Manager's Salary	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Health Insurance and Other Benefits	3.0%	3.0%				99,862	95,946	195,808	102,858	98,824	201,682	105,944	101,789	207,732	
Other Salaries/Benefits	3.0%	3.0%				102,426	98,409	200,836	105,499	101,362	206,861	108,664	104,403	213,066	
Administrative Rent-Free Unit	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Sub-total Salaries/Benefits						256,854	246,781	503,634	264,559	254,184	518,743	272,496	261,810	534,306	
Administration															
Advertising and Marketing	3.0%	3.0%				1,054	1,012	2,066	1,085	1,043	2,128	1,118	1,074	2,192	
Office Expenses	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Office Rent	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Legal Expense - Property	3.0%	3.0%				5,090	4,890	9,980	5,243	5,037	10,280	5,400	5,188	10,588	
Audit Expense	3.0%	3.0%				19,348	18,589	37,937	19,928	19,147	39,075	20,526	19,721	40,247	
Bookkeeping/Accounting Services	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Bad Debts	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous	3.0%	3.0%				31,266	30,040	61,307	32,204	30,941	63,146	33,170	31,870	65,040	
Sub-total Administration Expenses						56,758	54,532	111,289	58,460	56,168	114,628	60,214	57,853	116,067	
Utilities															
Electricity	3.0%	3.0%				19,064	18,317	37,381	19,636	18,866	38,503	20,225	19,432	39,658	
Water	3.0%	3.0%				59,790	57,445	117,236	61,584	59,169	120,753	63,431	60,944	124,375	
Gas	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Sewer	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Sub-total Utilities						78,854	75,762	154,617	81,220	78,035	159,255	83,657	80,376	164,033	
Taxes and Licenses															
Real Estate Taxes	3.0%	3.0%				3,417	3,283	6,700	3,519	3,381	6,901	3,625	3,483	7,108	
Payroll Taxes	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous Taxes, Licenses and Permits	3.0%	3.0%				1,429	1,373	2,801	1,471	1,414	2,885	1,516	1,456	2,972	
Sub-total Taxes and Licenses						4,845	4,655	9,501	4,991	4,795	9,786	5,140	4,939	10,079	
Insurance															
Property and Liability Insurance	3.0%	3.0%				115,818	111,276	227,093	119,292	114,614	233,906	122,871	118,053	240,923	
Fidelity Bond Insurance	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Worker's Compensation	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Director's & Officers' Liability Insurance	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Sub-total Insurance						115,818	111,276	227,093	119,292	114,614	233,906	122,871	118,053	240,923	
Maintenance & Repair															
Payroll	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Supplies	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Contracts	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Garbage and Trash Removal	3.0%	3.0%				33,560	32,244	65,803	34,566	33,211	67,777	35,603	34,207	69,811	
Security Payroll/Contract	3.0%	3.0%				201,802	67,267	269,070	207,856	69,285	277,142	214,092	71,364	285,456	
HVAC Repairs and Maintenance	3.0%	3.0%				15,829	15,208	31,037	16,304	15,664	31,968	16,793	16,134	32,927	
Vehicle and Maintenance Equipment Operation and Repairs	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous Operating and Maintenance Expenses	3.0%	3.0%				40,784	39,185	79,969	42,008	40,360	82,368	43,268	41,571	84,839	
Sub-total Maintenance & Repair Expenses						291,975	153,904	445,879	300,734	158,521	459,255	309,756	163,277	473,033	
Supportive Services	3.0%	3.0%				-	75,682	75,682	-	77,932	77,932	-	80,270	80,270	
Commercial Expenses															
Commercial Expenses			From Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-	-	1,073	-	-	1,110	-	-	1,149	
TOTAL OPERATING EXPENSES						857,894	773,292	1,632,259	883,631	796,491	1,681,232	910,140	820,386	1,731,675	
RESERVES/GROUND LEASE BASE RENT/BOND FEES															
Ground Lease Base Rent						7,650	7,350	15,000	7,650	7,350	15,000	7,650	7,350	15,000	
Bond Monitoring Fee						-	-	-	-	-	-	-	-	-	
Replacement Reserve Deposit						16,065	15,435	31,500	16,065	15,435	31,500	16,065	15,435	31,500	
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						23,715	22,785	46,500	23,715	22,785	46,500	23,715	22,785	46,500	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)						881,609	796,077	1,678,759	907,346	819,276	1,727,732	933,855	843,171	1,778,175	
NET OPERATING INCOME (INCOME minus OP EXPENSES)						13,169	50,396	62,493	13,189	51,744	63,823	13,208	53,130	65,189	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)															
Hard Debt - First Lender						-	-	-	-	-	-	-	-	-	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)						-	-	-	-	-	-	-	-	-	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender						-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service						-	-	-	-	-	-	-	-	-	
TOTAL HARD DEBT SERVICE						-	-	-	-	-	-	-	-	-	
CASH FLOW (NOI minus DEBT SERVICE)						13,169	50,396	62,493	13,189	51,74					

Total # Units: LOSP Units: 63, Non-LOSP Units: 31

INCOME

Other Required Reserve 2 Running Balance

annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 13 2035			Year 14 2036			Year 15 2037		
			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
51.00%	49.00%										

Octavia Parcel U

INCOME	Total # Units:		Non-LOSP Units			Year 16 2038			Year 17 2039			Year 18 2040			
	63	32	LOSP Units	51.00%	31	49.00%	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)												
Residential - Tenant Rents	2.0%	2.0%				1,332,411	694,403	827,644	1,359,066	708,292	844,197	1,386,224	722,457	861,081	
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a				-	-	-	-	-	-	-	-	-	
Residential - LOSP Tenant Assistance Payments	n/a	n/a				843,375	-	843,375	868,988	-	868,988	895,395	-	895,395	
Commercial Space	n/a	2.5%	From Commercial Op. Budget Worksheet: Commercial to Residential allocation: 100%			-	-	1	-	-	1	-	-	1	
Residential Parking	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous Rent Income	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Supportive Services Income	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Interest Income - Project Operations	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Laundry and Vending	0.0%	0.0%				4,434	4,260	8,694	4,434	4,260	8,694	4,434	4,260	8,694	
Tenant Charges	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous Residential Income	0.0%	0.0%				-	-	-	-	-	-	-	-	-	
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			-	258,395	258,395	-	272,019	272,019	-	228,648	228,648	
Gross Potential Income						981,050	957,059	1,938,109	1,009,327	984,571	1,993,899	1,038,452	955,365	1,993,819	
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate			(6,662)	(34,720)	(41,382)	(6,795)	(35,415)	(42,210)	(6,931)	(36,123)	(43,054)	
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a				-	-	-	-	-	-	-	-	-	
Vacancy Loss - Commercial	n/a	n/a				-	-	(1)	-	-	(1)	-	-	(1)	
EFFECTIVE GROSS INCOME						974,388	922,338	1,896,726	1,002,532	949,156	1,951,689	1,031,521	919,243	1,950,764	
OPERATING EXPENSES															
Management															
Management Fee	3.0%	3.0%	1st Year to be set according to HUD schedule.			39,045	37,514	76,559	40,216	38,639	78,855	41,423	39,798	81,221	
Asset Management Fee	3.0%	3.0%	per MOHCD policy			18,640	17,909	36,550	19,200	18,447	37,646	19,776	19,000	38,776	
Sub-total Management Expenses						57,685	55,423	113,109	59,416	57,086	116,501	61,198	58,798	119,997	
Salaries/Benefits															
Office Salaries	3.0%	3.0%				59,625	57,287	116,912	61,414	59,005	120,419	63,256	60,776	124,032	
Manager's Salary	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Health Insurance and Other Benefits	3.0%	3.0%				109,122	104,843	213,964	112,396	107,968	220,383	115,767	111,227	226,995	
Other Salaries/Benefits	3.0%	3.0%				111,924	107,535	219,458	115,282	110,761	226,042	118,740	114,084	232,823	
Administrative Rent-Free Unit	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Sub-total Salaries/Benefits						280,671	269,664	550,335	289,091	277,754	566,845	297,764	286,087	583,850	
Administration															
Advertising and Marketing	3.0%	3.0%				1,151	1,106	2,257	1,186	1,139	2,325	1,221	1,173	2,395	
Office Expenses	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Office Rent	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Legal Expense - Property	3.0%	3.0%				5,562	5,344	10,906	5,729	5,504	11,233	5,901	5,669	11,570	
Audit Expense	3.0%	3.0%				21,142	20,313	41,454	21,776	20,922	42,698	22,429	21,550	43,979	
Bookkeeping/Accounting Services	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Bad Debts	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous	3.0%	3.0%				34,166	32,826	66,991	35,191	33,811	69,001	36,246	34,825	71,071	
Sub-total Administration Expenses						62,021	59,588	121,609	63,881	61,376	125,257	65,798	63,217	129,015	
Utilities															
Electricity	3.0%	3.0%				20,832	20,015	40,847	21,457	20,616	42,073	22,101	21,234	43,335	
Water	3.0%	3.0%				65,334	62,772	128,106	67,294	64,655	131,950	69,313	66,595	135,908	
Gas	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Sewer	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Sub-total Utilities						86,166	82,787	168,954	88,751	85,271	174,022	91,414	87,829	179,243	
Taxes and Licenses															
Real Estate Taxes	3.0%	3.0%				3,734	3,587	7,321	3,846	3,695	7,540	3,961	3,806	7,767	
Payroll Taxes	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous Taxes, Licenses and Permits	3.0%	3.0%				1,561	1,500	3,061	1,608	1,545	3,153	1,656	1,591	3,247	
Sub-total Taxes and Licenses						5,295	5,087	10,382	5,454	5,240	10,693	5,617	5,397	11,014	
Insurance															
Property and Liability Insurance	3.0%	3.0%				126,557	121,594	248,151	130,354	125,242	255,596	134,264	128,999	263,264	
Fidelity Bond Insurance	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Worker's Compensation	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Director's & Officers' Liability Insurance	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Sub-total Insurance						126,557	121,594	248,151	130,354	125,242	255,596	134,264	128,999	263,264	
Maintenance & Repair															
Payroll	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Supplies	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Contracts	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Garbage and Trash Removal	3.0%	3.0%				36,671	35,233	71,905	37,772	36,290	74,062	38,905	37,379	76,284	
Security Payroll/Contract	3.0%	3.0%				220,515	213,505	434,020	227,130	219,710	446,840	233,944	226,911	460,855	
HVAC Repairs and Maintenance	3.0%	3.0%				17,297	16,618	33,915	17,815	17,117	34,932	18,350	17,630	35,980	
Vehicle and Maintenance Equipment Operation and Repairs	3.0%	3.0%				-	-	-	-	-	-	-	-	-	
Miscellaneous Operating and Maintenance Expenses	3.0%	3.0%				44,566	42,818	87,384	45,903	44,103	89,006	47,280	45,426	92,706	
Sub-total Maintenance & Repair Expenses						319,049	311,175	630,274	328,620	320,120	648,740	330,479	321,417	651,896	
Supportive Services	3.0%	3.0%				-	82,678	82,678	-	85,159	85,159	-	87,713	87,713	
Commercial Expenses			From Commercial Op. Budget Worksheet: Commercial to Residential allocation: 100%			-	-	1,189	-	-	1,231	-	-	1,274	
TOTAL OPERATING EXPENSES						937,444	844,997	1,783,631	965,567	870,347	1,837,145	994,534	896,458	1,892,266	
RESERVES/GROUND LEASE BASE RENT/BOND FEES															
Ground Lease Base Rent						7,650	7,350	15,000	7,650	7,350	15,000	7,650	7,350	15,000	
Bond Monitoring Fee						-	-	-	-	-	-	-	-	-	
Replacement Reserve Deposit						16,065	15,435	31,500	16,065	15,435	31,500	16,065	15,435	31,500	
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						23,715	22,785	46,500	23,715	22,785	46,500	23,715	22,785	46,500	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)						961,159	867,782	1,830,131	989,282	893,132	1,883,645	1,018,249	919,243	1,938,766	
NET OPERATING INCOME (INCOME minus OP EXPENSES)						13,229	54,556	66,596	13,250	56,024	68,043	13,272	(0)	11,998	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)															
Hard Debt - First Lender						-	-	-	-	-	-	-	-	-	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)						-	-	-	-	-	-	-	-	-	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						-	-	-	-	-	-	-	-	-	
Hard Debt - Fourth Lender						-	-	-	-	-	-	-	-	-	
Commercial Hard Debt Service						-	-	-	-	-	-	-	-	-	
TOTAL HARD DEBT SERVICE						-	-	-	-	-	-	-	-	-	
CASH FLOW (NOI minus DEBT SERVICE)						13,229	54,556	66,596	13,250	56,024	68,043	13,272	(0)	11,998	
Commercial Only Cash Flow						-	-	(1,189)	-	-	(1,231)	-	-	(1,274)	
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)						(606)	(583)	-	(628)	(603)	-	(650)	(624)	-	
AVAILABLE CASH FLOW						12,623	53,973	65,407	12,622	55,421	66,812	12,622	(0)	10,724	
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)	3.0%	3.0%	per MOHCD policy			-	-	-	-	-	-	-	-	-	
Partnership Management Fee (see policy for limits)	3.0%	3.0%</													

Total # Units: Non-LOSP
 LOSP Units Units
 63 32 31

INCOME

Other Required Reserve 2 Running Balance

annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Year 16 2038			Year 17 2039			Year 18 2040		
			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
51.00%	49.00%										

Octavia Parcel U

INCOME	Total # Units:		Comments (related to annual inc assumptions)	Year 19 2041			Year 20 2042		
	LOSP Units	Non-LOSP Units		LOSP	non- LOSP	Total	LOSP	non- LOSP	Total
	63	32		31					
	51.00%	49.00%							
	annual inc LOSP	% annual increase							
Residential - Tenant Rents	2.0%	2.0%		141,396	736,907	878,303	144,224	751,645	895,869
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	n/a		-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments	n/a	n/a		922,619	-	922,619	950,688	-	950,688
Commercial Space	n/a	2.5%	from Commercial Op. Budget Worksheet Commercial to Residential allocation: 100%	-	-	1	-	-	1
Residential Parking	0.0%			-	-	-	-	-	-
Miscellaneous Rent Income	0.0%			-	-	-	-	-	-
Supportive Services Income	0.0%			-	-	-	-	-	-
Interest Income - Project Operations	0.0%			-	-	-	-	-	-
Laundry and Vending	0.0%			4,434	4,260	8,694	4,434	4,260	8,694
Tenant Charges	0.0%			-	-	-	-	-	-
Miscellaneous Residential Income	0.0%			-	-	-	-	-	-
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				1,068,450	741,167	1,809,617	1,099,346	755,905	1,855,251
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(7,070)	(36,845)	(43,915)	(7,211)	(37,682)	(44,793)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	-	-	-	-	-
Vacancy Loss - Commercial	n/a	n/a		-	-	(1)	-	-	(1)
EFFECTIVE GROSS INCOME				1,061,380	704,321	1,765,702	1,092,135	718,222	1,810,458
OPERATING EXPENSES									
Management									
Management Fee	3.0%	3.0%	1st Year to be set according to HUD schedule.	42,665	40,992	83,658	43,945	42,222	86,167
Asset Management Fee	3.0%	3.0%	per MOHCD policy	20,369	19,570	39,939	20,980	20,157	41,137
Sub-total Management Expenses				63,034	60,562	123,597	64,925	62,379	127,305
Salaries/Benefits									
Office Salaries	3.0%	3.0%		65,154	62,599	127,753	67,109	64,477	131,585
Manager's Salary	3.0%	3.0%		-	-	-	-	-	-
Health Insurance and Other Benefits	3.0%	3.0%		119,240	114,564	233,805	122,818	118,001	240,819
Other Salaries/Benefits	3.0%	3.0%		122,302	117,506	239,808	125,971	121,031	247,002
Administrative Rent-Free Unit	3.0%	3.0%		-	-	-	-	-	-
Sub-total Salaries/Benefits				306,697	294,669	601,366	315,897	303,509	619,407
Administration									
Advertising and Marketing	3.0%	3.0%		1,258	1,209	2,467	1,296	1,245	2,541
Office Expenses	3.0%	3.0%		-	-	-	-	-	-
Office Rent	3.0%	3.0%		-	-	-	-	-	-
Legal Expense - Property	3.0%	3.0%		6,078	5,839	11,917	6,260	6,015	12,275
Audit Expense	3.0%	3.0%		23,102	22,196	45,298	23,795	22,862	46,657
Bookkeeping/Accounting Services	3.0%	3.0%		-	-	-	-	-	-
Bad Debts	3.0%	3.0%		-	-	-	-	-	-
Miscellaneous	3.0%	3.0%		37,334	35,870	73,203	38,454	36,946	75,399
Sub-total Administration Expenses				67,772	65,114	132,885	69,805	67,067	136,872
Utilities									
Electricity	3.0%	3.0%		22,764	21,871	44,635	23,447	22,927	46,374
Water	3.0%	3.0%		71,393	68,593	139,986	73,534	70,651	144,185
Gas	3.0%	3.0%		-	-	-	-	-	-
Sewer	3.0%	3.0%		-	-	-	-	-	-
Sub-total Utilities				94,156	90,464	184,620	96,981	93,578	190,559
Taxes and Licenses									
Real Estate Taxes	3.0%	3.0%		4,080	3,920	8,000	4,202	4,037	8,240
Payroll Taxes	3.0%	3.0%		-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.0%	3.0%		1,706	1,639	3,345	1,757	1,688	3,445
Sub-total Taxes and Licenses				5,786	5,559	11,344	5,959	5,726	11,685
Insurance									
Property and Liability Insurance	3.0%	3.0%		138,292	132,869	271,161	142,441	136,855	279,296
Fidelity Bond Insurance	3.0%	3.0%		-	-	-	-	-	-
Worker's Compensation	3.0%	3.0%		-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.0%	3.0%		-	-	-	-	-	-
Sub-total Insurance				138,292	132,869	271,161	142,441	136,855	279,296
Maintenance & Repair									
Payroll	3.0%	3.0%		-	-	-	-	-	-
Supplies	3.0%	3.0%		-	-	-	-	-	-
Contracts	3.0%	3.0%		-	-	-	-	-	-
Garbage and Trash Removal	3.0%	3.0%		40,072	38,500	78,572	41,274	39,655	80,930
Security Payroll/Contract	3.0%	3.0%		240,962	80,321	321,283	248,191	82,730	330,922
HVAC Repairs and Maintenance	3.0%	3.0%		18,900	18,159	37,060	19,467	18,704	38,172
Vehicle and Maintenance Equipment Operation and Repairs	3.0%	3.0%		-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.0%	3.0%		48,699	46,789	95,487	50,159	48,192	98,352
Sub-total Maintenance & Repair Expenses				348,633	183,769	532,403	359,092	189,282	548,375
Supportive Services									
Commercial Expenses	3.0%	3.0%	from Commercial Op. Budget Worksheet Commercial to Residential allocation: 100%	-	90,345	90,345	-	93,055	93,055
TOTAL OPERATING EXPENSES				1,024,370	923,351	1,949,040	1,055,101	951,052	2,007,518
RESERVES/GROUND LEASE BASE RENT/BOND FEES									
Ground Lease Base Rent				7,650	7,350	15,000	7,650	7,350	15,000
Bond Monitoring Fee				-	-	-	-	-	-
Replacement Reserve Deposit				16,065	15,435	31,500	16,065	15,435	31,500
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				23,715	22,785	46,500	23,715	22,785	46,500
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/Bond Fees)				1,048,085	946,136	1,995,540	1,078,816	973,837	2,054,018
NET OPERATING INCOME (INCOME minus OP EXPENSES)									
				13,295	(241,815)	(229,839)	13,318	(255,514)	(243,561)
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)									
Hard Debt - First Lender				-	-	-	-	-	-
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)									
Commercial Only Cash Flow				13,295	(241,815)	(229,839)	13,318	(255,514)	(243,561)
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)				(672)	(646)	(1,318)	(696)	(669)	(1,364)
AVAILABLE CASH FLOW				12,623	(242,461)	(229,839)	12,622	(256,183)	(243,561)
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)	3.0%	3.0%	per MOHCD policy	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	3.0%	3.0%	per MOHCD policy	10,073	9,678	19,750	10,073	9,678	19,750
Investor Service Fee (aka LP Asset Mgt Fee) (see policy for limits)			per MOHCD policy no annual increase	2,550	2,450	5,000	2,550	2,450	5,000
Other Payments				-	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Non-amortizing Loan Pmt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD				12,623	12,128	24,750	12,623	12,128	24,750
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	(254,589)	(254,589)	(0)	(268,311)	(268,311)
Does Project have a MOHCD Residual Receipt Obligation? Yes									
Will Project Defer Developer Fee? No									
Residual Receipts split for all years. - Lender/Owner 67% / 33%									
MOHCD RESIDUAL RECEIPTS DEBT SERVICE									
MOHCD Residual Receipts Amount Due				-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment	100.00%		Dist. Soft Debt Loans Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease				-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE									
HCD Residual Receipts Amount Due	0.00%		NOHCD 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				-	-	567,000	-	-	598,500
Replacement Reserve Deposits				-	-	-	-	-	31,500
Replacement Reserve Withdrawals (ideally tied to CNA)				-	-	-	-	-	-
Replacement Reserve Interest				-	-	-	-	-	-
RR Running Balance						567,000			630,000
						\$9,500			\$10,000
OPERATING RESERVE - RUNNING BALANCE									
Operating Reserve Starting Balance				583916	-	-	-	-	-
Operating Reserve Deposits				-	-	-	-	-	-
Operating Reserve Withdrawals				-	-	-	-	-	-
Operating Reserve Interest				-	-	-	-	-	-
OR Running Balance				583,916	-	-	-	-	-
						0.0%			0.0%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE									
Other Reserve 1 Starting Balance				3287392	-	-	-	-	-
Other Reserve 1 Deposits				-	-	-	-	-	-
Other Reserve 1 Withdrawals				-	-	-	-	-	-
Other Reserve 1 Interest				-	-	-	-	-	-
Other Required Reserve 1 Running Balance				3,287,392	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE									
Other Reserve 2 Starting Balance				-	-	-	-	-	-

