

Citywide Affordable Housing Loan Committee

San Francisco Mayor's Office of Housing and Community Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure

Evaluation of Request for Funding: **Local Operating Subsidy Program (LOSP)
Contract Renewal**

Prepared By: Mike McLoone

Loan Committee Date: March 3, 2017

Sponsor Name: Tenderloin Neighborhood Development Corporation
Project Name: Mosaica Senior Apartments
Project Address: 655 Alabama Street, 94110 (@18th Street)
Number of Units: 24 units including 11 units set aside for homeless seniors

PROPOSED FUNDING: Up to \$64,203 Year One budget
Up to \$1,258,693 through 15 years

1. SUMMARY AND BACKGROUND

Alabama Street Housing Associates, a California limited partnership ("the Mosaica Partnership"), an affiliate of Tenderloin Neighborhood Development Corporation ("TNDC"), is requesting \$1,258,693 in General Funds from the Local Operating Subsidy Program ("LOSP") to subsidize continuing operations for 11 units set aside for formerly homeless people at Mosaica Senior Apartments (the "Project") for a period of 15 years.

The Mosaica Partnership is the ownership entity for both Mosaica Family Apartments and Mosaica Senior Apartments.

Mosaica Senior Apartments, completed in October 2010, consists of 24 units of senior housing with 11 units of supportive housing targeted to homeless seniors; 11 of the 24 affordable units are restricted to serve seniors at incomes of 30% of City AMI or below, with the remaining 13 units restricted to serve seniors at incomes of 60% of City AMI or below.

The households in the 11 LOSP units pay 50% of their income on rent per the program guidelines of the Direct Access to Housing (DAH) program. The tenants referred into the LOSP units in this building have intensive support needs. Under current policy of the Department of Homelessness and Supportive Housing ("HSH"), tenants with intensive support needs are charged 50% of gross household income for rent. The remaining units

are not supported with project-based subsidy, although one of the current households has a VASH voucher.

The unit mix consists of:

<u>Unit Mix</u>	<u>LOSP</u>	<u>OTHER</u>
Studio	9	10
1BR	2	3
TOTAL	11	24

TNDC partners with Lutheran Social Services and the HSH to provide supportive services to all of the residents.

The current LOSP grant agreement with The Mosaica Partnership covers a 9-year term, beginning in 2009 and for a total contract amount of \$1,235,844.

The general partner of the Mosaica Partnership was originally Stevenson Housing Corporation, an affiliate of Citizen's Housing Corporation. TNDC's affiliate Turk Street Inc., assumed the role of general partner effective October 15, 2010.

The Project's current LOSP contract expires at the end of April, 2018, but the funding has lasted longer than originally projected; the remaining funds will be adequate to fund the needs of the project until the end of 2017. The Project is requesting a new 15-year LOSP contract with the funding period beginning on January 1, 2018.

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

2.1. 2015 Operating Expenses

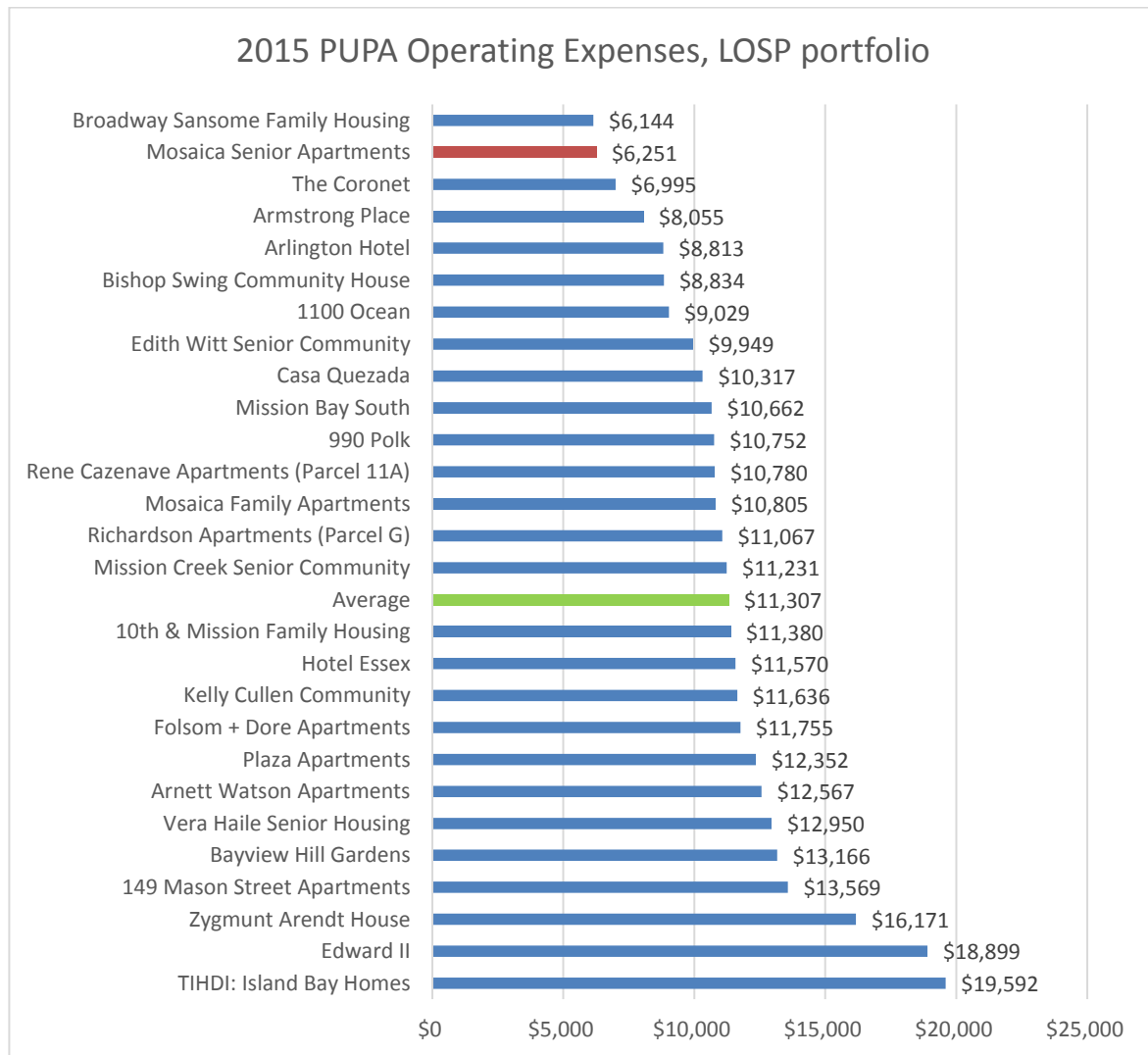
To evaluate the Project's financial performance, operating expenses from 2015, the most current year for which actual operating expenses have been reported, were compared with the operating expenses of projects in MOHCD's supportive housing and LOSP portfolios.

During 2015, MOHCD's portfolio had 91 supportive housing projects. Average total operating expenses (before replacement reserve deposits and hard debt service), averaged \$9.7k per unit per year. Per Unit Per Annum ("PUPA") operating expenses varied by project size, with PUPA operating expenses higher for smaller buildings and lower for larger buildings.

**Average Operating Expenses Per Unit Per Annum,
Supportive Housing Projects, 2015**

# Units	# Projects	Average PUPA Operating Expenses
100+	33	\$9,212
50-99	41	\$10,285
1-49	17	\$11,672
All	91	\$9,741

Within MOHCD’s LOSP portfolio of 27 projects, operating expenses PUPA ranged from a low of \$6.1k to a high of \$19.6k, and an average of \$11.3k. The Project’s 2015 operating expense PUPA, at \$6.2k, was well below the average and ranks as the second-lowest.



Within the LOSP portfolio, some projects have just 20% LOSP units, while others are 100% LOSP supported. Average PUPA operating expenses also varies by the percentage of LOSP units within the building. Buildings with a higher percentage of LOSP units were found to cost more to operate.

**Average Operating Expenses Per Unit Per Annum
by % of LOSP Units, 2015**

% of LOSP Units	# Projects	Average PUPA Operating Expenses
66% or more LOSP Units	11	\$12,251
20% - 66% LOSP Units	12	\$11,049
20% or less LOSP Units	4	\$9,487
<i>All</i>	<i>27</i>	<i>\$11,307</i>

The 11 units at the Project designated as LOSP units represent 46% of the unit share; the Project’s 2015 PUPA operating expenses of \$6.2k is also below the average of \$11k for projects with a similar percentage of LOSP units.

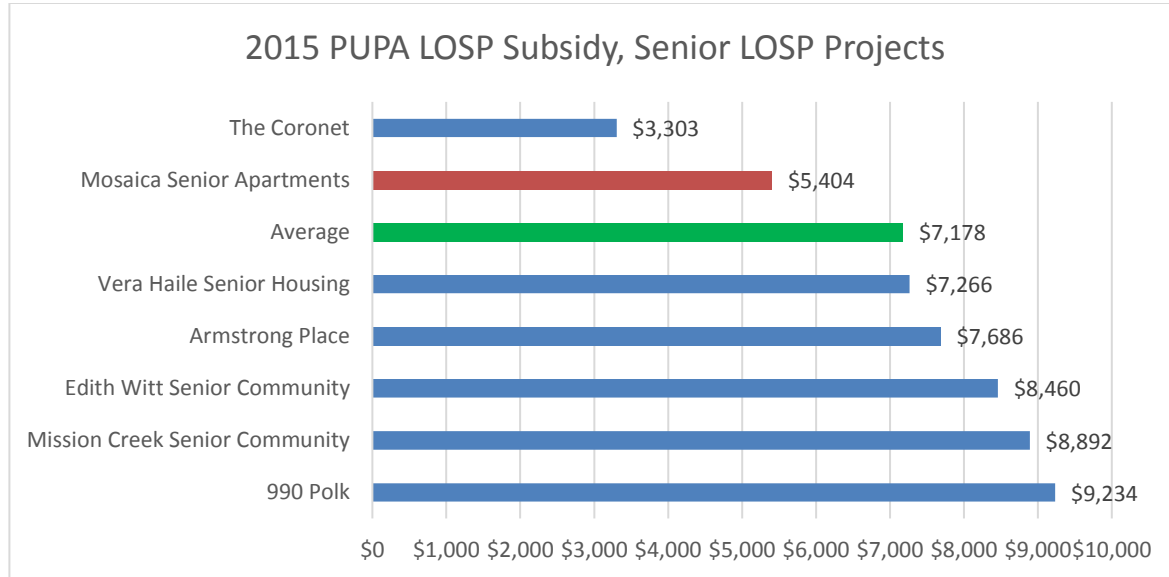
Drilling down to the general expense categories, the Project’s 2015 expenditures are around average for management and administration; well-below average for salaries, utilities, taxes/licenses, insurance and maintenance and repairs.

Operating Expenses by Expense Categories, 2015

2015 PUPA Expenses	Mgmt	Salaries/ Benefits	Admin	Utilities	Taxes/ Licenses	Insurance	Maintenance/ Repairs
Mosaica Senior Apartments	\$957	\$774	\$1,163	\$1,058	\$144	\$349	\$1,806
<i>LOSP Portfolio Average</i>	<i>\$927</i>	<i>\$2,369</i>	<i>\$1,297</i>	<i>\$2,621</i>	<i>\$261</i>	<i>\$936</i>	<i>\$3,489</i>

2.2. 2015 LOSP Subsidy

The per unit 2015 LOSP subsidy of \$5,404 is lower than the average per unit LOSP subsidy of \$8,858 across all LOSP projects. Compared with other LOSP projects that serve seniors, the per unit 2015 LOSP subsidy for the Project was also notably lower than the average of \$7,178.



3. PROJECT OPERATIONS

3.1. Annual Operating Income Evaluation

Tenant Rent: Tenant paid rents are projected to generate \$144,360 in 2017, the first year of budget data supplied in the operating budget workbook. Tenant rents are comprised of rents collected from the 12 non-subsidized units, targeted to senior households up to 60% Unadjusted AMI, one tenant with a VASH voucher and the 11 LOSP households who pay 50% of their income on rent.

2015 gross rent from the 12 non-subsidized 1-bedroom units average \$564 per month, or about 32% AMI; initial incomes average at 24% AMI and current incomes of 21% AMI.

LOSP-subsidized units are deeply affordable: average AMI in 2015 households was about 15% AMI for the LOSP units; the average tenant-paid rent in the LOSP units is approximately \$430.

MOHCD noticed in late 2016 that the rents reported by TNDC for some LOSP units appeared to exceed 50% of gross household income; TNDC has confirmed that the Utility Allowance paid by LOSP tenancies was not included when calculating tenant rent. TNDC is working to identify when the problem began and will provide refunds for all LOSP HH's that were overcharged. The analysis has not yet been finalized, but currently shows that a total of 8 LOSP units were overcharged; the overcharges date back to June 2010 for some

of the units, and the total amount overcharged is \$4.7k. It is anticipated that the project will have adequate surplus from CY2016 to cover this additional cost.

VASH unit: the tenancy of the VASH voucher began in 2015, at 49% AMI; contract rent for the studio unit is \$1,187, with the tenant paying \$940.

LOSP Subsidy: The LOSP subsidy is designed to fill any operating deficit shown for the LOSP units. The first year LOSP subsidy requested for the 20 LOSP units is \$66,837 (\$3,341/PUPA and \$278/PUPM) and is shown in the attached operating budget. This is a significant reduction of 51% in the amount of the LOSP subsidy requested for 2017 under the existing contract (\$135,545). This reduction is attributable to the revised approach that is being used to split the expenses between the LOSP and non-LOSP units, see section 3.2 below for additional info.

Other Income: Approximately \$5k is anticipated to be generated from laundry, various tenant charges and miscellaneous income, and will be split pro-rata among the LOSP and non-LOSP units. As tenant charges can be tracked to the specific LOSP/non-LOSP unit, those revenues will be booked accordingly.

Vacancy: The operating budget conservatively assumes a 5% vacancy on the LOSP and non-LOSP units; the average vacancy over the past 4 years is 1%.

3.2. Annual Operating Expenses Evaluation

The annual operating expenses in Year One, before debt service and reserves, are projected at \$169,304 or \$7,054 PUPA. This reflects a 12.85% increase above 2015 operating expenses, which is well above the average rate of increase of 1% for the past 4 years, but the project has also seen year-to-year increases of 11.7% and 14.2%, so the proposed increase is within historical norms. Increases to salaries are the cause for more than half of the projected increase.

Allocation between LOSP/Non-LOSP Units:

In buildings where less than 100% of the affordable units are LOSP, the LOSP budget allocates income and expenses pro-rata across LOSP/Non-LOSP units.

In recognition that the share of income or expense for some budget items may not happen according to the pro-rata split, and especially in recognition that LOSP tenancies may cost the project more than the pro-rata split provides, MOHCD allows the use of alternative splits. Sponsors must provide rationale for any alternative or project splits that are proposed.

At the time when the Project's current LOSP budget and contract was approved, MOHCD allowed project sponsors to use an alternative split for all operating budget line items.

MOHCD policy now requires sponsors to seek approval for alternative splits for specific line-items. Some items are allowed either an alternative split, or a projected split based on actuals, which is allowed if the sponsor's accounting system is able to track income and expenses at the program level.

The pro-rata allocation for the Project is 46% LOSP units and 54% non-LOSP units.

At the time when the current LOSP contract was approved, MOHCD approved the project sponsor's request to use an alternative split of 62% LOSP units and 38% non-LOSP units that was applied to all line items.

Under the new contract for the Project, TNDC has proposed to use the 62%-38% alternative split for all line items that reflect personnel costs, plus real estate taxes and contracts; to remain consistent with original underwriting, the 62%-38% alternative split is also proposed for Replacement Reserve Deposits, and debt payments to HCD, and Property Management Fee & Asset Management Fee.

The Project consistently generated surplus over the life of the project. This is a sign that prior alternative split across LOSP/Non-LOSP units was overly conservative. TNDC's decision to no longer use the alternative split further affirms that the prior operating budget assumptions were inaccurate.

Staffing:

Staffing is anticipated to remain the same as current staffing levels. The staffing plan includes .6 FTE.

<u>Position</u>	<u>FTE</u>	<u>Notes</u>
General Manager II	.1	1FTE shared by Mosaica Senior (.1) & Family (.9)
Assistant Manager	.1	1FTE shared by Mosaica Senior (.1) & Family (.9)
Custodian	.2	.08 @ \$18/hour, .08 @ \$15/hr, .04 @ 16/hr; Shared with Mosaica Family
Maintenance Supervisor	.2	2 FTE shared with Mosaica Senior; .1 @ \$18/hr, .1 @ \$29/hr
TOTAL	.6	= 1 staff per 40 households, 1 staff per 45 residents

Management Fees:

The Sponsor proposes to collect \$64 per unit per month in property management fees, as allowed per HUD published their management fee schedule, and will escalate at 3.5%, per MOHCD policy.

Asset Management Fee: The Sponsor proposes an above the line General Partner Asset Management fee of \$15,000, with no escalation; this is well under the cap allowed by MOHCD policy. The project

Salaries and Benefits: Salaries and benefits are budgeted at \$22,202 or \$925 per unit per year, and covers the salary and benefits of the General Manager II, which are projected to increase.

Administration: Administration line items are budgeted at \$31,913, or \$1,330 per unit per year, and cover typical functions such as legal, office supplies and equipment, bookkeeping and accounting, computers and telephones. The Assistant Manager salary is also included here, and is projected to increase.

Utilities: Utilities (gas, water/sewer, common electric) are budgeted at \$26,765, or \$1,115 per unit per year. The building is not individually metered for water; the costs for Mosaica Senior, Mosaica Senior and Mosaica Commercial is based on covenant with assumed percentages. Tenants pay in-unit electrical and therefore the maximum rents must be inclusive of a Utility Allowance.

Taxes: Taxes are budgeted at \$3,782, or \$158 per unit per year.

Insurance: Insurance is budgeted at \$6,607, or \$275 per unit per year, for property and liability and worker's compensation insurance.

Maintenance and Repair: Maintenance and repair costs in Year One are budgeted at \$43,471 or \$1,811 per unit per year. This line item includes payroll for .2 FTE custodial staff and .2 FTE maintenance staff; contracts for a janitorial contracting, pest control, grounds, misc. maintenance contracting, and elevator; supplies and garbage and trash removal.

Supportive Services: Supportive services is budgeted at \$1,132 in Year One, or \$47 per unit per year. The salary of a one TNDC services staff is allocated across 12 properties. (HSH provides an annual supportive services contract of approximately \$59k which is separate from this operating budget.)

Replacement Reserve Deposits: Replacement reserve deposits are shown at \$875 per unit per year, a proposed increase of \$115 PUPA above the amount required by MOHCD. The proposal is based on a CNA that was updated in January 2017. TNDC recognizes that the amount is high when expressed as PUPA, but the amount and cost of the replacement work planned is not excessive; the relatively lower number of units is what makes the PUPA appear larger. Based on the projections from the 2017 CNA and the increased RR deposits, the RR balance will remain positive through year 7 (2023); it shows 7 years of deficits, but only years 19 & 20 show deficits of over \$180k. TNDC believes that the projected balance of the RR, when combined with the RR for the Mosaica Family project, is cumulatively adequate.

Operating Reserve Deposits: The project has an operating reserve account, with a 2017 beginning balance of \$294,023, and far exceeds MOHCD's required balance of 25% of the prior year's operating expenses (154%). HCD imposed the OR requirements under the MHP funding. The OR was capitalized at a larger amount to provide contingency in case LOSP funding is not received.

Debt Service: The project has annual debt service payments of \$13,007 to HCD which is the minimum .42% of principal required.

Partnership Management and Investor Services Fees: The project pays \$10,000 for an annual partnership management fee and another \$4,500 for the Limited Partner Asset Management Fee, neither is escalated over time.

3.3. 20-Year Cash Flow

The attached 20-Year Cash Flow Projection shows the estimated amount of annual LOSP subsidy that will be needed for the 15-year grant period. The projection was made using MOHCD's standard underwriting guidelines, with certain adjustments made based on prior trends.

- Non-LOSP tenant rent income trends at 3.5% per year based on MOHCD guidelines, while LOSP tenant rents trend at 1% per year. Laundry income, tenant charges, and miscellaneous income trend at 2.5%, per underwriting guidelines.

- Operating expenses trend at 3.5% per year, per MOHCD Underwriting Guidelines, with the exception of:
 - Health Insurance and Other Benefits: 7% annual escalation due to history; for the past 4 years, the average increase has been over 31%.
 - Utilities: 4.5% annual escalation is proposed for Water due to both historical and projected increases.
 - Real Estate Taxes are projected to increase by only 1.2%, based on history.

With the above assumptions, the proforma projects that the non-LOSP units will generate a surplus for the entire 20-year period, consisting of total of just under \$75k in repayments to MOHCD, \$183k in soft debt payments to HCD, and over \$109k in distributions for the Mosaica Partnership.

Year 15 for the Project is in 2023. TNDC anticipates a withdrawal of the limited partner by 2022, and will begin exploring re-syndication and other refinancing possibilities in 2020.

4. SUPPORT SERVICES EVALUATION

Under a separate contract with HSH, Lutheran Social Services (“LSS”) provides on-site services to senior residents at Mosaica Senior Apartments, mixed-use affordable housing site with 11 units earmarked under HSH’s Direct Access to Housing (“DAH”) program for formerly homeless tenants. The current contract term is 7/1/14-6/30/18 in the amount of \$58,889, which is tracked in a services budget that is managed separately from the operating budget attached to this evaluation. A total of .7 FTE are funded under the contract, which equates with ratios of 1 staff per 16 LOSP households/residents.

LSS has the capacity to provide groups and community building activities to all senior building residents. However, the focus of this contract is to provide intensive case management services to the site’s 11 LOSP residents.

Funding provides for case management including benefits, program supplies, client assistance and staff training. Case Management has been an integral and effective tool to keep tenants stably housed with a near 0% eviction rate from the Project. DAH tenants tend to be on the more medically/psychiatrically complex side and are also often frail due to age and often neglected medical care prior to being housed. The model of active engagement with these tenants has proven to enhance quality of life and ensures that tenants can avail themselves of primary care and other needed services like Homebridge or IHSS. Support Services and Property Management work closely together to address any issues that would negatively impact housing retention. Vacancies typically only appear when tenants pass away or are in need of a higher level of care than can be provided on-site. There were zero evictions in 2015.

All programs have been individually monitored on an annual basis through the Business Office of Contract Compliance and have consistently achieved excellent ratings.

5. CONCLUSION

The Mosaica Senior project appears to be operating very stably. The project's operating costs are well below average compared to the LOSP portfolio. The amount of funding in the new LOSP contract is markedly less than what was requested and approved under the initial LOSP contract and more accurately reflects the actual costs of serving the Project's LOSP households.

If the proposed new 15-year LOSP contract is approved, the remaining LOSP subsidy requested for 2017, \$33,321, will be disbursed by August 2017, based on the underwriting done for this approval, but under the authority of the existing LOSP contract. The full \$64,203 LOSP subsidy requested for calendar year 2018 is anticipated to be disbursed in early January 2018. All disbursements moving forward would happen on a calendar year basis in January each year.


6. RECOMMENDED CONDITIONS

7. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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


APPROVE. DISAPPROVE. TAKE NO ACTION.



Olson Lee, Director
Mayor's Office of Housing

Date: 3/3/17

APPROVE. DISAPPROVE. TAKE NO ACTION.



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

Date: 3-3-17

APPROVE. DISAPPROVE. TAKE NO ACTION.

for 

Nadia Sesay, Interim Director
Office of Community Investment and Infrastructure

Date: 3/3/17

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

Attachment A: LOSP Program Description

As part of the City and County of San Francisco's effort to address the needs of the growing homeless population, the City has prioritized the development of non-profit owned and operated permanent supportive housing for formerly homeless individuals and families. While capital financing can be leveraged for this population, stakeholders realized these units cannot be feasibly operated at the scale needed if they rely solely on scarce federal or state operating subsidies.

In June 2004, the City launched its *Ten Year Plan to Abolish Chronic Homelessness* (the 2004 10-Year Plan), a multifaceted approach that included a locally funded operating subsidy as a key element and established the Local Operating Subsidy Program (LOSP) in 2006 to support the creation of permanent supportive housing at a large scale. The operating subsidy leverages capital financing by integrating homeless units into Low Income Housing Tax Credit projects without burdening them with operating deficits. LOSP was created by the Mayor's Office of Housing and Community Development (MOHCD) in partnership with the Department of Public Health (DPH) and the Human Services Agency (HSA).

On July 1, 2016, the City's diverse programs addressing homelessness were brought under the new Department of Homelessness and Supportive Housing (HSH), which combines key homeless-serving programs and contracts previously located across several City departments. The new department consolidates the functions of DPH Direct Access to Housing (DAH) and HSA Housing & Homeless programs. San Francisco is developing a Coordinated Entry System (CES) for all homeless populations to best match households to the appropriate intervention and ensure those with the highest needs are prioritized.

Through 15-year grant agreements with MOHCD, which are subject to annual appropriations by the Board of Supervisors, LOSP pays the difference between the cost of operating housing for homeless persons and all other sources of operating revenue for a given project, such as tenant rental payments, commercial space lease payments, or other operating subsidies. HSH refers homeless applicants to the housing units as well as provides services funding to the projects under a separate contract.

This request is a contract renewal of the initial 9-year LOSP grant agreement for Mosaica Senior Apartments. As discussed in the Loan Evaluation, MOHCD and HSH have evaluated the Project's performance during the initial contract period and have determined that the property has been well run, and that services provided address the needs of the tenants. Accordingly, MOHCD staff is recommending a renewal of the LOSP grant agreement for a 15-year period, beginning in January 2018, and for a full 15-year period from 2018 through the end of 2032.

Contract periods for LOSP contract renewals will transition from a fiscal year basis to a calendar year basis. The full \$64,203 LOSP subsidy requested for calendar year 2018 is anticipated to be disbursed in early January 2018 (minus any surplus reported from 2016), and all disbursements moving forward would be on a calendar year basis.

Attachment B: 1st Year Operating Budget

Application Date: 11/1/2016
 Total # Units: 24
 First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations): 2017

LOSP Units	non-LOSP Units
11	13
LOSP/non-LOSP Allocation	
46%	54%

Project Name: Apartments
 Project Address: 655 Alabama Street
 Tenderloin
 Project Sponsor: Neighborhood

INCOME	LOSP	non-LOSP	Total	Comments	Alternative LOSP	LOSP	non-LOSP	Approved
Residential - Tenant Rents	55,454	88,906	144,360	Links from 'Existing Proj - Rent Info' Worksheet				
Residential - Tenant Assistance Payments (Non-LOSP)	0	22,848	22,848	Links from 'Existing Proj - Rent Info' Worksheet	Residential - Tenar	0.00%	100.00%	
Residential - LOSP Tenant Assistance Payments	66,642		66,642					
Commercial Space			0	Links from 'Commercial Op. Budget' Worksheet				
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet				
Miscellaneous Rent Income	322	378	700	Links from 'Utilities & Other Income' Worksheet	Alternative LOSP			Approved
Supportive Services Income	0	0	0		Services Income			
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet				
Laundry and Vending	1,564	1,836	3,400	Links from 'Utilities & Other Income' Worksheet	Projected LOSP		non-LOSP	(only
Tenant Charges	386	454	840	Links from 'Utilities & Other Income' Worksheet	Tenant Charges	46.00%	54.00%	acceptabl
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet				
Other Commercial Income	0	0	0	Links from 'Commercial Op. Budget' Worksheet	Alternative LOSP		non-LOSP	Approved
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0	0		Withdrawal from Capitalized Reserv			
Gross Potential Income	124,368	114,422	238,790					
Vacancy Loss - Residential - Tenant Rents	(3,320)	(3,898)	(7,218)	Vacancy loss is 5% of Tenant Rents.				
Vacancy Loss - Residential - Tenant Assistance Payments	(526)	(617)	(1,142)	Vacancy loss is 5% of Tenant Assistance Payments.				
Vacancy Loss - Commercial	0	0	0	Links from 'Commercial Op. Budget' Worksheet				
EFFECTIVE GROSS INCOME	120,523	109,907	230,430	PUPA: 9,601				

OPERATING EXPENSES	LOSP	non-LOSP	Total	Comments	Alternative LOSP	LOSP	non-LOSP	Approved
Management								
Management Fee	11,428	7,004	18,432	\$64 pupm: \$52 Base, \$3 non-profit, \$5 high crime, \$4 BBC, per HUD sched	Management Fee	62.00%	38.00%	
Asset Management Fee	9,300	5,700	15,000	HCD limit; no escalation	Asset Management	62.00%	38.00%	
Sub-total Management Expenses	20,728	12,704	33,432	PUPA: 1,393				

Salaries/Benefits	LOSP	non-LOSP	Total	Comments	Alternative LOSP	LOSP	non-LOSP	Approved
Office Salaries	962	589	1,551		Office Salaries	62.00%	38.00%	
Manager's Salary	3,375	2,069	5,444		Manager's Salary	62.00%	38.00%	
Health Insurance and Other Benefits	4,511	2,765	7,276		Health Insurance a	62.00%	38.00%	
Other Salaries/Benefits	4,918	3,014	7,932		Other Salaries/Ben	62.00%	38.00%	
Administrative Rent-Free Unit	0	0	0		Administrative Ren	62.00%	38.00%	
Sub-total Salaries/Benefits	13,765	8,437	22,202	PUPA: 925				

Administration	LOSP	non-LOSP	Total	Comments	Alternative LOSP	LOSP	non-LOSP	Approved
Advertising and Marketing	0	0	0					
Office Expenses	5,122	6,012	11,134					
Office Rent	0	0	0		Projected LOSP		non-LOSP	(only
Legal Expense - Property	828	972	1,800		Legal Expense - Pr	46.00%	54.00%	acceptabl
Audit Expense	5,923	6,953	12,875					
Bookkeeping/Accounting Services	2,053	2,411	4,464		Projected LOSP		non-LOSP	(only
Bad Debts	690	810	1,500		Bad Debts	46.00%	54.00%	acceptabl
Miscellaneous	64	76	140					
Sub-total Administration Expenses	14,680	17,233	31,913	PUPA: 1,330				

Utilities	LOSP	non-LOSP	Total	Comments	Alternative LOSP	LOSP	non-LOSP	Approved
Electricity	1,613	1,893	3,506		Electricity	46.00%	54.00%	acceptabl
Water	8,771	10,297	19,068	The only cost materially over projection. 1) High annual				
Gas	1,928	2,263	4,191					
Sewer	0	0	0					
Sub-total Utilities	12,312	14,453	26,765	PUPA: 1,115				

Taxes and Licenses	LOSP	non-LOSP	Total	Comments	Alternative LOSP	LOSP	non-LOSP	Approved
Real Estate Taxes	163	100	263		Real Estate Taxes	62.00%	38.00%	
Payroll Taxes	1,624	995	2,619		Payroll Taxes	62.00%	38.00%	
Miscellaneous Taxes, Licenses and Permits	414	486	900					
Sub-total Taxes and Licenses	2,201	1,581	3,782	PUPA: 158				

Insurance	LOSP	non-LOSP	Total	Comments	Alternative LOSP	LOSP	non-LOSP	Approved
Property and Liability Insurance	2,191	2,573	4,764					
Fidelity Bond Insurance	0	0	0		Alternative LOSP		non-LOSP	Approved
Worker's Compensation	1,143	700	1,843		Worker's Compens	62.00%	38.00%	
Director's & Officers' Liability Insurance	0	0	0					
Sub-total Insurance	3,334	3,273	6,607	PUPA: 275				

Maintenance & Repair	LOSP	non-LOSP	Total	Comments	Alternative LOSP	LOSP	non-LOSP	Approved
Payroll	7,654	8,986	16,640		Projected LOSP		non-LOSP	(only
Supplies	2,061	2,419	4,480		Supplies	46.00%	54.00%	acceptabl
Contracts	4,344	2,662	7,006		Contracts	62.00%	38.00%	
Garbage and Trash Removal	3,756	4,409	8,165		Alternative LOSP		non-LOSP	Approved
Security Payroll/Contract	0	0	0		Security Payroll/Cd	62.00%	38.00%	
HVAC Repairs and Maintenance	414	486	900					
Vehicle and Maintenance Equipment Operation and Repairs	55	65	120					
Miscellaneous Operating and Maintenance Expenses	2,834	3,326	6,160					
Sub-total Maintenance & Repair Expenses	21,118	22,353	43,471	PUPA: 1,811				

Supportive Services	LOSP	non-LOSP	Total	Comments	Alternative LOSP	LOSP	non-LOSP	Approved
Supportive Services	521	611	1,132		Supportive Services			
Commercial Expenses	0	0	0	Links from 'Commercial Op. Budget' Worksheet				

TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE 88,658 80,646 169,304 PUPA: 7,054

Reserves/Ground Lease Base Rent/Bond Fees	LOSP	non-LOSP	Total	Comments	Alternative LOSP	LOSP	non-LOSP	Approved
Ground Lease Base Rent	0	0	0	Provide additional				
Bond Monitoring Fee	0	0	0		Alternative LOSP		non-LOSP	Approved
Replacement Reserve Deposit	13,020	7,980	21,000		Replacement Rese	62.00%	38.00%	
Operating Reserve Deposit	0	0	0		Operating Reserve Deposit			
Other Required Reserve 1 Deposit	0	0	0		Other Required Reserve 1 Deposit			
Other Required Reserve 2 Deposit	0	0	0					
Required Reserve Deposit/s, Commercial	0	0	0	Links from 'Commercial Op. Budget' Worksheet				
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	13,020	7,980	21,000	PUPA: 875				

TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE 101,678 88,626 190,304 PUPA: 7,929

NET OPERATING INCOME (INCOME minus OP EXPENSES) 18,844 21,281 40,126 PUPA: 1,672

DEBT SERVICE ("hard debt"/amortized loans)	LOSP	non-LOSP	Total	Comments	Alternative LOSP	LOSP	non-LOSP	Approved
Hard Debt - First Lender	0	0	0	Provide additional				
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd L)	8,064	4,943	13,007	DHCD	Hard Debt - First L	62.00%	38.00%	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0	Provide additional	Hard Debt - Second	62.00%	38.00%	
Hard Debt - Fourth Lender	0	0	0	Provide additional	Hard Debt - Third L	62.00%	38.00%	
Commercial Hard Debt Service	0	0	0	Links from 'Commercial Op. Budget' Worksheet	Hard Debt - Fourth Lender			
TOTAL HARD DEBT SERVICE	8,064	4,943	13,007	PUPA: 542				

CASH FLOW (NOI minus DEBT SERVICE)	LOSP	non-LOSP	Total	Comments
Commercial Only Cash Flow	10,780	16,339	27,119	
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	0	0	0	Allocation of Commercial Surplus to
AVAILABLE CASH FLOW	10,780	16,339	27,119	

USES OF CASH FLOW BELOW (This row also shows DSCR.) 3.08

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL	LOSP	non-LOSP	Total	Comments	Alternative LOSP	LOSP	non-LOSP	Approved
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0	0					
Partnership Management Fee (see policy for limits)	4,600	5,400	10,000	2 HCD maximum				
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	2,070	2,430	4,500	1	Alternative LOSP		non-LOSP	Approved
Other Payments	0	0	0		Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0	0		Non-amortizing Loan Pmnt - Lender			
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0	0					
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	4,110	4,825	8,935	Provide additional	Deferred Developer Fee (Enter amt			
TOTAL PAYMENTS PRECEDING MOHCD	10,780	12,655	23,435	PUPA: 976				

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD) 0 3,684 3,684

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation? **Yes** Project has MOHCD ground lease? **no**

Will Project Defer Developer Fee? **Yes**

Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1: **50%** Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): **6,309** Sum of DD F from I **8,935**

% of Residual Receipts available for distribution to soft debt lenders in **50%** Ratio of Sum of DD **0.706135557**

Soft Debt Lenders with Residual Receipts Obligations	Total Principal A	Loans	Distrib. of Soft Debt
MOHCD/OCII - Soft Debt Loans	\$1,271,154		29.10%
MOHCD/OCII - Ground Lease Value			0.00%
HCD (soft debt loan) - Lender 3			70.90%
Other Soft Debt Lender - Lender 4			0.00%
Other Soft Debt Lender - Lender 5			0.00%

MOHCD RESIDUAL RECEIPTS DEBT SERVICE	LOSP	non-LOSP	Total	Comments
MOHCD Residual Receipts Amount Due	1,072	1,072	2,144	50% of residual receipts, multiplied by 29.1% -- MOHCD's
Proposed MOHCD Residual Receipts Amount to Loan Repayment	1,072	1,072	2,144	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease	0	0	0	

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE 2,612

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE	LOSP	non-LOSP	Total	Comments
HCD Residual Receipts Amount Due	2,612	2,612	5,224	50% of residual receipts, multiplied by 70.9% -- DHCD's pro rata share of all soft debt
Lender 4 Residual Receipts Due	0	0	0	
Lender 5 Residual Receipts Due	0	0	0	
Total Non-MOHCD Residual Receipts Debt Service	2,612	2,612	5,224	

REMAINDER (Should be zero unless there are distributions below)	LOSP	non-LOSP	Total	Comments
Owner Distributions/Incentive Management Fee	0	0	0	
Other Distributions/Uses	0	0	0	
Final Balance (should be zero)	0	0	0	

Attachment C: 20-year Operating Proforma

Mosaica Senior Apartments

	Total # Units: 24	LOSP Units 11 46.00%	non-LOSP Units 13 54.00%	Comments	Year 1 2017			Year 2 2018			Year 3 2019		
					% annual inc LOSP	% annual increase	(related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME													
Residential - Tenant Rents		1.0%	3.5%	SSI/SSA income escalations have been very low historically. We consider tenant income escalations in setting annual increase.	55,454	88,906	144,360	56,009	92,018	148,026	56,569	95,238	151,807
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	2.5%	VASH is FMR driven. Past 10 yr history of FMR escalation is 2.5% (1 unit is Vash)	-	22,848	22,848	-	23,419	23,419	-	24,005	24,005
Residential - LOSP Tenant Assistance Payments		n/a	n/a		66,642	-	66,642	64,203	-	64,203	67,071	-	67,071
Commercial Space		n/a	0.0%		-	-	-	-	-	-	-	-	-
Residential Parking		0.0%	-		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income		2.5%	2.5%		322	378	700	330	387	717	338	397	735
Supportive Services Income		0.0%	-		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations		0.0%	-		-	-	-	-	-	-	-	-	-
Laundry and Vending		2.5%	2.5%		1,564	1,836	3,400	1,603	1,882	3,485	1,643	1,929	3,572
Tenant Charges		2.5%	2.5%		386	454	840	396	465	861	406	477	883
Miscellaneous Residential Income		0.0%	-		-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	0.0%		-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income					124,368	114,422	238,790	122,541	118,171	240,712	126,027	122,046	248,073
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH	(3,320)	(3,898)	(7,218)	(2,800)	(4,601)	(7,401)	(2,828)	(4,762)	(7,590)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a	policy; annual incrementing usually not	(526)	(617)	(1,142)	-	(1,171)	(1,171)	-	(1,200)	(1,200)
Vacancy Loss - Commercial		n/a	n/a	appropriate	-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					120,523	109,907	230,430	119,740	112,399	232,139	123,199	116,083	239,282
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%	schedule.	11,428	7,004	18,432	11,828	7,249	19,077	12,242	7,503	19,745
Asset Management Fee		3.5%	3.5%	per MOHCD policy	9,300	5,700	15,000	9,626	5,900	15,525	9,962	6,106	16,068
Sub-total Management Expenses					20,728	12,704	33,432	21,453	13,149	34,602	22,204	13,609	35,813
Salaries/Benefits													
Office Salaries		3.5%	3.5%		962	589	1,551	995	610	1,605	1,030	631	1,661
Manager's Salary		3.5%	3.5%		3,375	2,069	5,444	3,493	2,141	5,635	3,616	2,216	5,832
Health Insurance and Other Benefits		7.0%	7.0%	Historically high inflation	4,511	2,765	7,275	4,826	2,958	7,784	5,164	3,165	8,329
Other Salaries/Benefits		3.5%	3.5%		4,918	3,014	7,932	5,090	3,120	8,210	5,268	3,229	8,497
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					13,765	8,437	22,202	14,405	8,829	23,234	15,078	9,241	24,319
Administration													
Advertising and Marketing		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses		3.5%	3.5%		5,122	6,012	11,134	5,301	6,223	11,524	5,486	6,441	11,927
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%		828	972	1,800	857	1,006	1,863	887	1,041	1,928
Audit Expense		3.5%	3.5%		5,923	6,953	12,875	6,130	7,196	13,326	6,344	7,448	13,792
Bookkeeping/Accounting Services		3.5%	3.5%		2,053	2,411	4,464	2,125	2,495	4,620	2,200	2,562	4,782
Bad Debts		1.0%	1.0%	Consistent with rent inflation	690	810	1,500	697	818	1,515	704	826	1,530
Miscellaneous		3.5%	3.5%		64	76	140	67	78	145	69	81	150
Sub-total Administration Expenses					14,680	17,233	31,913	15,177	17,816	32,992	15,690	18,419	34,109
Utilities													
Electricity		3.5%	3.5%		1,613	1,893	3,506	1,669	1,960	3,629	1,728	2,028	3,756
Water		4.5%	4.5%	Historically high inflation	8,771	10,297	19,068	9,166	10,760	19,926	9,578	11,244	20,823
Gas		3.5%	3.5%		1,928	2,263	4,191	1,995	2,342	4,338	2,065	2,424	4,490
Sewer		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities					12,312	14,453	26,765	12,831	15,062	27,892	13,371	15,697	29,068
Taxes and Licenses													
Real Estate Taxes		1.2%	1.2%		163	100	263	165	101	266	167	102	269
Payroll Taxes		3.5%	3.5%		1,624	995	2,619	1,681	1,030	2,711	1,739	1,066	2,806
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		414	486	900	428	503	932	443	521	964
Sub-total Taxes and Licenses					2,201	1,581	3,782	2,274	1,634	3,908	2,350	1,689	4,039
Insurance													
Property and Liability Insurance		3.5%	3.5%		2,191	2,573	4,764	2,268	2,663	4,931	2,348	2,756	5,103
Fidelity Bond Insurance		0.0%	-		-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%		1,143	700	1,843	1,183	725	1,908	1,224	750	1,974
Director's & Officers' Liability Insurance		0.0%	-		-	-	-	-	-	-	-	-	-
Sub-total Insurance					3,334	3,273	6,607	3,451	3,387	6,838	3,572	3,506	7,078
Maintenance & Repair													
Payroll		3.5%	3.5%		7,654	8,986	16,640	7,922	9,300	17,222	8,200	9,626	17,825
Supplies		3.5%	3.5%		2,061	2,419	4,480	2,133	2,504	4,637	2,208	2,592	4,799
Contracts		3.5%	3.5%		4,344	2,662	7,006	4,496	2,755	7,251	4,653	2,852	7,505
Garbage and Trash Removal		3.5%	3.5%		3,756	4,409	8,165	3,887	4,563	8,451	4,023	4,723	8,747
Security Payroll/Contract		3.5%	3.5%		-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance		3.5%	3.5%		414	486	900	428	503	932	443	521	964
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		55	65	120	57	67	124	59	69	129
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		2,834	3,326	6,160	2,933	3,443	6,376	3,035	3,563	6,599
Sub-total Maintenance & Repair Expenses					21,118	22,353	43,471	21,857	23,136	44,992	22,622	23,945	46,567
Supportive Services		3.5%	3.5%		521	611	1,132	539	633	1,172	558	655	1,213
Commercial Expenses					-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES					88,658	80,646	169,304	91,986	83,646	175,631	95,445	86,761	182,206
PUPA (w/o Reserves/GL Base Rent/Bond Fees)							7,054						
Reserves/Ground Lease Base Rent/Bond Fees													
Ground Lease Base Rent					-	-	-	-	-	-	-	-	-
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit					13,020	7,980	21,000	13,020	7,980	21,000	13,020	7,980	21,000
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					13,020	7,980	21,000	13,020	7,980	21,000	13,020	7,980	21,000
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES					101,678	88,626	190,304	105,006	91,626	196,631	108,465	94,741	203,206
PUPA (w/ Reserves/GL Base Rent/Bond Fees)							7,929						
NET OPERATING INCOME (INCOME minus OP EXPENSES)					18,844	21,281	40,126	14,734	20,774	35,508	14,734	21,342	36,076
DEBT SERVICE ("hard debt"/amortized loans)													
Hard Debt - First Lender					-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					8,064	4,943	13,007	8,064	4,943	13,007	8,064	4,943	13,007
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					8,064	4,943	13,007	8,064	4,943	13,007	8,064	4,943	13,007
CASH FLOW (NOI minus DEBT SERVICE)					10,780	16,339	27,119	6,670	15,831	22,501	6,670	16,399	23,069
Commercial Only Cash Flow					-	-	-	-	-	-	-	-	-
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW					10,780	16,339	27,119	6,670	15,831	22,501	6,670	16,399	23,069
USES OF CASH FLOW BELOW (This row also shows DSCR.)							3.08			2.73			2.77
USING THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL													
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		0.0%	-		-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		0.0%	-		4,600	5,400	10,000						

Mosaica Senior Apartments

	Total # Units: 24	Units		Comments	Year 10 2026			Year 11 2027			Year 12 2028		
		LOSP 46.00%	non-LOSP 54.00%		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME		% annual inc	% annual increase	(related to annual inc assumptions)									
Residential - Tenant Rents		1.0%	3.5%	SSI/SSA income escalations have been very low historically. We consider tenant income escalations in setting annual increase.	60,649	121,170	181,819	61,256	125,411	186,666	61,868	129,800	191,668
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	2.5%	VASH is FMR driven. Past 10 yr history of FMR escalation is 2.5% (1 unit is Vash)	-	28,534	28,534	-	29,247	29,247	-	29,979	29,979
Residential - LOSP Tenant Assistance Payments		n/a	n/a		84,460	-	84,460	88,545	-	88,545	92,813	-	92,813
Commercial Space		n/a	0.0%		-	-	-	-	-	-	-	-	-
Residential Parking		0.0%			-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income		2.5%	2.5%		402	472	874	412	484	896	422	496	918
Supportive Services Income		0.0%			-	-	-	-	-	-	-	-	-
Interest Income - Project Operations		0.0%			-	-	-	-	-	-	-	-	-
Laundry and Vending		2.5%	2.5%		1,953	2,293	4,246	2,002	2,350	4,352	2,052	2,409	4,461
Tenant Charges		2.5%	2.5%		483	566	1,049	495	581	1,075	507	595	1,102
Miscellaneous Residential Income		0.0%			-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	0.0%		-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income					147,948	153,035	300,983	152,709	158,073	310,782	157,663	163,279	320,942
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(3,032)	(6,058)	(9,091)	(3,063)	(6,271)	(9,333)	(3,093)	(6,490)	(9,583)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	(1,427)	(1,427)	-	(1,462)	(1,462)	-	(1,499)	(1,499)
Vacancy Loss - Commercial		n/a	n/a		-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME					144,915	145,550	290,465	149,647	150,340	299,987	154,570	155,290	309,860
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%	schedule.	15,575	9,546	25,121	16,120	9,880	26,000	16,684	10,226	26,910
Asset Management Fee		3.5%	3.5%	per MOHCD policy	12,675	7,769	20,443	13,119	8,040	21,159	13,578	8,322	21,900
Sub-total Management Expenses					28,250	17,314	45,564	29,239	17,920	47,159	30,262	18,548	48,810
Salaries/Benefits													
Office Salaries		3.5%	3.5%		1,311	803	2,114	1,356	831	2,188	1,404	860	2,264
Manager's Salary		3.5%	3.5%		4,600	2,819	7,420	4,761	2,918	7,679	4,928	3,020	7,948
Health Insurance and Other Benefits		7.0%	7.0%	Historically high inflation	8,292	5,082	13,375	8,873	5,438	14,311	9,494	5,819	15,313
Other Salaries/Benefits		3.5%	3.5%		6,703	4,108	10,811	6,937	4,252	11,189	7,180	4,401	11,580
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					20,906	12,813	33,719	21,928	13,439	35,367	23,006	14,100	37,106
Administration													
Advertising and Marketing		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses		3.5%	3.5%		6,980	8,194	15,174	7,225	8,481	15,706	7,477	8,778	16,255
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%		1,128	1,325	2,453	1,168	1,371	2,539	1,209	1,419	2,628
Audit Expense		3.5%	3.5%		8,072	9,476	17,547	8,354	9,807	18,161	8,647	10,150	18,797
Bookkeeping/Accounting Services		3.5%	3.5%		2,799	3,285	6,084	2,897	3,400	6,297	2,998	3,519	6,517
Bad Debts		1.0%	1.0%	Consistent with rent inflation	755	886	1,641	762	895	1,657	770	904	1,674
Miscellaneous		3.5%	3.5%		88	103	191	91	107	197	94	110	204
Sub-total Administration Expenses					19,822	23,269	43,090	20,496	24,061	44,557	21,195	24,881	46,076
Utilities													
Electricity		3.5%	3.5%		2,198	2,580	4,778	2,275	2,671	4,946	2,355	2,764	5,119
Water		4.5%	4.5%	Historically high inflation	13,035	15,302	28,337	13,622	15,990	29,612	14,234	16,710	30,945
Gas		3.5%	3.5%		2,627	3,084	5,712	2,719	3,192	5,912	2,815	3,304	6,119
Sewer		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities					17,860	20,967	38,827	18,616	21,853	40,469	19,404	22,778	42,182
Taxes and Licenses													
Real Estate Taxes		1.2%	1.2%		181	111	292	183	112	295	185	114	299
Payroll Taxes		3.5%	3.5%		2,213	1,356	3,569	2,291	1,404	3,694	2,371	1,453	3,824
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		564	662	1,227	584	686	1,270	604	710	1,314
Sub-total Taxes and Licenses					2,958	2,130	5,088	3,058	2,202	5,259	3,160	2,276	5,437
Insurance													
Property and Liability Insurance		3.5%	3.5%		2,987	3,506	6,493	3,091	3,629	6,720	3,199	3,766	6,955
Fidelity Bond Insurance		0.0%			-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%		1,557	954	2,512	1,612	988	2,600	1,668	1,022	2,691
Director's & Officers' Liability Insurance		0.0%			-	-	-	-	-	-	-	-	-
Sub-total Insurance					4,544	4,461	9,005	4,703	4,617	9,320	4,868	4,778	9,646
Maintenance & Repair													
Payroll		3.5%	3.5%		10,432	12,246	22,679	10,797	12,675	23,472	11,175	13,119	24,294
Supplies		3.5%	3.5%		2,809	3,297	6,106	2,907	3,413	6,319	3,009	3,532	6,541
Contracts		3.5%	3.5%		5,920	3,628	9,548	6,127	3,755	9,883	6,342	3,887	10,229
Garbage and Trash Removal		3.5%	3.5%		5,119	6,009	11,128	5,298	6,219	11,518	5,484	6,437	11,921
Security Payroll/Contract		3.5%	3.5%		-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance		3.5%	3.5%		564	662	1,227	584	686	1,270	604	710	1,314
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		75	88	164	78	91	169	81	95	175
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		3,862	4,534	8,395	3,997	4,692	8,889	4,137	4,856	8,993
Sub-total Maintenance & Repair Expenses					28,781	30,465	59,247	29,788	31,532	61,320	30,831	32,635	63,466
Supportive Services		3.5%	3.5%		710	833	1,543	735	862	1,597	760	892	1,653
Commercial Expenses					-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES					123,831	112,252	236,083	128,562	116,487	245,049	133,485	120,889	254,375
PUPA (w/o Reserves/GL Base Rent/Bond Fees)													
Reserves/Ground Lease Base Rent/Bond Fees													
Ground Lease Base Rent					-	-	-	-	-	-	-	-	-
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit					13,020	7,980	21,000	13,020	7,980	21,000	13,020	7,980	21,000
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					13,020	7,980	21,000	13,020	7,980	21,000	13,020	7,980	21,000
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES					136,851	120,232	257,083	141,582	124,467	266,049	146,505	128,869	275,375
PUPA (w/ Reserves/GL Base Rent/Bond Fees)													
NET OPERATING INCOME (INCOME minus OP EXPENSES)					8,064	25,318	33,383	8,064	25,873	33,937	8,064	26,421	34,485
DEBT SERVICE ("hard debt"/amortized loans)													
Hard Debt - First Lender					-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					8,064	4,943	13,007	8,064	4,943	13,007	8,064	4,943	13,007
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					8,064	4,943	13,007	8,064	4,943	13,007	8,064	4,943	13,007
CASH FLOW (NOI minus DEBT SERVICE)					0	20,376	20,376	-	20,930	20,930	-	21,478	21,478
Commercial Only Cash Flow													
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					-	-	-	-	-	-	-	-	-
AVAILABLE CASH FLOW					0	20,376	20,376	-	20,930	20,930	-	21,478	21,478
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%			-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		0.0%			-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)				per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-
Other Payments					-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1				Enter comments re: annual increase, etc.	-								

Mosaica Senior Apartments

INCOME	Total # Units:		Comments (related to annual inc assumptions)	Year 13 2029			Year 14 2030			Year 15 2031		
	24	11		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
	46.00%	54.00%		% annual inc LOSP	% annual increase							
Residential - Tenant Rents			SSI/SSA income escalations have been very low historically. We consider tenant income escalations in setting annual increase.	62,487	134,343	196,830	63,112	139,045	202,157	63,743	143,912	207,655
Residential - Tenant Assistance Payments (Non-LOSP)	n/a	2.5%	VASH is FMR driven. Past 10 yr history of FMR escalation is 2.5% (1 unit is Vash)	-	30,728	30,728	-	31,496	31,496	-	32,284	32,284
Residential - LOSP Tenant Assistance Payments	n/a	n/a		97,274	-	97,274	101,936	-	101,936	106,808	-	106,808
Commercial Space	n/a	0.0%		-	-	-	-	-	-	-	-	-
Residential Parking	0.0%			-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	2.5%	2.5%		433	508	941	444	521	965	455	534	989
Supportive Services Income	0.0%			-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	0.0%			-	-	-	-	-	-	-	-	-
Laundry and Vending	2.5%	2.5%		2,103	2,469	4,573	2,156	2,531	4,687	2,210	2,594	4,804
Tenant Charges	2.5%	2.5%		520	610	1,130	533	625	1,158	546	641	1,187
Miscellaneous Residential Income	0.0%			-	-	-	-	-	-	-	-	-
Other Commercial Income	n/a	0.0%		-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)	n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income				162,817	168,659	331,476	168,180	174,219	342,399	173,762	179,964	353,726
Vacancy Loss - Residential - Tenant Rents	n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(3,124)	(6,717)	(9,842)	(3,156)	(6,952)	(10,108)	(3,187)	(7,196)	(10,383)
Vacancy Loss - Residential - Tenant Assistance Payments	n/a	n/a		-	(1,536)	(1,536)	-	(1,575)	(1,575)	-	(1,614)	(1,614)
Vacancy Loss - Commercial	n/a	n/a		-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME				159,693	160,405	320,098	165,025	165,692	330,716	170,574	171,155	341,729
OPERATING EXPENSES												
Management												
Management Fee	3.5%	3.5%	schedule.	17,268	10,584	27,852	17,873	10,954	28,827	18,498	11,338	29,836
Asset Management Fee	3.5%	3.5%	per MOHCD policy	14,053	8,613	22,666	14,545	8,915	23,459	15,054	9,227	24,280
Sub-total Management Expenses				31,321	19,197	50,518	32,417	19,869	52,286	33,552	20,564	54,116
Salaries/Benefits												
Office Salaries	3.5%	3.5%		1,453	891	2,344	1,504	922	2,426	1,557	954	2,511
Manager's Salary	3.5%	3.5%		5,100	3,126	8,226	5,279	3,235	8,514	5,464	3,349	8,812
Health Insurance and Other Benefits	7.0%	7.0%	Historically high inflation	10,159	6,226	16,385	10,870	6,662	17,532	11,630	7,128	18,759
Other Salaries/Benefits	3.5%	3.5%		7,431	4,555	11,986	7,691	4,714	12,405	7,960	4,879	12,839
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				24,143	14,797	38,940	25,344	15,533	40,877	26,611	16,310	42,921
Administration												
Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		7,739	9,065	16,824	8,010	9,403	17,413	8,290	9,732	18,023
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		1,251	1,469	2,720	1,295	1,520	2,815	1,340	1,573	2,914
Audit Expense	3.5%	3.5%		8,949	10,506	19,455	9,263	10,873	20,136	9,587	11,254	20,841
Bookkeeping/Accounting Services	3.5%	3.5%		3,103	3,643	6,745	3,211	3,770	6,981	3,324	3,902	7,226
Bad Debts	1.0%	1.0%	Consistent with rent inflation	778	913	1,690	785	922	1,707	793	931	1,724
Miscellaneous	3.5%	3.5%		97	114	212	101	118	219	104	122	227
Sub-total Administration Expenses				21,917	25,729	47,646	22,665	26,607	49,272	23,439	27,515	50,954
Utilities												
Electricity	3.5%	3.5%		2,437	2,861	5,298	2,522	2,961	5,483	2,611	3,065	5,675
Water	4.5%	4.5%	Historically high inflation	14,875	17,462	32,337	15,544	18,248	33,792	16,244	19,069	35,313
Gas	3.5%	3.5%		2,913	3,420	6,333	3,015	3,539	6,555	3,121	3,663	6,784
Sewer	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Utilities				20,225	23,743	43,968	21,082	24,748	45,830	21,975	25,797	47,772
Taxes and Licenses												
Real Estate Taxes	1.2%	1.2%		187	115	302	190	116	306	192	118	310
Payroll Taxes	3.5%	3.5%		2,454	1,504	3,957	2,540	1,556	4,096	2,628	1,611	4,239
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		626	734	1,360	647	760	1,408	670	787	1,457
Sub-total Taxes and Licenses				3,267	2,353	5,620	3,377	2,433	5,809	3,490	2,515	6,006
Insurance												
Property and Liability Insurance	3.5%	3.5%		3,311	3,887	7,199	3,427	4,023	7,451	3,547	4,164	7,711
Fidelity Bond Insurance	0.0%			-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		1,727	1,058	2,785	1,787	1,095	2,882	1,850	1,134	2,983
Director's & Officers' Liability Insurance	0.0%			-	-	-	-	-	-	-	-	-
Sub-total Insurance				5,038	4,946	9,984	5,214	5,119	10,333	5,397	5,298	10,695
Maintenance & Repair												
Payroll	3.5%	3.5%		11,566	13,578	25,144	11,971	14,053	26,024	12,390	14,545	26,935
Supplies	3.5%	3.5%		3,114	3,656	6,770	3,223	3,784	7,007	3,336	3,916	7,252
Contracts	3.5%	3.5%		6,564	4,023	10,587	6,793	4,164	10,957	7,031	4,309	11,341
Garbage and Trash Removal	3.5%	3.5%		5,675	6,662	12,338	5,874	6,896	12,770	6,080	7,137	13,217
Security Payroll/Contract	3.5%	3.5%		-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%	3.5%		626	734	1,360	647	760	1,408	670	787	1,457
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		83	98	181	86	101	188	89	105	194
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		4,262	5,026	9,308	4,432	5,202	9,634	4,567	5,364	9,971
Sub-total Maintenance & Repair Expenses				31,910	33,777	65,688	33,027	34,960	67,987	34,183	36,183	70,366
Supportive Services	3.5%	3.5%		787	924	1,711	814	956	1,770	843	969	1,832
Commercial Expenses												
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES				138,609	125,466	264,074	143,940	130,224	274,164	149,490	135,172	284,662
RESERVES/GROUND LEASE BASE RENT/BOND FEES												
Ground Lease Base Rent				-	-	-	-	-	-	-	-	-
Bond Monitoring Fee				-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit				13,020	7,980	21,000	13,020	7,980	21,000	13,020	7,980	21,000
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				13,020	7,980	21,000	13,020	7,980	21,000	13,020	7,980	21,000
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES				151,629	133,446	285,074	156,960	138,204	295,164	162,510	143,152	305,662
NET OPERATING INCOME (INCOME minus OP EXPENSES)				8,064	26,959	35,024	8,064	27,487	35,552	8,064	28,003	36,067
DEBT SERVICE ("hard debt"/amortized loans)												
Hard Debt - First Lender				-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)				8,064	4,943	13,007	8,064	4,943	13,007	8,064	4,943	13,007
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender				-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service				-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE				8,064	4,943	13,007	8,064	4,943	13,007	8,064	4,943	13,007
CASH FLOW (NOI minus DEBT SERVICE)					22,017	22,017		22,545	22,545		23,060	23,060
Commercial Only Cash Flow												
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)												
AVAILABLE CASH FLOW					22,017	22,017		22,545	22,545		23,060	23,060
USES OF CASH FLOW BELOW (This row also shows DSCR.)						2.69			2.73			2.77
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL												
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0.0%			-	-	-	-	-	-	-	-	-
Partnership Management Fee (see policy for limits)	0.0%			-	-	-	-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	-	-	-	-	-	-	-	-	-
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD												
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)					22,017	22,017						

Mosaica Senior Apartments

	Total # Units:		LOSP		non-LOSP		Year 16			Year 17			Year 18			
	24	11	46.00%	54.00%	2032	2033	2034	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME			% annual inc	% annual increase	Comments (related to annual inc assumptions)			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents			1.0%	3.5%	SSI/SSA income escalations have been very low historically. We consider tenant income escalations in setting annual increase.			64,380	148,949	213,329	65,024	154,162	219,186	65,674	159,557	225,232
Residential - Tenant Assistance Payments (Non-LOSP)			n/a	2.5%	VASH is FMR driven. Past 10 yr history of FMR escalation is 2.5% (1 unit is Vash)			-	33,091	33,091	-	33,918	33,918	-	34,766	34,766
Residential - LOSP Tenant Assistance Payments			n/a	n/a				111,899	-	111,899	117,221	-	117,221	122,782	-	122,782
Commercial Space			n/a	0.0%				-	-	-	-	-	-	-	-	-
Residential Parking			0.0%	-				-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income			2.5%	2.5%				466	547	1,014	478	561	1,039	490	575	1,065
Supportive Services Income			0.0%	-				-	-	-	-	-	-	-	-	-
Interest Income - Project Operations			0.0%	-				-	-	-	-	-	-	-	-	-
Laundry and Vending			2.5%	2.5%				2,265	2,659	4,924	2,322	2,726	5,047	2,380	2,794	5,174
Tenant Charges			2.5%	2.5%				560	657	1,217	574	673	1,247	588	690	1,278
Miscellaneous Residential Income			0.0%	-				-	-	-	-	-	-	-	-	-
Other Commercial Income			n/a	0.0%				-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)			n/a	n/a	Link from Reserve Section below, as applicable			-	-	-	-	-	-	-	-	-
Gross Potential Income							179,571	185,903	365,474	185,618	192,040	377,658	191,914	198,382	390,297	
Vacancy Loss - Residential - Tenant Rents			n/a	n/a	Enter formulas manually per relevant MOH			(3,219)	(7,447)	(10,666)	(3,251)	(7,708)	(10,959)	(3,284)	(7,978)	(11,262)
Vacancy Loss - Residential - Tenant Assistance Payments			n/a	n/a	policy; annual incrementing usually not			-	(1,655)	(1,655)	-	(1,696)	(1,696)	-	(1,738)	(1,738)
Vacancy Loss - Commercial			n/a	n/a	appropriate			-	-	-	-	-	-	-	-	-
EFFECTIVE GROSS INCOME							176,352	176,801	353,153	182,367	182,636	365,003	188,630	188,666	377,297	

OPERATING EXPENSES																
Management																
Management Fee	3.5%	3.5%	schedule.		19,146	11,734	30,880	19,816	12,145	31,961	20,509	12,570	33,079			
Asset Management Fee	3.5%	3.5%	per MOHCD policy		15,581	9,549	25,130	16,126	9,884	26,010	16,690	10,230	26,920			
Sub-total Management Expenses					34,726	21,284	56,010	35,942	22,029	57,971	37,200	22,800	60,000			

Salaries/Benefits																
Office Salaries	3.5%	3.5%			1,611	987	2,598	1,667	1,022	2,689	1,726	1,058	2,784			
Manager's Salary	3.5%	3.5%			5,655	3,466	9,121	5,853	3,587	9,440	6,058	3,713	9,770			
Health Insurance and Other Benefits	7.0%	7.0%	Historically high inflation		12,445	7,627	20,072	13,316	8,161	21,477	14,248	8,733	22,980			
Other Salaries/Benefits	3.5%	3.5%			8,239	5,050	13,289	8,527	5,227	13,754	8,826	5,409	14,235			
Administrative Rent-Free Unit	3.5%	3.5%			-	-	-	-	-	-	-	-	-			
Sub-total Salaries/Benefits					27,950	17,130	45,080	29,363	17,997	47,360	30,857	18,912	49,770			

Administration																
Advertising and Marketing	3.5%	3.5%			-	-	-	-	-	-	-	-	-			
Office Expenses	3.5%	3.5%			8,581	10,073	18,653	8,881	10,425	19,306	9,192	10,790	19,982			
Office Rent	3.5%	3.5%			-	-	-	-	-	-	-	-	-			
Legal Expense - Property	3.5%	3.5%			1,387	1,628	3,016	1,436	1,685	3,121	1,486	1,744	3,230			
Audit Expense	3.5%	3.5%			9,922	11,648	21,570	10,270	12,056	22,326	10,629	12,477	23,106			
Bookkeeping/Accounting Services	3.5%	3.5%			3,440	4,039	7,479	3,561	4,180	7,741	3,685	4,326	8,011			
Bad Debts	1.0%	1.0%	Consistent with rent inflation		801	940	1,741	809	950	1,759	817	959	1,776			
Miscellaneous	3.5%	3.5%			108	127	235	112	131	243	116	136	251			
Sub-total Administration Expenses					24,239	28,455	52,694	25,068	29,427	54,495	25,925	30,433	56,358			

Utilities																
Electricity	3.5%	3.5%			2,702	3,172	5,874	2,797	3,283	6,079	2,894	3,398	6,292			
Water	4.5%	4.5%	Historically high inflation		16,975	19,927	36,902	17,739	20,824	38,563	18,537	21,761	40,298			
Gas	3.5%	3.5%			3,230	3,792	7,021	3,343	3,924	7,267	3,460	4,062	7,521			
Sewer	3.5%	3.5%			-	-	-	-	-	-	-	-	-			
Sub-total Utilities					22,907	26,890	49,797	23,878	28,031	51,909	24,891	29,220	54,111			

Taxes and Licenses																
Real Estate Taxes	1.2%	1.2%			194	119	313	196	120	317	199	122	321			
Payroll Taxes	3.5%	3.5%			2,720	1,667	4,388	2,816	1,726	4,541	2,914	1,786	4,700			
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%			694	814	1,508	718	843	1,561	743	872	1,615			
Sub-total Taxes and Licenses					3,608	2,601	6,209	3,730	2,689	6,419	3,856	2,780	6,636			

Insurance																
Property and Liability Insurance	3.5%	3.5%			3,671	4,310	7,981	3,800	4,461	8,261	3,933	4,617	8,550			
Fidelity Bond Insurance	0.0%	0.0%			-	-	-	-	-	-	-	-	-			
Worker's Compensation	3.5%	3.5%			1,914	1,173	3,088	1,981	1,214	3,196	2,051	1,257	3,308			
Director's & Officers' Liability Insurance	0.0%	0.0%			-	-	-	-	-	-	-	-	-			
Sub-total Insurance					5,586	5,483	11,069	5,781	5,675	11,456	5,984	5,874	11,857			

Maintenance & Repair																
Payroll	3.5%	3.5%			12,824	15,054	27,878	13,273	15,581	28,854	13,737	16,126	29,863			
Supplies	3.5%	3.5%			3,453	4,053	7,506	3,573	4,195	7,768	3,698	4,342	8,040			
Contracts	3.5%	3.5%			7,277	4,460	11,737	7,532	4,616	12,148	7,796	4,778	12,573			
Garbage and Trash Removal	3.5%	3.5%			6,292	7,387	13,679	6,513	7,645	14,158	6,741	7,913	14,654			
Security Payroll/Contract	3.5%	3.5%			-	-	-	-	-	-	-	-	-			
HVAC Repairs and Maintenance	3.5%	3.5%			694	814	1,508	718	843	1,561	743	872	1,615			
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%			92	109	201	96	112	208	99	116	215			
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%			4,747	5,573	10,320	4,913	5,768	10,681	5,085	5,970	11,055			
Sub-total Maintenance & Repair Expenses					35,379	37,450	72,829	36,618	38,760	75,378	37,899	40,117	78,016			

Supportive Services	3.5%	3.5%			872	1,024	1,896	903	1,060	1,963	935	1,097	2,032
Commercial Expenses					-	-	-	-	-	-	-	-	-

TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES					155,267	140,317	295,584	161,283	145,668	306,951	167,546	151,234	318,780
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RESERVES/GROUND LEASE BASE RENT/BOND FEES																
Ground Lease Base Rent					-	-	-	-	-	-	-	-	-			
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-			
Replacement Reserve Deposit					13,020	7,980	21,000	13,020	7,980	21,000	13,020	7,980	21,000			
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					13,020	7,980	21,000	13,020	7,980	21,000	13,020	7,980	21,000			

TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES					168,287	148,297	316,584	174,303	153,648	327,951	180,566	159,214	339,780
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NET OPERATING INCOME (INCOME minus OP EXPENSES)					8,064	28,504	36,568	8,064	28,988	37,052	8,064	29,452	37,517
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DEBT SERVICE ("hard debt"/amortized loans)																
Hard Debt - First Lender					-	-	-	-	-	-	-	-	-			
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					8,064	4,943	13,007	8,064	4,943	13,007	8,064	4,943	13,007			
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-	-	-	-			
Hard Debt - Fourth Lender					-	-	-	-	-	-	-	-	-			
Commercial Hard Debt Service					-	-	-	-	-	-	-	-	-			
TOTAL HARD DEBT SERVICE					8,064	4,943	13,007	8,064	4,943	13,007	8,064	4,943	13,007			

CASH FLOW (NOI minus DEBT SERVICE)																
Commercial Only Cash Flow					-	-	-	-	-	-	-	-	-			
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					-	-	-	-	-	-	-	-	-			
AVAILABLE CASH FLOW					(0)	23,561	23,561	-	24,045	24,045	-	24,510	24,510			
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%															

Mosaica Senior Apartments

	Total # Units: 24	LOSP Units 11 46.00%	non-LOSP Units 13 54.00%	Comments (related to annual inc assumptions)	Year 19 2035			Year 20 2036		
					LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME										
Residential - Tenant Rents		1.0%	3.5%	SSI/SSA income escalations have been very low historically. We consider tenant income escalations in setting annual increase.	66,331	165,142	231,473	66,994	170,922	237,916
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	2.5%	VASH is FMR driven. Past 10 yr history of FMR escalation is 2.5% (1 unit is Vash)	-	35,635	35,635	-	36,526	36,526
Residential - LOSP Tenant Assistance Payments		n/a	n/a		128,595	-	128,595	134,670	-	134,670
Commercial Space		n/a	0.0%		-	-	-	-	-	-
Residential Parking		0.0%	-		-	-	-	-	-	-
Miscellaneous Rent Income		2.5%	2.5%		502	590	1,092	515	604	1,119
Supportive Services Income		0.0%	-		-	-	-	-	-	-
Interest Income - Project Operations		0.0%	-		-	-	-	-	-	-
Laundry and Vending		2.5%	2.5%		2,439	2,864	5,303	2,500	2,935	5,435
Tenant Charges		2.5%	2.5%		603	707	1,310	618	725	1,343
Miscellaneous Residential Income		0.0%	-		-	-	-	-	-	-
Other Commercial Income		n/a	0.0%		-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-
Gross Potential Income					198,470	204,938	403,408	205,298	211,712	417,010
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(3,317)	(8,257)	(11,574)	(3,350)	(8,546)	(11,896)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	(1,782)	(1,782)	-	(1,826)	(1,826)
Vacancy Loss - Commercial		n/a	n/a		-	-	-	-	-	-
EFFECTIVE GROSS INCOME					195,154	194,899	390,052	201,948	201,340	403,288
OPERATING EXPENSES										
Management										
Management Fee		3.5%	3.5%	schedule.	21,227	13,010	34,237	21,970	13,466	35,436
Asset Management Fee		3.5%	3.5%	per MOHCD policy	17,275	10,588	27,862	17,879	10,958	28,838
Sub-total Management Expenses					38,502	23,598	62,100	39,849	24,424	64,273
Salaries/Benefits										
Office Salaries		3.5%	3.5%		1,786	1,095	2,881	1,849	1,133	2,982
Manager's Salary		3.5%	3.5%		6,270	3,843	10,112	6,489	3,977	10,466
Health Insurance and Other Benefits		7.0%	7.0%	Historically high inflation	15,245	9,344	24,589	16,312	9,998	26,310
Other Salaries/Benefits		3.5%	3.5%		9,135	5,599	14,734	9,455	5,795	15,249
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-
Sub-total Salaries/Benefits					32,436	19,880	52,316	34,105	20,903	55,007
Administration										
Advertising and Marketing		3.5%	3.5%		-	-	-	-	-	-
Office Expenses		3.5%	3.5%		9,513	11,168	20,681	9,846	11,559	21,405
Office Rent		3.5%	3.5%		-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%		1,538	1,805	3,343	1,592	1,869	3,461
Audit Expense		3.5%	3.5%		11,001	12,914	23,915	11,386	13,366	24,752
Bookkeeping/Accounting Services		3.5%	3.5%		3,814	4,478	8,292	3,948	4,634	8,582
Bad Debts		1.0%	1.0%	Consistent with rent inflation	825	969	1,794	834	979	1,812
Miscellaneous		3.5%	3.5%		120	140	260	124	145	269
Sub-total Administration Expenses					26,812	31,474	58,286	27,729	32,552	60,281
Utilities										
Electricity		3.5%	3.5%		2,996	3,517	6,512	3,101	3,640	6,740
Water		4.5%	4.5%	Historically high inflation	19,371	22,740	42,111	20,243	23,763	44,006
Gas		3.5%	3.5%		3,581	4,204	7,785	3,706	4,351	8,057
Sewer		3.5%	3.5%		-	-	-	-	-	-
Sub-total Utilities					25,948	30,461	56,408	27,050	31,754	58,804
Taxes and Licenses										
Real Estate Taxes		1.2%	1.2%		201	123	324	203	125	328
Payroll Taxes		3.5%	3.5%		3,016	1,849	4,865	3,122	1,913	5,035
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		769	903	1,672	796	934	1,730
Sub-total Taxes and Licenses					3,986	2,875	6,861	4,121	2,972	7,093
Insurance										
Property and Liability Insurance		3.5%	3.5%		4,071	4,779	8,849	4,213	4,946	9,159
Fidelity Bond Insurance		0.0%	-		-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%		2,122	1,301	3,423	2,197	1,346	3,543
Director's & Officers' Liability Insurance		0.0%	-		-	-	-	-	-	-
Sub-total Insurance					6,193	6,079	12,272	6,410	6,292	12,702
Maintenance & Repair										
Payroll		3.5%	3.5%		14,218	16,691	30,909	14,716	17,275	31,990
Supplies		3.5%	3.5%		3,828	4,494	8,322	3,962	4,651	8,613
Contracts		3.5%	3.5%		8,068	4,945	13,014	8,351	5,118	13,469
Garbage and Trash Removal		3.5%	3.5%		6,977	8,190	15,166	7,221	8,477	15,697
Security Payroll/Contract		3.5%	3.5%		-	-	-	-	-	-
HVAC Repairs and Maintenance		3.5%	3.5%		769	903	1,672	796	934	1,730
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		103	120	223	106	125	231
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		5,263	6,179	11,442	5,448	6,395	11,843
Sub-total Maintenance & Repair Expenses					39,226	41,521	80,747	40,599	42,974	83,573
Supportive Services		3.5%	3.5%		967	1,135	2,103	1,001	1,175	2,176
Commercial Expenses					-	-	-	-	-	-
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES					174,069	157,023	331,093	180,864	163,047	343,910
PUPA (w/o Reserves/GL Base Rent/Bond Fees)										
Reserves/Ground Lease Base Rent/Bond Fees										
Ground Lease Base Rent					-	-	-	-	-	-
Bond Monitoring Fee					-	-	-	-	-	-
Replacement Reserve Deposit					13,020	7,980	21,000	13,020	7,980	21,000
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					13,020	7,980	21,000	13,020	7,980	21,000
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES					187,089	165,003	352,093	193,884	171,027	364,910
PUPA (w/ Reserves/GL Base Rent/Bond Fees)										
NET OPERATING INCOME (INCOME minus OP EXPENSES)					8,064	29,895	37,960	8,064	30,313	38,378
DEBT SERVICE ("hard debt"/amortized loans)										
Hard Debt - First Lender					-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)					8,064	4,943	13,007	8,064	4,943	13,007
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)					-	-	-	-	-	-
Hard Debt - Fourth Lender					-	-	-	-	-	-
Commercial Hard Debt Service					-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					8,064	4,943	13,007	8,064	4,943	13,007
CASH FLOW (NOI minus DEBT SERVICE)					0	24,953	24,953	(0)	25,371	25,371
Commercial Only Cash Flow					-	-	-	-	-	-
Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)					-	-	-	-	-	-
AVAILABLE CASH FLOW					0	24,953	24,953	(0)	25,371	25,371
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%			-	-	-	-	-	-
Partnership Management Fee (see policy for limits)		0.0%			-	-	-	-	-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)				per MOHCD policy no annual increase	-	-	-	-	-	-
Other Payments					-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1				Enter comments re: annual increase, etc.	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2				Enter comments re: annual increase, etc.	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)					-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD					-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)					0	24,953	24,953	(0)	25,371	25,371
Does Project have a MOHCD Residual Receipt Obligation? Yes Year 5 is year indicated below: Will Project Defeat Developer Fee? Yes 2021 1st Residual Receipts Split - Lender/Deferred Developer Fee 50% / 50% 2nd Residual Receipts Split Begins: 2022 2nd Residual Receipts Split - Lender/Owner 67% / 33% Max Deferred Developer Fee Amt (Use for data entry above. Do not link.): Dist. Soft Debt Loans 29.10% tive Deferred Developer Fee Earned										
MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
MOHCD Residual Receipts Amount Due							4,841			4,922
Proposed MOHCD Residual Receipts Amount to Loan Repayment							4,841			4,922
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease							-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
HCD Residual Receipts Amount Due							11,794			11,992
Lender 4 Residual Receipts Due							-			-
Lender 5 Residual Receipts Due							-			-
Total Non-MOHCD Residual Receipts Debt Service							11,794			11,992
REMAINDER (Should be zero unless there are distributions below)										
Owner Distributions/Incentive Management Fee							8,318			8,457
Other Distributions/Uses							-			-
Final Balance (should be zero)							-			-
REPLACEMENT RESERVE - RUNNING BALANCE										
Replacement Reserve Starting Balance							(200,057)			(183,955)
Replacement Reserve Deposits							21,000			21,000
Replacement Reserve Withdrawals (ideally tied to CNA)							4,899			4,899
Replacement Reserve Interest							-			-
RR Running Balance							(183,955)			(167,854)
OPERATING RESERVE - RUNNING BALANCE										
Operating Reserve Starting Balance							294,023			294,023
Operating Reserve Deposits							-			-
Operating Reserve Withdrawals							-			-
Operating Reserve Interest							-			-
OR Running Balance							294,023			294,023
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE							83.51%			80.57%
Other Reserve 1 Starting Balance										

Attachment D: LOSP Funding Schedule A

LOSP FUNDING SCHEDULE	
Project Address:	Mosaica Senior Apartments
Project Start Date:	1/1/2018

Exhibit A

Calendar Year	Full Year Funding Amount	# Months to Fund	Total Disbursement for Calendar Year	Estimated Disbursement Date
CY-1 2018	\$64,203	12	\$64,203	1/1/2018
CY-2 2019	\$67,071	12	\$67,071	1/1/2019
CY-3 2020	\$70,070	12	\$70,070	1/1/2020
CY-4 2021	\$73,204	12	\$73,204	1/1/2021
CY-5 2022	\$69,810	12	\$69,810	1/1/2022
CY-6 2023	\$73,234	12	\$73,234	1/1/2023
CY-7 2024	\$76,812	12	\$76,812	1/1/2024
CY-8 2025	\$80,552	12	\$80,552	1/1/2025
CY-9 2026	\$84,460	12	\$84,460	1/1/2026
CY-10 2027	\$88,545	12	\$88,545	1/1/2027
CY-11 2028	\$92,813	12	\$92,813	1/1/2028
CY-12 2029	\$97,274	12	\$97,274	1/1/2029
CY-13 2030	\$101,936	12	\$101,936	1/1/2030
CY-14 2031	\$106,808	12	\$106,808	1/1/2031
CY-15 2032	\$111,899	12	\$111,899	1/1/2032
Total Contract Amount:			\$1,258,693	