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: Lourdes Chang

Loan Committee Date: March 3, 2017

Sponsor Name:	Tenderloin Neighborhood Development Corporation
Project Name:	990 Polk Senior Apartments
Project Address (w. cross street):	990 Polk, San Francisco, CA 94109
Number of Units/Beds (specify):	110 units, including 50 units set aside for formerly homeless seniors and 60 units for very low income seniors
Funding Request:	Up to $561,852 for Year 1 Up to a Total $13,131,321 for the full 15 year and 6 month contract

1. SUMMARY AND BACKGROUND

Tenderloin Neighborhood Development Corporation ("TNDC") is requesting $13,131,321 in General Funds from the Local Operating Subsidy Program ("LOSP") to subsidize continuing operations for 50 units set aside for formerly homeless seniors at 990 Polk Senior Apartments for a period of 15 years and 6 months.

Completed in August 2008, 990 Polk Senior Apartments (the "Project") consists of 110 units of senior housing with 50 units of supportive housing targeted to formerly homeless seniors. The Project serves very low-income seniors (ages 62 and older) at incomes of 50% of City AMI or below. The 50 supportive housing units are supported by LOSP, including10 units that must be set aside for formerly homeless seniors with a serious mental illness. This set-aside is a requirement under the Mental Health Housing Services Act (MHSA). The Project received a $1.0M MHSA award to pay for capital cost overruns and to leverage the City's capital contribution to the Project. The 50 households pay 50%

of their income on rent under the LOSP program. The remaining 60 units are not subsidized, and are available to seniors who are earn up to 50% of AMI.

Supportive services for the 50 LOSP tenants are provided through a contract between Lutheran Social Services (LSS) and Direct Access to Housing (DAH), the Adult Housing Programs section of the Department of Homelessness and Supportive Housing (HSH) of the City and County of San Francisco.

The general partner of 990 Polk Senior Apartments is Polk Senior Housing Associates, L.P. TNDC is the General Partner of the partnership.

The current LOSP grant agreement with 990 Polk Senior Apartments covers a 9-year term, beginning in July 2008 for a total contract amount of $5,485,349. The contract expires in June 2017 and TNDC is requesting a renewal of the LOSP contract to support the continuation of the homeless program at the site. The Project received its last disbursement under the initial 9-year contract for the period of January 1 to June 30, 2017, and is requesting a new 15-year, 6-month LOSP contract beginning on July 1, 2017, and ending January 1, 2032.

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

2.1. <u>2015 Operating Expenses</u>

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. The average total operating expenses across all supporting housing projects (before replacement reserve deposits and hard debt service) was $9.7k per unit per year. PUPA operating expenses varied by project size, with PUPA operating expenses higher for smaller buildings and lower for larger buildings. The Project's 2015 operating expenses of $10.7k PUPA is slightly higher than the average for projects with 50-99 units.

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 $10,750, is ranked 11th and is slightly below the average PUPA for all LOSP projects.

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

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
All	***27***	***$11,307***

With 45% of the units designated as LOSP units, the Project's 2015 PUPA operating expenses of $10.7k falls within the average of $11k for projects with a similar percentage of LOSP units.

Drilling down to the general expense categories - management, administration, utilities, taxes/licenses, insurance, and maintenance - 990 Polk's 2015 expenditures are within the average, with the exception of management, office salaries and related expenditures such as benefits and payroll taxes which are higher than the average across the LOSP portfolio. This higher than average per unit expenditure is due to the need for more intensive oversight and day-to-day management of the homeless units. The need is even greater for the 10 MHSA units that house homeless seniors who have serious mental illness.

The need for constant monitoring and preventive maintenance is greater for these units. This is documented in a survey completed by TNDC in 2013 where they found 75% of incident reports were attributed to LOSP-assisted units. The incident reports included guest violations, where visitors stayed longer than what is allowed under the lease; acting out and screaming at other tenants and staff creating an unsafe living environment; and property damage, such as leaving trash in common areas, staining carpet from spills and damaging walls when operating wheelchairs and moving furniture and appliances. This led to staffing increases in maintenance and property management. As evidenced in the chart below, staffing makes up the largest expense in the Project's operating budget.

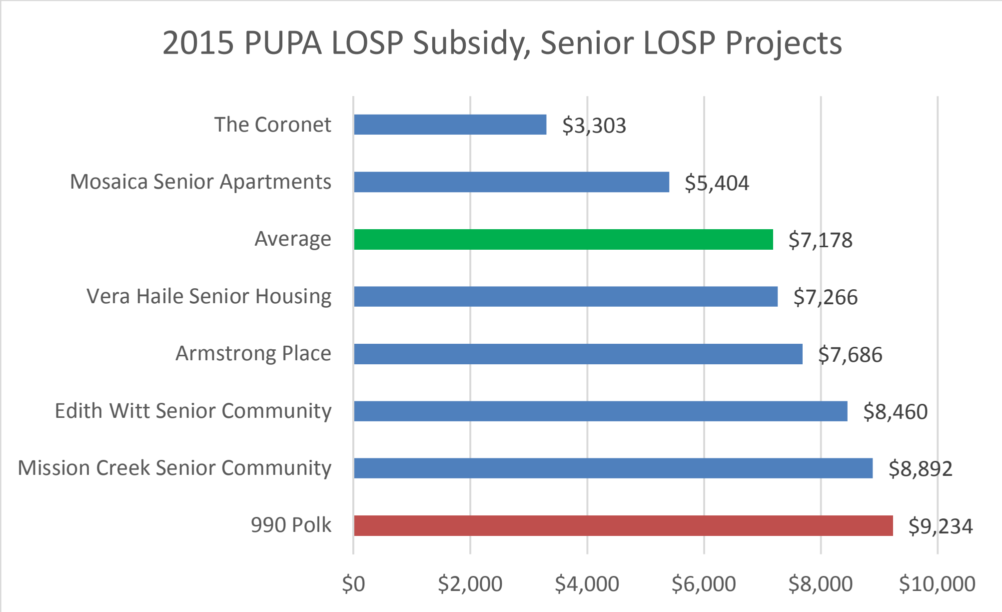
Operating Expenses by Expense Categories, 2015

2015 PUPA Expenses	Mgmt	Salaries/ Benefits	Admin	Utilities	Taxes/ Licenses	Insurance	Maintenance/ Repairs
990 Polk	$996	$3,597	$722	$1,396	$466	$695	$2,095
LOSP Portfolio Average	***$927***	***$2,369***	***$1,297***	***$1,568***	***$365***	***$964***	***$3,412***

2.2. 2015 LOSP Subsidy

The Project's per unit 2015 LOSP subsidy of $9,234 ranks the highest across all the Senior LOSP projects at $7,178 (See chart below, *2015 PUPA LOSP Subsidy, Senior LOSP Projects*). This is due in part to the higher percentage of homeless units at the site. Compared to the other LOSP senior projects which have 3%-36% LOSP units, the Project's homeless component is 45%, or 50 units. In addition, the Project is required under an MHSA agreement to set aside 10 of the 50 LOSP units to homeless seniors with serious mental illness. This adds to the cost of operating the homeless program at the Project and requires additional LOSP subsidy to make it work. Also, because seniors are typically on fixed incomes, the Project does not see much growth in rental income beyond 1.5-2% for both the LOSP and non-LOSP units.

The average 2015 household income of non-LOSP tenants was 22% AMI and the average tenant paid rent was $601, which translates to an average rent of 34% AMI. In order to not rent-burden their tenants to a point where they cannot afford the rent and pay for other basic needs, TNDC has not charged rents at the maximum rent limit of 50% AMI. At least 75% of non-LOSP tenants have rent burden over 30%, and almost half, or 42% of the non-LOSP tenants, have rent burdens greater than 50%. The LOSP units target households at even deeper affordability. In 2015, the average household income of LOSP tenants was 17% AMI and the average tenant paid rent was $465 per month. The LOSP tenants pay 50% of their income on rent and the rental subsidy makes up for the difference.



3. PROJECT OPERATIONS

3.1. Annual Operating Income Evaluation

The Project's 20-year proforma is based on projections using 2015 actuals and assumes Year One starts in 2017.

Tenant Rent: Tenant paid rents are projected to generate $723,491 in 2017, during the first year of the new proposed LOSP contract. Tenant rents are comprised of rents collected from the 60 non-subsidized units targeted to senior households up to 50% AMI and the 50 LOSP households who pay 50% of their income on rent.

The 2015 gross rent from the 60 non-subsidized units average $601 per month, which translates to 34% AMI. Initial incomes average at 31% AMI and current incomes average at 27% AMI. In order to not rent-burden their tenants to a point where they cannot afford the rent and pay for other basic needs, TNDC has not charged rents at the maximum rent limit of 50% AMI.

LOSP units are deeply affordable: the average 2015 AMI for LOSP units was 17% AMI and the average tenant-paid rent in the LOSP units was $465.

LOSP Subsidy: The first year LOSP subsidy requested for the 50 LOSP units is $561,852 ($11,237/PUPA and $936/PUPM) and is shown in the attached operating budget. This is a reduction of 24%, or $174,123, in the amount of the LOSP subsidy requested for 2017 under the current contract. 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 of additional information)

Other Income: Approximately $18k, is anticipated to be generated from laundry, various tenant charges and miscellaneous rent income. Laundry is to be split pro-rata among the LOSP and non-LOSP units while 100% of miscellaneous rent income and tenant charges will be allocated to the non-LOSP side.

Commercial Income: Commercial income, which is also split 45-55%, supports both the LOSP and non-LOSP components of the project. Approximately $80k is anticipated to be generated from the commercial space, including $15k in CAM costs. The commercial rent is $21.98 per square foot and is projected to increase by 3% annually. The operating budget assumes a 5% vacancy. The current tenants, a café and market, are long-term tenants whose leases expire in 2019. It is anticipated these tenants will renew their leases and will continue to provide a stable source of income for the project.

Vacancy: The operating budget assumes a 5% vacancy on the LOSP and non-LOSP units. Historically, vacancy rates on the non-LOSP units are less than 5%, but the proforma budgets 5% to be conservative and consistent with MOHCD underwriting standards.

3.2. Annual Operating Expenses Evaluation

The annual operating expenses in Year One, before debt service and reserves, are projected at $1,261,482 or $11,468 PUPA. This is a 7% increase above 2015 operating expenses, in part due to increases in electricity and water utility rates, an increase in janitorial and maintenance staffing costs, and other maintenance/repair costs such as furnishings, maintenance staff uniforms, appliances and carpet. With the exception of these increases, the other expenses in the operating budget are in line with prior years' performance.

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 staff agreed to the sponsor's request to allocate a larger percentage of operating costs to the homeless units and sized the LOSP subsidy according to a 64%-36% LOSP v. non-LOSP split.

In 2013, TNDC provided a report which compiled data of incident reports from November 2008 through November 2012 where they found LOSP units do cost more to manage. At least 75% of incident reports, which included lease violations and property damage, involved LOSP units, and 8 of 9 eviction actions in 2010-2012 were against LOSP tenants. TNDC has increased staffing in property management and janitorial and maintenance staff to help monitor and provide routine preventive maintenance for the LOSP units. TNDC's staff also coordinates with support services staff available through a contract with HSH and Lutheran Social Services (LSS), who provides supportive services to the 50 DAH residents. LSS Support Services and TNDC's Property Management are working closely to address any issues that would negatively impact housing retention.

While it is documented that LOSP units at this site cost more to manage, the initial contract's LOSP allocation of 64% turned out to be more excessive than necessary. The 64-36% split resulted in program years where there was a LOSP surplus of about $200k annually.

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 use of alternative splits is a recognition that LOSP tenancies may cost the project more than the pro-rata split provides. Sponsors must provide rationale for any alternative or project splits that are proposed.

For the new contract period, the pro-rata allocation will be 45% LOSP units and 55% non-LOSP, with the exception of certain line items, primarily related to office salaries and maintenance staff/contracts, for which a split of 70%-30% will be used. The sections below will further discuss alternative splits of specific expense line items.

Staffing: Staffing is anticipated to remain the same as current staffing levels with the exception of increasing the janitor from 0.4 to 1.0 FTE. Over the years, maintenance staff have taken on some janitorial duties; thus, maintenance staffing increased from 1.5 to 2.5 FTEs, increasing the total janitorial/maintenance staffing to 3.5 FTEs. The overall staffing plan includes 9.7 FTE's:

Position	**FTE**	**Notes**
Desk Clerk	4.2	$158,820 covers 3 FTE and 2 part-time desk clerks
General Manager	1.0	$61,248 for 1 FTE
Assistant Manager	1.0	$42,111 for 1 FTE
Janitor	1.0	$61,248 for 1 FTE
Maintenance	2.5	$108,387 for 1 part-time Maintenance Supervisor, 2 FTE Maintenance Staff
TOTAL	**9.7**	**1 staff per 11.34 residents**

Management Fees:

The Sponsor proposes to collect $74 per unit per month in property management fees, and will escalate at 3.5% annually. This is below HUD's maximum limit for property management fee of $78 PUPM.

Asset Management Fee:

The Sponsor proposes an above the line General Partner Asset Management fee of $19,752, and will escalate at 3.5%, per MOHCD policy.

Salaries and Benefits: Salaries and benefits are budgeted at $353,418 or $3,213 per unit per year, and covers the salary and benefits of the 24-hour Desk Clerk, Property Manager and Assistant Manager. The position of the 24-hour Desk Clerk is present for security reasons: screening entrants and incidence response and reporting related to the LOSP tenants. But for the LOSP tenants, TNDC would not need front desk staffing. For this reason, MOHCD staff agreed to the allocation of 95% of Desk Clerk costs to LOSP.

MOHCD staff also agreed with the 70-30% split for Property Management and related administrative costs. In 2013, TNDC documented an evaluation of incident reports from November 2008 to November 2012 and found that 75% of incident reports could be attributed to LOSP tenants. Some of the common incidents included guest violations, acting out and property damage. These incidents would often lead to eviction proceedings and move-outs if the violations were not addressed. TNDC concluded that from 2010-2012, eight of nine eviction actions were against LOSP tenants and eight of twelve move-outs have been LOSP tenants. Although vacancy loss is covered by LOSP, turnover will drive maintenance costs and consume manager time.

Administration: Administration line items are budgeted at $85,056, or $773 per unit per year, and cover typical functions such as legal, office supplies and equipment, bookkeeping and accounting, computers and telephones. Legal Expenses and Bad Debts are allocated directly to LOSP units. For projection purposes, the operating budget forecasts these expenses as being split pro-rata.

Utilities: Utilities (gas, water/sewer, common electric) are budgeted at $195,504, or $1,777 per unit per year and are based on 2016 actuals. As the building is individually metered for electricity, electricity costs are allocated directly to LOSP and non-LOSP units respectively.

Taxes: Taxes are budgeted at $42,979, or $391 per unit per year. Real Estate taxes assume 100% of units receive welfare exemption. Payroll taxes are based on blended rate of all salary allocations, and various miscellaneous fees.

*For Commercial Real Estate Taxes – see Commercial Expenses below.

Insurance: Insurance is budgeted at $77,349, or $703 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 $287,658, or $2,615 per unit per year. This line item includes payroll for one full-time janitorial staff, 0.5 FTE maintenance supervisor and 2.0 maintenance staff; contracts for a janitorial contract, supplies, grounds contract, exterminating, fire alarm and elevator; garbage and trash removal. Overall, projected expenses in this category are reasonable. Notably, the cost of janitorial and maintenance contracts accounts for nearly 75% of all maintenance and repair costs. TNDC has documented the maintenance needs are higher for the homeless units and requested a 75%-25% split for these costs. Under the previous alternate split scenario, 64% of these costs were allocated to LOSP units. MOHCD staff recommends increasing the allocation slightly to 70% to better reflect the real costs associated with managing the LOSP units.

Supportive Services: Supportive services is budgeted at $81,757 in Year One and covers TNDC's service coordination provided under the contract with Lutheran Social Services

(LSS) through the Department of Homelessness and Supportive Housing (HSH). LSS has the capacity to provide group and community building activities where all 110 residents at the site are encouraged to participate. However, the focus of the contract is to provide intensive case management services to the site's 50 DAH residents. Because the services are targeted primarily to the LOSP tenants, MOHCD agreed with TNDC's proposed 95%-5% split for supportive services. HSH provides an annual supportive services contract of approximately $231k.

Replacement Reserve Deposits: Replacement reserve deposits are shown at $418 per unit per year. This annual deposit amount is slightly higher than MOHCD's underwriting standard of $350 PUPA for SRO projects with more than 100 units and is the amount recommended by the most current CNA. TNDC prepares the report in-house. The CNA, or Remaining Useful Life Analysis, was last updated in October 2013 and includes a 20-year capital improvement reserves analysis. In 2013, the report identified a total of $553,477 in capital improvement costs through 2032, including exterior repairs, upgrades to the building's security system, plumbing upgrades and elevator improvements. Current projections now show the Project has over $1M in capital needs in the next 15 years.

The Project will have sufficient replacement reserves to cover capital improvement costs through Year 12 (2028) when the fund balance starts going negative. The shortfall in reserves averages about $115k in Years 12 through 20, and in year 16 the shortfall is the highest at $223K. TNDC will need to plan for refinancing around the time the tax credit compliance period ends in 2023, to address future capital needs.

Operating Reserve Deposits: The project has a capitalized operating reserve account, with a 2017 beginning balance of $295,108. The operating reserve balance satisfies MOHCD's required annual balance. The Project will continue to make deposits required to maintain the minimum required balance of 25% through Year 20.

Debt Service: The Project financing includes only soft debt and consists of the City's residual receipts loan, a CalHFA-MHSA capital loan and a Mechanics Bank AHP loan. The CalHFA-MHSA loan is a 0% residual receipts loan on which TNDC makes a minimum payment of $4200 annually. The Mechanics Bank AHP loan is a 0% deferred loan. The City's loan is a 3.5% residual receipts loan where the Project is required to make payments of 2/3 of residual receipts after expenses and debt service. The proforma shows the Project can support payments on MOHCD's loan until Year 6 (2022).

Partnership Management: The Project is collecting annual Partnership Management fees which is paid out according to the CalHFA schedule and terminates in 2023, at the end of the tax credit compliance period.

Commercial Expenses: Taxes and Fees for the commercial component of the Project is budgeted at $17,000. Other commercial expenses include $4,649 for third party commercial management fee. Commercial real estate taxes are projected to increase by 1.2%. The third party commercial management fee remains at $4,649 through Year 20 and is projected to increase 3.5% annually.

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 new grant period. The projection was made using

MOHCD's standard underwriting guidelines, with certain adjustments made based on prior trends.

- Tenant rental income trends at 2% per year for both LOSP and non-LOSP tenants. The cost of living increase for SSI is historically low at 1.5%. TNDC proposed a .5% boost from non-LOSP turnover which is about 2 households per year. At turnover, the rents are increased to maximum rent limit allowed.
- Operating expenses trend at 3.5% per year, per MOHCD Underwriting Guidelines, with the exception of:
  - Health Insurance and Employee Benefits are budgeted to increase by 7% annually: This is consistent with historical trends. For instance, in the last three years employee benefits, including health and disability insurance, increased by an average of 8% per year.
  - Water is projected to increase by 5% per year. This is consistent with historical trends. In the last four years, water increased by 4.5%.
  - Real Estate Taxes are projected to increase by 1.9% per year (1.2% for commercial real estate taxes).

With the above assumptions, the proforma shows that the non-LOSP component of the Project will run a deficit by Year 7 (2023) of the LOSP contract. By this time, the Project will have been operating for 15 years. While expenses will have been steadily increasing at a rate of 3.5% per year, the Project will only have seen modest growth in income of about 1.5-2%. As expenses continue to increase at a rate that is higher than the increase in rental income, the gap between income and expenses will continue to grow. With the tax credit compliance period ending in Year 7, or 2023, the Project will have an opportunity to refinance or re-syndicate tax credits to raise additional funds to address its major capital needs and operating deficits. Restructuring of the Project's financing will be necessary if the Project is to remain viable in later years.

4. SUPPORT SERVICES EVALUATION

Support services at 990 Polk are provided through a contract between Lutheran Social Services and DAH, the Adult Housing Programs section of HSH. LSS provides on-site services to the 50 LOSP households in the building. This includes the 10 units specifically earmarked for clients through MHSA who have serious mental illness.

LSS provides a variety of services, including educational classes, health and wellness programs, organized tenant activities, and case management and benefits assistance for the 50 households referred from the DAH Program. LSS also has the capacity to provide community building activities to all residents in the building and invite non-LOSP tenants to participate in organized group activities. However, the focus of the contract is to provide intensive case management services to the Project's 50 DAH residents.

The contract with LSS is currently in year 1 of a 5 year contract expiring June 30, 2021. The current level of funding is $231,333 per contract year. Funding provides for 2.5 FTE's and supports intensive case management, such as benefits, program supplies, client assistance and staff training. Case Management has been an integral and effective tool to keep tenants stably housed. 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.

The Project is monitored annually by DHSS and has consistently scored well throughout the years. Support Services and Property Management are working closely together to address any issues that would negatively impact housing retention.

5. CONCLUSION

Compared to the other LOSP projects in MOHCD's portfolio, the operating expenses at 990 Polk is well within the average, suggesting that the Project is well-run and efficient. However, given the higher percentage of homeless units at the site, the Project requires a larger per unit LOSP subsidy to offset the demands on maintenance of the units and management of the homeless clientele.

On the non-LOSP side, the Project serves low income senior households at 50% AMI but historically has targeted households at deeper affordability; TNDC also has not charged the maximum rent allowable for these units. Unlike some of the other LOSP projects whose non-LOSP units receive extra support via additional rental subsidies, 990 Polk relies mainly on tenant paid rental income and LOSP subsidy to support operations. Because most seniors live on fixed incomes, like SSI, the Project has seen only a modest growth in rental income, and this trend will continue in the future as cost of living increases for SSI has also been limited. The Project brings in commercial income that has helped to offset some of the operating costs. However, even with the additional income from commercial rents, the non-LOSP component of the Project will have a deficit beginning in Year 7 (2023). Refinancing will be necessary if the Project is to remain viable in future years.

In 2023, when the tax credit compliance period comes to an end, 990 Polk will have the opportunity to restructure its financing, which may include a re-syndication of low income housing tax credits. In the meantime, the Project will need the LOSP subsidy to support the homeless component at 990 Polk.

If the proposed new 15-year, 6-month LOSP contract is approved, the remainder of the $561,852 LOSP subsidy requested for calendar year 2017, in the amount of $280,926, is anticipated to be disbursed in July 2017. All disbursements moving forward would be on a calendar year basis beginning in 2018. The new LOSP contract will begin July 1, 2017, and end December 31, 2031 for a 15-year, 6-month period.

6. RECOMMENDED CONDITIONS

As a condition of financing, MOHCD requires the following:

- TNDC will continue to maximize rents for non-LOSP tenants. Upon vacancy, TNDC will rent the units to income-eligible tenants at the maximum rents allowed (50% AMI rent) and will implement a minimum income limit of 50% AMI as an eligibility requirement.
- TNDC will make best efforts to raise commercial rents at turnover or at the lease renewal date for existing tenants.
- In Year 5 of the LOSP contract, or 2021, TNDC will consult with MOHCD on their plan to restructure project financing, which may include re-syndication of low income housing tax credits, to address the anticipated shortfalls in the operating budget and replacement reserve fund, beginning in Year 8 (2024) and Year 12 (2029).

7. LOAN COMMITTEE MODIFICATIONS

LOAN COMMITTEE RECOMMENDATION

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

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

Date: 3/3/17

Olson Lee, Director
Mayor's Office of Housing

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

Date: 3-3-17

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

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

Date: 3/3/17

for Nadia Sesay, Interim Director
Office of Community Investment and Infrastructure

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

Attachment A: LOSP Program Description

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

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

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

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

This request is a contract renewal of the initial 9-year LOSP grant agreement for 990 Polk 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 6- month period, beginning in July 2017 through December 2032.

Contract periods for LOSP contract renewals will transition from a fiscal year basis to a calendar year basis. The remainder of the $561,852 LOSP subsidy requested for calendar year 2017, in the amount of $280,926, is anticipated to be disbursed in June 2017, and all disbursements moving forward would be on a calendar year basis beginning in 2018.

Attachment B: 1st Year Operating Budget

Application Date:	**11/1/2016**	LOSP Units	non-LOSP Units	**Project Name:**	**990 Polk Senior Apartments**
Total # Units:	**110**	**50**	**60**	**Project Address:**	**990 Polk Street**
First Year of Operations (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	**2017**	LOSP/non-LOSP Allocation		**Project Sponsor:**	**Tenderloin Neighborhood Development Corporation**
		45%	55%		

INCOME	**LOSP**	**non-LOSP**	**Total**	**Comments**		
Residential - Tenant Rents	269,640	453,851	723,491	Links from 'Existing Proj - Rent Info' Worksheet	**LOSP**	**non-LOSP**
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'Existing Proj - Rent Info' Worksheet		
Residential - LOSP Tenant Assistance Payments	561,852		561,852			
Commercial Space			64,871	Links from 'Commercial Op. Budget' Worksheet		
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet	**LOSP**	**non-LOSP**
Miscellaneous Rent Income	0	4,000	4,000	Links from 'Utilities & Other Income' Worksheet	*0.00%*	*100.00%*
Supportive Services Income	0	0			*45.00%*	*55.00%*
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Laundry and Vending	2,790	3,410	6,200	Links from 'Utilities & Other Income' Worksheet	**LOSP**	**non-LOSP**
Tenant Charges	0	8,030	8,030	Links from 'Utilities & Other Income' Worksheet	*0.00%*	*100.00%*
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet		
Other Commercial Income			15,300	Links from 'Commercial Op. Budget' Worksheet	**LOSP**	**non-LOSP**
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0			*0.00%*	*100.00%*
Gross Potential Income	**834,282**	**469,291**	**1,383,744**			
Vacancy Loss - Residential - Tenant Rents	(4,451)	(5,440)	(9,891)	Vacancy loss is 1.4% of Tenant Rents.		
Vacancy Loss - Residential - Tenant Assistance Payments	0	0				
Vacancy Loss - Commercial			(3,244)	Links from 'Commercial Op. Budget' Worksheet		
EFFECTIVE GROSS INCOME	**829,831**	**463,851**	**1,370,609**	***PUPA: 12,460***		

OPERATING EXPENSES						
Management					**LOSP**	**non-LOSP**
Management Fee	67,452	28,908	96,360		*70.00%*	*30.00%*
Asset Management Fee	8,888	10,864	19,752			
Sub-total Management Expenses	**76,340**	**39,772**	**116,112**	***PUPA: 1,056***		
Salaries/Benefits					**LOSP**	**non-LOSP**
Office Salaries	157,632	8,296	165,928	95%, $158,820 of this line is Desk Clerk. In this building, Studio, with non-losp tenants at 50% AMI, we would not have Clerks at all without a high homeless population	*95.00%*	*5.00%*
Manager's Salary	72,351	31,008	103,359	Losp has more leasing, legal and incidents. These measures are a proxy indicator of other time consuming interactions	*70.00%*	*30.00%*
Health Insurance and Other Benefits	58,892	25,239	84,131	Blended rate of all Salary allocations	*70.00%*	*30.00%*
Other Salaries/Benefits	0	0				
Administrative Rent-Free Unit	0	0				
Sub-total Salaries/Benefits	**288,875**	**64,543**	**353,418**	***PUPA: 3,213***		
Administration						
Advertising and Marketing	745	911	1,656			
Office Expenses	3,544	4,332	7,876	Ofc supply, ofc equip, equip lease, postage, printing		
Office Rent	0	0	0		**LOSP**	**non-LOSP**
Legal Expense - Property	4,504	5,504	10,008		*45.00%*	*55.00%*
Audit Expense	6,560	8,017	14,577			
Bookkeeping/Accounting Services	9,207	11,253	20,460		**LOSP**	**non-LOSP**
Bad Debts	1,170	1,430	2,600		*45.00%*	*55.00%*
Miscellaneous	17,441	21,316	38,757	tech support, computers, prof fee, telephone, subscriptions, recruitment, training, staff bottled water, bank charges, misc admin, payroll svc fee		
Sub-total Administration Expenses	**43,170**	**52,764**	**95,934**	***PUPA: 872***		
Utilities					**LOSP**	**non-LOSP**
Electricity	40,984	50,091	91,075	8/1/15 to 7/31/16 actuals are $87k	*45.00%*	*55.00%*
Water	39,798	48,642	88,440	9/1/15 to 8/31/16 actuals are $84k		
Gas	7,195	8,794	15,989			
Sewer	0	0	0			
Sub-total Utilities	**87,977**	**107,527**	**195,504**	***PUPA: 1,777***		
Taxes and Licenses					**LOSP**	**non-LOSP**
Real Estate Taxes	1,800	2,200	4,000	As billed 2016-17		
Payroll Taxes	25,885	11,094	36,979	Blended rate of all Salary allocations	*70.00%*	*30.00%*
Miscellaneous Taxes, Licenses and Permits	900	1,100	2,000			
Sub-total Taxes and Licenses	**28,585**	**14,394**	**42,979**	***PUPA: 391***		
Insurance						
Property and Liability Insurance	20,682	25,278	45,960			
Fidelity Bond Insurance	0	0	0		**LOSP**	**non-LOSP**
Worker's Compensation	21,972	9,417	31,389	Blended rate of all Salary allocations	*70.00%*	*30.00%*
Director's & Officers' Liability Insurance	0	0	0			
Sub-total Insurance	**42,654**	**34,695**	**77,349**	***PUPA: 703***		
Maintenance & Repair					**LOSP**	**non-LOSP**
Payroll	103,315	44,278	147,593	wish Losp to be allocatted that 25% in addition to 45% losp unit proration, ie 70%.	*70.00%*	*30.00%*
Supplies	8,775	10,725	19,500		*45.00%*	*55.00%*
Contracts	42,980	18,420	61,400		*70.00%*	*30.00%*
Garbage and Trash Removal	13,412	16,393	29,805	Projected from August 2016 actuals with a 6% inflation rate. Garbage has high inflation history	**LOSP**	**non-LOSP**
Security Payroll/Contract	0	0	0			
HVAC Repairs and Maintenance	1,648	2,015	3,663			
Vehicle and Maintenance Equipment Operation and Repairs	184	224	408			
Miscellaneous Operating and Maintenance Expenses	8,577	10,483	19,060			
Sub-total Maintenance & Repair Expenses	**178,891**	**102,538**	**281,429**	***PUPA: 2,558***		
					LOSP	**non-LOSP**
Supportive Services	77,669	4,088	81,757		*95.00%*	*5.00%*
Commercial Expenses			21,649	Links from 'Commercial Op. Budget' Worksheet		
RENT/BOND FEES	***824,162***	***420,320***	***1,266,131***	***PUPA: 11,510***		

Reserves/Ground Lease Base Rent/Bond Fees							
Ground Lease Base Rent	0	0	0		Provide additional comments here, if needed.		
Bond Monitoring Fee	0	0	0			**LOSP**	**non-LOSP**
Replacement Reserve Deposit	20,700	25,300	46,000				
Operating Reserve Deposit	7,954	9,721	17,675				
Other Required Reserve 1 Deposit	0	0	0				
Other Required Reserve 2 Deposit	0	0	0				
Required Reserve Deposit/s, Commercial			0	Links from 'Commercial Op. Budget' Worksheet			
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	**28,654**	**35,021**	**63,675**	***PUPA: 579***	Min DSCR:		
					Available for DS in Yr 1: #DIV/0!		
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE	**852,816**	**455,341**	**1,329,806**	***PUPA: 12,089***	Mortgage Rate:		
					Term (Years):		
NET OPERATING INCOME (INCOME minus OP EXPENSES)	**(22,985)**	**8,510**	**40,803**	***PUPA: 371***	Supportable 1st Mortgage Pmt: #DIV/0!		
					Supportable 1st Mortgage Amt: #DIV/0!		
DEBT SERVICE ("hard debt"/amortized loans)					Proposed 1st Mortgage Amt: $894,702	**LOSP**	**non-LOSP**
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 Le	1,890	2,310	4,200	CalHFA-MHSA	Provide additional comments here, if needed.	*45.00%*	*55.00%*
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	0	0	0		Provide additional comments here, if needed.		
Hard Debt - Fourth Lender	0	0	0		Provide additional comments here, if needed.		
Commercial Hard Debt Service			0	Links from 'Commercial Op. Budget' Worksheet			
TOTAL HARD DEBT SERVICE	**1,890**	**2,310**	**4,200**	***PUPA: 38***			
CASH FLOW (NOI minus DEBT SERVICE)	**(24,875)**	**6,200**	**36,603**				
Commercial Only Cash Flow			55,278				
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	24,875	30,403				*45.00%*	*55.00%*
AVAILABLE CASH FLOW	**0**	**36,603**	**36,603**				
USES OF CASH FLOW BELOW (This row also shows DSCR.)			*9.72*				
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL							
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0	0		1			
Partnership Management Fee (see policy for limits)		10,534	10,534	2			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	0	0		3		**LOSP**	**non-LOSP**
Other Payments	0	0					
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	0	0					
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)	0	0					
Deferred Developer Fee (Enter amt <= Max Fee from cell I130)	0	0			Provide additional comments here, if needed.		
TOTAL PAYMENTS PRECEDING MOHCD	**0**	**10,534**	**10,534**	***PUPA: 96***			
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	**0**	**26,069**	**26,069**				

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?	**Yes**	Project has MOHCD ground lease?	**No**	
Will Project Defer Developer Fee?	**No**			
Max **Deferred Developer Fee/Borrower** % of Residual Receipts in Yr 1:	33%			0
% of Residual Receipts available for distribution to **soft debt lenders** in	67%			#VALUE!

Soft Debt Lenders with Residual Receipts Obligations		*(Select lender name/program from drop*	**Total Principal Amt**	**Distrib. of Soft Debt Loans**
MOHCD/OCII - Soft Debt Loans		All MOHCD/OCII Loans payable from res	$11,176,037	91.79%
MOHCD/OCII - Ground Lease Value		Ground Lease		0.00%
HCD (soft debt loan) - Lender 3		CalHFA-MHSA	$1,000,000	8.21%
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		15,952	15,952	67% of residual receipts, multiplied by 91.79% -- MOHCD's pro rata share
Proposed MOHCD Residual Receipts Amount to Loan Repayment		15,952	15,952	
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		0	0	
REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE			**10,117**	
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE				
HCD Residual Receipts Amount Due			1,427	67% of residual receipts, multiplied by 8.21% -- CalHFA-MHSA's pro rata share of all soft debt
Lender 4 Residual Receipts Due			0	
Lender 5 Residual Receipts Due			0	
Total Non-MOHCD Residual Receipts Debt Service			**1,427**	
REMAINDER (Should be zero unless there are distributions below)			**8,690**	
Owner Distributions/Incentive Management Fee			8,690	100% of Borrower share of 33% of residual receipts
Other Distributions/Uses			0	
Final Balance (should be zero)			**0**	

Attachment C: 20-year Operating Proforma

990 Polk Senior Apartments

					Year 1 2017			Year 2 2018			Year 3 2019			Year 4 2020			Year 5 2021			Year 6 2022			Year 7 2023			Year 8 2024	
Total # Units:	110	LOSP Units 50 (45.00%)	non-LOSP Units 60 (55.00%)																								
INCOME		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	*LOSP*	*non-LOSP*	Total	*LOSP*	*non-LOSP*	Total	*LOSP*	*non-LOSP*	Total	*LOSP*	*non-LOSP*	Total	*LOSP*	*non-LOSP*	Total	*LOSP*	*non-LOSP*	Total	*LOSP*	*non-LOSP*	Total	*LOSP*	*non-LOSP*
Residential - Tenant Rents	5120		2.0%	SSA cola is historically very low, 1.5% assumed. Half point boost from non-losp turnover which is about 2 per year. At turn-over rents move-up to rent limit.	269,640	453,851	723,491	269,640	462,928	732,568	269,640	472,187	741,827	269,640	481,631	751,271	269,640	491,263	760,903	269,640	501,088	770,728	269,640	511,110	780,750	269,640	521,332
Residential - Tenant Assistance Payments (Non-LOSP)		n/a			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a	MOHCD: inflation rate, 6%	561,852		561,852	596,826		596,826	627,859		627,859	660,178		660,178	693,839		693,839	728,903		728,903	761,605		761,605	799,800	
Commercial Space	5140	n/a	3.0%	100% Commercial Income to Non-LOSP		-	64,871			66,817			68,822			70,886			73,013			75,203			77,459		
Residential Parking	5170	0.0%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	5190	2.5%	2.5%		-	4,000	4,000		4,100	4,100		4,203	4,203		4,308	4,308		4,415	4,415		4,526	4,526		4,639	4,639		4,755
Supportive Services Income	5300	0.0%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	5400	0.0%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry and Vending	5910	2.5%	2.5%		2,790	3,410	6,200	2,860	3,495	6,355	2,931	3,583	6,514	3,005	3,672	6,677	3,080	3,764	6,844	3,157	3,858	7,015	3,236	3,955	7,190	3,316	4,053
Tenant Charges	5920	2.5%	2.5%		-	8,030	8,030	-	8,231	8,231	-	8,437	8,437	-	8,647	8,647	-	8,864	8,864	-	9,085	9,085	-	9,312	9,312	-	9,545
Miscellaneous Residential Income	5990	0.0%			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	3.0%				15,300			15,759			16,232			16,719			17,220			17,737			18,269		
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross Potential Income					834,282	469,291	1,383,744	869,326	478,754	1,430,656	900,431	488,409	1,473,893	932,823	498,258	1,518,685	966,559	508,306	1,565,098	1,001,700	518,557	1,613,198	1,034,481	529,016	1,659,225	1,072,757	539,686
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	MOHCD: CHANGED TO USE .015 FOR VACANCY RATE TO MATCH YR 1	(4,451)	(5,440)	(9,891)	(4,945)	(6,044)	(10,989)	(5,007)	(6,120)	(11,127)	(5,071)	(6,198)	(11,269)	(5,136)	(6,277)	(11,414)	(5,202)	(6,359)	(11,561)	(5,270)	(6,441)	(11,711)	(5,339)	(6,526)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a				(3,244)			(3,341)			(3,441)			(3,544)			(3,651)			(3,760)			(3,873)		
EFFECTIVE GROSS INCOME					829,831	463,851	1,370,609	864,381	472,711	1,416,327	895,423	482,288	1,459,324	927,751	492,060	1,503,872	961,423	502,029	1,550,034	996,498	512,199	1,597,877	1,029,211	522,575	1,643,641	1,067,418	533,160
OPERATING EXPENSES																											
Management																											
Management Fee	6320	3.5%	3.5%	1st Year to be set according to HUD schedule.	67,452	28,908	96,360	69,813	29,920	99,733	72,256	30,967	103,223	74,785	32,051	106,836	77,403	33,173	110,575	80,112	34,334	114,445	82,916	35,535	118,451	85,818	36,779
Asset Management Fee		3.5%	3.5%	per MOHCD policy	8,888	10,864	19,752	9,199	11,244	20,443	9,521	11,637	21,159	9,855	12,045	21,899	10,200	12,466	22,666	10,557	12,903	23,459	10,926	13,354	24,280	11,309	13,822
Sub-total Management Expenses					76,340	39,772	116,112	79,012	41,164	120,176	81,778	42,604	124,382	84,640	44,095	128,735	87,602	45,639	133,241	90,668	47,236	137,905	93,842	48,889	142,731	97,126	50,601
Salaries/Benefits																											
Office Salaries	6310	3.5%	3.5%		157,632	8,296	165,928	163,149	8,587	171,735	168,859	8,887	177,746	174,769	9,198	183,967	180,886	9,520	190,406	187,217	9,854	197,070	193,769	10,198	203,968	200,551	10,555
Manager's Salary	6330	3.5%	3.5%		72,351	31,008	103,359	74,884	32,093	106,977	77,505	33,216	110,721	80,217	34,379	114,596	83,025	35,582	118,607	85,931	36,827	122,758	88,938	38,116	127,055	92,051	39,450
Health Insurance and Other Benefits	6723	7.0%	7.0%		58,892	25,239	84,131	63,014	27,006	90,020	67,425	28,896	96,322	72,145	30,919	103,064	77,195	33,084	110,279	82,599	35,399	117,998	88,381	37,877	126,258	94,567	40,529
Other Salaries/Benefits		3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	6331	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					288,875	64,543	353,418	301,046	67,686	368,732	313,789	71,000	384,789	327,131	74,496	401,627	341,106	78,186	419,292	355,746	82,080	437,827	371,088	86,192	457,280	387,170	90,535
Administration																											
Advertising and Marketing	6210	3.5%	3.5%		745	911	1,656	771	943	1,714	798	976	1,774	826	1,010	1,836	855	1,045	1,900	885	1,082	1,967	916	1,120	2,036	948	1,159
Office Expenses	6311	3.5%	3.5%		3,544	4,332	7,876	3,668	4,483	8,152	3,797	4,640	8,437	3,930	4,803	8,732	4,067	4,971	9,038	4,209	5,145	9,354	4,357	5,325	9,682	4,509	5,511
Office Rent	6312	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	6340	3.5%	3.5%		4,504	5,504	10,008	4,661	5,697	10,358	4,824	5,896	10,721	4,993	6,103	11,096	5,168	6,316	11,484	5,349	6,538	11,886	5,536	6,766	12,302	5,730	7,003
Audit Expense	6350	3.5%	3.5%		6,560	8,017	14,577	6,789	8,298	15,087	7,027	8,588	15,615	7,273	8,889	16,162	7,527	9,200	16,727	7,791	9,522	17,313	8,063	9,855	17,919	8,346	10,200
Bookkeeping/Accounting Services	6351	3.5%	3.5%		9,207	11,253	20,460	9,529	11,647	21,176	9,863	12,054	21,917	10,208	12,476	22,684	10,565	12,913	23,478	10,935	13,365	24,300	11,318	13,833	25,151	11,714	14,317
Bad Debts	6370	3.5%	3.5%		1,170	1,430	2,600	1,211	1,480	2,691	1,253	1,532	2,785	1,297	1,585	2,883	1,343	1,641	2,984	1,390	1,698	3,088	1,438	1,758	3,196	1,489	1,819
Miscellaneous	6390	0.0%			17,441	21,316	38,757	17,441	21,316	38,757	17,441	21,316	38,757	17,441	21,316	38,757	17,441	21,316	38,757	17,441	21,316	38,757	17,441	21,316	38,757	17,441	21,316
Sub-total Administration Expenses					43,170	52,764	95,934	44,071	53,864	97,935	45,003	55,004	100,006	45,968	56,183	102,150	46,966	57,403	104,369	47,999	58,666	106,665	49,069	59,973	109,042	50,176	61,326
Utilities																											
Electricity	6450	3.5%	3.5%		40,984	50,091	91,075	42,418	51,844	94,263	43,903	53,659	97,562	45,439	55,537	100,976	47,030	57,481	104,511	48,676	59,493	108,169	50,379	61,575	111,954	52,143	63,730
Water	6451	5.0%	5.0%		39,798	48,642	88,440	41,788	51,074	92,862	43,877	53,628	97,505	46,071	56,309	102,380	48,375	59,125	107,499	50,793	62,081	112,874	53,333	65,185	118,518	56,000	68,444
Gas	6452	3.5%	3.5%		7,195	8,794	15,989	7,447	9,102	16,549	7,708	9,420	17,128	7,977	9,750	17,727	8,256	10,091	18,348	8,545	10,444	18,990	8,845	10,810	19,655	9,154	11,188
Sewer	6453	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Utilities					87,977	107,527	195,504	91,653	112,020	203,673	95,488	116,707	212,195	99,488	121,596	221,084	103,661	126,697	230,358	108,015	132,018	240,033	112,557	137,570	250,127	117,297	143,363
Taxes and Licenses																											
Real Estate Taxes	6710	1.2%	1.2%		1,800	2,200	4,000	1,822	2,226	4,048	1,843	2,253	4,097	1,866	2,280	4,146	1,888	2,308	4,195	1,911	2,335	4,246	1,934	2,363	4,297	1,957	2,392
Payroll Taxes	6711	3.5%	3.5%		25,885	11,094	36,979	26,791	11,482	38,273	27,729	11,884	39,613	28,699	12,300	40,999	29,704	12,730	42,434	30,744	13,176	43,919	31,820	13,637	45,457	32,933	14,114
Miscellaneous Taxes, Licenses and Permits	6790	3.5%	3.5%		900	1,100	2,000	932	1,139	2,070	964	1,178	2,142	998	1,220	2,217	1,033	1,262	2,295	1,069	1,306	2,375	1,106	1,352	2,459	1,145	1,400
Sub-total Taxes and Licenses					28,585	14,394	42,979	29,544	14,847	44,391	30,537	15,315	45,852	31,563	15,800	47,362	32,625	16,300	48,925	33,723	16,817	50,541	34,860	17,352	52,212	36,035	17,905
Insurance																											
Property and Liability Insurance	6720	3.5%	3.5%		20,682	25,278	45,960	21,406	26,163	47,569	22,155	27,078	49,234	22,931	28,026	50,957	23,733	29,007	52,740	24,564	30,022	54,586	25,423	31,073	56,497	26,313	32,161
Fidelity Bond Insurance	6721	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Worker's Compensation	6722	3.5%	3.5%		21,972	9,417	31,389	22,741	9,746	32,488	23,537	10,087	33,625	24,361	10,440	34,802	25,214	10,806	36,020	26,096	11,184	37,280	27,010	11,576	38,585	27,955	11,981
Director's & Officers' Liability Insurance	6722	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Insurance					42,654	34,695	77,349	44,147	35,909	80,056	45,692	37,166	82,858	47,292	38,467	85,758	48,947	39,813	88,760	50,660	41,206	91,866	52,433	42,649	95,082	54,268	44,141
Maintenance & Repair																											
Payroll	6510	3.5%	3.5%		103,315	44,278	147,593	106,931	45,828	152,759	110,674	47,432	158,105	114,547	49,092	163,639	118,556	50,810	169,366	122,706	52,588	175,294	127,001	54,429	181,429	131,446	56,334
Supplies	6515	3.5%	3.5%		8,775	10,725	19,500	9,082	11,100	20,183	9,400	11,489	20,889	9,729	11,891	21,620	10,070	12,307	22,377	10,422	12,738	23,160	10,787	13,184	23,970	11,164	13,645
Contracts	6520	3.5%	3.5%		42,980	18,420	61,400	44,484	19,065	63,549	46,041	19,732	65,773	47,653	20,423	68,075	49,321	21,137	70,458	51,047	21,877	72,924	52,833	22,643	75,476	54,683	23,435
Garbage and Trash Removal	6525	3.5%	3.5%		13,412	16,393	29,805	13,882	16,966	30,848	14,368	17,560	31,928	14,870	18,175	33,045	15,391	18,811	34,202	15,930	19,469	35,399	16,487	20,151	36,638	17,064	20,856
Security Payroll/Contract	6530	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	6546	3.5%	3.5%		1,648	2,015	3,663	1,706	2,085	3,791	1,766	2,158	3,924	1,828	2,234	4,061	1,892	2,312	4,203	1,958	2,393	4,350	2,026	2,477	4,503	2,097	2,563
Vehicle and Maintenance Equipment Operation and Repairs	6570	3.5%	3.5%		184	224	408	190	232	422	197	240	437	204	249	452	211	258	468	218	267	485	226	276	502	234	285
Miscellaneous Operating and Maintenance Expenses	6590	3.5%	3.5%		8,577	10,483	19,060	8,877	10,850	19,727	9,188	11,230	20,418	9,509	11,623	21,132	9,842	12,029	21,872	10,187	12,451	22,637	10,543	12,886	23,430	10,912	13,337
Sub-total Maintenance & Repair Expenses					178,891	102,538	281,429	185,152	106,127	291,279	191,633	109,841	301,474	198,340	113,685	312,025	205,282	117,664	322,946	212,467	121,783	334,249	219,903	126,045	345,948	227,600	130,457
Supportive Services	6900	3.5%	3.5%		77,669	4,088	81,757	80,388	4,231	84,618	83,201	4,379	87,580	86,113	4,532	90,645	89,127	4,691	93,818	92,247	4,855	97,102	95,475	5,025	100,500	98,817	5,201
Commercial Expenses							21,649			22,011			22,380			22,758			23,145			23,540			23,944		
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES					824,162	420,320	1,266,131	855,014	435,847	1,312,872	887,120	452,016	1,361,516	920,534	468,855	1,412,147	955,316	486,393	1,464,853	991,525	504,662	1,519,727	1,029,227	523,696	1,576,866	1,068,488	543,528
PUPA (w/o Reserves/GL Base Rent/Bond Fees)							11,510																				
Reserves/Ground Lease Base Rent/Bond Fees																											
Ground Lease Base Rent					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit					20,700	25,300	46,000	20,700	25,300	46,000	20,700	25,300	46,000	20,700	25,300	46,000	20,700	25,300	46,000	20,700	25,300	46,000	20,700	25,300	46,000	20,700	25,300
Operating Reserve Deposit				MOHCD - required balance 25% of Expenses, inc D/S (hard debt)	7,954	9,721	17,675	7,954	9,721	17,675	7,954	9,721	17,675	7,954	9,721	17,675	7,954	9,721	17,675	7,954	9,721	17,675	7,954	9,721	17,675	7,954	9,721
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					28,654	35,021	63,675	28,654	35,021	63,675	28,654	35,021	63,675	28,654	35,021	63,675	28,654	35,021	63,675	28,654	35,021	63,675	28,654	35,021	63,675	28,654	35,021
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES					852,816	455,341	1,329,806	883,668	470,869	1,376,547	915,773	487,037	1,425,191	949,188	503,876	1,475,822	983,969	521,414	1,528,528	1,020,179	539,683	1,583,402	1,057,881	558,717	1,640,541	1,097,142	578,549
PUPA (w/ Reserves/GL Base Rent/Bond Fees)							12,089																				
NET OPERATING INCOME (INCOME minus OP EXPENSES)					(22,985)	8,510	40,803	(19,287)	1,842	39,780	(20,350)	(4,749)	34,133	(21,436)	(11,816)	28,050	(22,546)	(19,385)	21,506	(23,681)	(27,484)	14,475	(28,670)	(36,142)	3,099	(29,724)	(45,389)
DEBT SERVICE ("hard debt"/amortized loans)																											

Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.

Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.

Total # Units:	LOSP Units	non-LOSP Units
110	50	60
	45.00%	55.00%

				Year 1 2017			Year 2 2018			Year 3 2019			Year 4 2020			Year 5 2021			Year 6 2022			Year 7 2023			Year 8 2024	
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
Hard Debt - First Lender				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)				1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						-			-			-			-			-			-			-		
TOTAL HARD DEBT SERVICE				1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310
CASH FLOW (NOI minus DEBT SERVICE)				(24,875)	6,200	36,603	(21,177)	(468)	35,580	(22,240)	(7,059)	29,933	(23,326)	(14,126)	23,850	(24,436)	(21,695)	17,306	(25,571)	(29,794)	10,275	(30,560)	(38,452)	(1,101)	(31,614)	(47,699)
Commercial Only Cash Flow						55,278			57,225			59,232			61,303			63,438			65,640			67,912		
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)				24,875	30,403		25,751	31,474		26,654	32,578		27,586	33,716		28,547	34,891		29,538	36,102		30,560	37,351		31,614	38,640
AVAILABLE CASH FLOW				0	36,603	36,603	4,574	31,006	35,580	4,414	25,519	29,933	4,260	19,590	23,850	4,111	13,196	17,306	3,967	6,308	10,275	(0)	(1,101)	(1,101)	0	(9,059)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:			9.72			9.47			8.13			6.68			5.12			3.45			0.74		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL									Note: Hidden columns are in between total columns. To update/delete values in yellow cells, manipulate each cell rather than dragging across multiple cells.																	
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	0.0%			-	-	-	-	-		-	-		-	-		-	-		-	-		-	-		-	-
Partnership Management Fee (see policy for limits)	0.0%		Partner exit 1/1/2023. Declines because of Calhfa rule	-	10,534	10,534	4,574	5,591	10,165	4,414	5,395	9,809	4,260	5,206	9,466	4,111	5,024	9,135	3,967	4,848	8,815	-	-		-	-
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			CalHFA-MHSA Required Annual Payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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				-	10,534	10,534	4,574	5,591	10,165	4,414	5,395	9,809	4,260	5,206	9,466	4,111	5,024	9,135	3,967	4,848	8,815	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)				0	26,069	26,069	(0)	25,415	25,415	(0)	20,124	20,124	0	14,384	14,384	(0)	8,171	8,171	0	1,459	1,459	(0)	(1,101)	(1,101)	0	(9,059)

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%	

	Dist. Soft Debt Loans	Comments	Year 1 Total	Year 2 Total	Year 3 Total	Year 4 Total	Year 5 Total	Year 6 Total	Year 7 Total
		Max Deferred Developer Fee Amt:							
		Cum. Deferred Developer Fee:	-	-	-	-	-	-	-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE									
MOHCD Residual Receipts Amount Due	91.79%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	15,952	15,552	12,314	8,802	5,000	893	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			15,952	15,552	12,314	8,802	5,000	893	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE									
HCD Residual Receipts Amount Due	8.21%	Allocation per pro rata share of all soft debt	1,427	1,392	1,102	788	447	80	-
Lender 4 Residual Receipts Due	0.00%		-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	0.00%		-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			1,427	1,392	1,102	788	447	80	-
REMAINDER (Should be zero unless there are distributions			8,690	8,472	6,708	4,795	2,724	486	-
Owner Distributions/Incentive Management Fee			8,690	8,472	6,708	4,795	2,724	486	-
Other Distributions/Uses			-						
Final Balance (should be zero)			-	-	-	-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE									
Replacement Reserve Starting Balance			319,986	358,619	296,244	334,758	235,585	242,495	280,740
Replacement Reserve Deposits			46,000	46,000	46,000	46,000	46,000	46,000	46,000
Replacement Reserve Withdrawals (ideally tied to CNA)		MOHCD - add withdrawals per CNA	8,967	110,168	8,967	146,847	40,268	8,967	256,639
Replacement Reserve Interest			1,600	1,793	1,481	1,674	1,178	1,212	1,404
RR Running Balance			358,619	296,244	334,758	235,585	242,495	280,740	71,505
OPERATING RESERVE - RUNNING BALANCE									
Operating Reserve Starting Balance			295,108	314,259	331,934	349,609	367,284	384,959	402,634
Operating Reserve Deposits			17,675	17,675	17,675	17,675	17,675	17,675	17,675
Operating Reserve Withdrawals									
Operating Reserve Interest			1,476						
OR Running Balance			314,259	331,934	349,609	367,284	384,959	402,634	420,309
			23.63%	24.11%	24.53%	24.89%	25.18%	25.43%	25.62%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE									
Other Reserve 1 Starting Balance				-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-
Other Reserve 1 Withdrawals									
Other Reserve 1 Interest									
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE									
Other Reserve 2 Starting Balance				-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-
Other Reserve 2 Withdrawals									
Other Reserve 2 Interest									
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-

990 Polk Senior Apartments

Total # Units:	LOSP Units	non-LOSP Units
110	50	60
	45.00%	55.00%

						Year 9 2025			Year 10 2026			Year 11 2027		
INCOME		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents	5120		2.0%	SSA cola is historically very low, 1.5% assumed. Half point boost from non-losp turnover which is about 2 per year. At turn-over rents move-up to rent limit.	790,972	269,640	531,759	801,399	269,640	542,394	812,034	269,640	553,242	822,882
Residential - Tenant Assistance Payments (Non-LOSP)		n/a				-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments		n/a	n/a	MOHCD: inflation rate, 6%	799,800	839,592		839,592	881,054		881,054	924,263		924,263
Commercial Space	5140	n/a	3.0%	100% Commercial Income to Non-LOSP	79,783			82,177			84,642			87,181
Residential Parking	5170	0.0%			-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	5190	2.5%	2.5%		4,755		4,874	4,874		4,995	4,995		5,120	5,120
Supportive Services Income	5300	0.0%			-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	5400	0.0%			-	-	-	-	-	-	-	-	-	-
Laundry and Vending	5910	2.5%	2.5%		7,370	3,399	4,155	7,554	3,484	4,259	7,743	3,571	4,365	7,937
Tenant Charges	5920	2.5%	2.5%		9,545	-	9,784	9,784	-	10,028	10,028	-	10,279	10,279
Miscellaneous Residential Income	5990	0.0%			-	-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	3.0%		18,817			19,382			19,963			20,562
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable		-	-		-	-		-	-	
Gross Potential Income					**1,711,043**	***1,112,632***	***550,571***	**1,764,761**	***1,154,179***	***561,677***	**1,820,460**	***1,197,474***	***573,007***	**1,878,224**
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	MOHCD: CHANGED TO USE .015 FOR VACANCY RATE TO MATCH YR 1	(11,865)	(5,409)	(6,612)	(12,021)	(5,481)	(6,699)	(12,181)	(5,554)	(6,789)	(12,343)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a		(3,989)			(4,109)			(4,232)			(4,359)
EFFECTIVE GROSS INCOME					**1,695,189**	***1,107,222***	***543,960***	**1,748,631**	***1,148,697***	***554,977***	**1,804,048**	***1,191,920***	***566,218***	**1,861,522**
OPERATING EXPENSES														
Management														
Management Fee	6320	3.5%	3.5%	1st Year to be set according to HUD schedule.	122,597	88,821	38,066	126,888	91,930	39,399	131,329	95,148	40,778	135,925
Asset Management Fee		3.5%	3.5%	per MOHCD policy	25,130	11,704	14,305	26,010	12,114	14,806	26,920	12,538	15,324	27,862
Sub-total Management Expenses					**147,727**	***100,526***	***52,372***	**152,897**	***104,044***	***54,205***	**158,249**	***107,686***	***56,102***	**163,787**
Salaries/Benefits														
Office Salaries	6310	3.5%	3.5%		211,107	207,571	10,925	218,495	214,836	11,307	226,143	222,355	11,703	234,058
Manager's Salary	6330	3.5%	3.5%		131,502	95,273	40,831	136,104	98,607	42,260	140,868	102,059	43,739	145,798
Health Insurance and Other Benefits	6723	7.0%	7.0%		135,096	101,187	43,366	144,553	108,270	46,401	154,671	115,849	49,650	165,498
Other Salaries/Benefits		3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	6331	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					**477,704**	***404,030***	***95,122***	**499,152**	***421,713***	***99,969***	**521,682**	***440,262***	***105,092***	**545,354**
Administration														
Advertising and Marketing	6210	3.5%	3.5%		2,107	981	1,199	2,181	1,016	1,241	2,257	1,051	1,285	2,336
Office Expenses	6311	3.5%	3.5%		10,020	4,667	5,704	10,371	4,830	5,904	10,734	4,999	6,110	11,110
Office Rent	6312	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	6340	3.5%	3.5%		12,733	5,930	7,248	13,179	6,138	7,502	13,640	6,353	7,764	14,117
Audit Expense	6350	3.5%	3.5%		18,546	8,638	10,557	19,195	8,940	10,927	19,867	9,253	11,309	20,562
Bookkeeping/Accounting Services	6351	3.5%	3.5%		26,031	12,124	14,818	26,942	12,548	15,337	27,885	12,987	15,873	28,861
Bad Debts	6370	3.5%	3.5%		3,308	1,541	1,883	3,424	1,595	1,949	3,544	1,650	2,017	3,668
Miscellaneous	6390	0.0%			38,757	17,441	21,316	38,757	17,441	21,316	38,757	17,441	21,316	38,757
Sub-total Administration Expenses					**111,502**	***51,322***	***62,727***	**114,048**	***52,508***	***64,176***	**116,683**	***53,735***	***65,676***	**119,411**
Utilities														
Electricity	6450	3.5%	3.5%		115,873	53,968	65,961	119,928	55,857	68,269	124,126	57,812	70,659	128,470
Water	6451	5.0%	5.0%		124,444	58,800	71,866	130,666	61,740	75,460	137,199	64,827	79,233	144,059
Gas	6452	3.5%	3.5%		20,342	9,475	11,580	21,054	9,806	11,985	21,791	10,149	12,405	22,554
Sewer	6453	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Utilities					**260,659**	***122,242***	***149,407***	**271,649**	***127,403***	***155,714***	**283,117**	***132,788***	***162,296***	**295,084**
Taxes and Licenses														
Real Estate Taxes	6710	1.2%	1.2%		4,348	1,980	2,420	4,401	2,004	2,449	4,453	2,028	2,479	4,507
Payroll Taxes	6711	3.5%	3.5%		47,048	34,086	14,608	48,694	35,279	15,120	50,399	36,514	15,649	52,163
Miscellaneous Taxes, Licenses and Permits	6790	3.5%	3.5%		2,545	1,185	1,448	2,634	1,227	1,499	2,726	1,270	1,552	2,821
Sub-total Taxes and Licenses					**53,941**	***37,251***	***18,477***	**55,728**	***38,510***	***19,068***	**57,578**	***39,811***	***19,679***	**59,490**
Insurance														
Property and Liability Insurance	6720	3.5%	3.5%		58,474	27,234	33,286	60,521	28,187	34,451	62,639	29,174	35,657	64,831
Fidelity Bond Insurance	6721	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Worker's Compensation	6722	3.5%	3.5%		39,936	28,933	12,400	41,333	29,946	12,834	42,780	30,994	13,283	44,277
Director's & Officers' Liability Insurance	6722	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
Sub-total Insurance					**98,410**	***56,168***	***45,686***	**101,854**	***58,133***	***47,285***	**105,419**	***60,168***	***48,940***	**109,108**
Maintenance & Repair														
Payroll	6510	3.5%	3.5%		187,780	136,046	58,306	194,352	140,808	60,346	201,154	145,736	62,458	208,195
Supplies	6515	3.5%	3.5%		24,809	11,555	14,123	25,678	11,959	14,617	26,576	12,378	15,129	27,507
Contracts	6520	3.5%	3.5%		78,118	56,596	24,256	80,852	58,577	25,105	83,682	60,628	25,983	86,611
Garbage and Trash Removal	6525	3.5%	3.5%		37,920	17,661	21,586	39,247	18,280	22,342	40,621	18,919	23,124	42,043
Security Payroll/Contract	6530	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	6546	3.5%	3.5%		4,660	2,171	2,653	4,823	2,247	2,746	4,992	2,325	2,842	5,167
Vehicle and Maintenance Equipment Operation and Repairs	6570	3.5%	3.5%		519	242	295	537	250	306	556	259	317	576
Miscellaneous Operating and Maintenance Expenses	6590	3.5%	3.5%		24,250	11,294	13,804	25,098	11,690	14,287	25,977	12,099	14,787	26,886
Sub-total Maintenance & Repair Expenses					**358,056**	***235,566***	***135,023***	**370,588**	***243,810***	***139,748***	**383,559**	***252,344***	***144,640***	**396,983**
Supportive Services	6900	3.5%	3.5%		104,018	102,275	5,383	107,658	105,855	5,571	111,426	109,560	5,766	115,326
Commercial Expenses					24,357			24,780			25,212			25,655
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES					**1,636,374**	***1,109,380***	***564,196***	**1,698,355**	***1,151,976***	***585,737***	**1,762,925**	***1,196,354***	***608,191***	**1,830,200**
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					46,000	20,700	25,300	46,000	20,700	25,300	46,000	20,700	25,300	46,000
Operating Reserve Deposit				MOHCD - required balance 25% of Expenses, inc D/S (hard debt)	17,675	7,954	9,721	17,675	7,954	9,721	17,675	7,954	9,721	17,675
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial					-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					**63,675**	***28,654***	***35,021***	**63,675**	***28,654***	***35,021***	**63,675**	***28,654***	***35,021***	**63,675**
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES					**1,700,049**	***1,138,034***	***599,217***	**1,762,030**	***1,180,630***	***620,758***	**1,826,600**	***1,225,008***	***643,212***	**1,893,875**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)														
NET OPERATING INCOME (INCOME minus OP EXPENSES)					**(4,859)**	***(30,811)***	***(55,257)***	**(13,399)**	***(31,932)***	***(65,780)***	**(22,552)**	***(33,088)***	***(76,994)***	**(32,353)**
DEBT SERVICE ("hard debt"/amortized loans)														

	Year 12 2028			Year 13 2029			Year 14 2030			Year 15 2031			Year 16 2032	
INCOME	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
Residential - Tenant Rents	269,640	564,307	833,947	269,640	575,593	845,233	269,640	587,105	856,745	269,640	598,847	868,487	269,640	610,824
Residential - Tenant Assistance Payments (Non-LOSP)	-	-		-	-		-	-		-	-		-	-
Residential - LOSP Tenant Assistance Payments	969,299		969,299	1,016,247		1,016,247	1,065,198		1,065,198	1,116,244		1,116,244	1,169,486	
Commercial Space			89,797			92,491			95,265			98,123		
Residential Parking	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income		5,248	5,248		5,380	5,380		5,514	5,514		5,652	5,652		5,793
Supportive Services Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry and Vending	3,661	4,474	8,135	3,752	4,586	8,338	3,846	4,701	8,547	3,942	4,818	8,760	4,041	4,939
Tenant Charges	-	10,536	10,536	-	10,799	10,799	-	11,069	11,069	-	11,346	11,346	-	11,630
Miscellaneous Residential Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Commercial Income			21,179			21,814			22,469			23,143		
Withdrawal from Capitalized Reserve (deposit to operating account)	-	-		-	-		-	-		-	-		-	-
Gross Potential Income	***1,242,599***	***584,566***	**1,938,140**	***1,289,639***	***596,358***	**2,000,302**	***1,338,684***	***608,389***	**2,064,807**	***1,389,826***	***620,663***	**2,131,756**	***1,443,167***	***633,186***
Vacancy Loss - Residential - Tenant Rents	(5,629)	(6,880)	(12,509)	(5,705)	(6,973)	(12,678)	(5,783)	(7,068)	(12,851)	(5,862)	(7,165)	(13,027)	(5,943)	(7,264)
Vacancy Loss - Residential - Tenant Assistance Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial			(4,490)			(4,625)			(4,763)			(4,906)		
EFFECTIVE GROSS INCOME	***1,236,970***	***577,686***	**1,921,141**	***1,283,934***	***589,385***	**1,982,999**	***1,332,901***	***601,321***	**2,047,192**	***1,383,964***	***613,498***	**2,113,822**	***1,437,223***	***625,922***
OPERATING EXPENSES														
Management														
Management Fee	98,478	42,205	140,683	101,925	43,682	145,607	105,492	45,211	150,703	109,184	46,793	155,977	113,006	48,431
Asset Management Fee	12,977	15,861	28,837	13,431	16,416	29,847	13,901	16,990	30,891	14,388	17,585	31,972	14,891	18,200
Sub-total Management Expenses	***111,455***	***58,065***	**169,520**	***115,356***	***60,098***	**175,453**	***119,393***	***62,201***	**181,594**	***123,572***	***64,378***	**187,950**	***127,897***	***66,631***
Salaries/Benefits														
Office Salaries	230,137	12,112	242,250	238,192	12,536	250,729	246,529	12,975	259,504	255,157	13,429	268,587	264,088	13,899
Manager's Salary	105,631	45,270	150,901	109,328	46,855	156,183	113,154	48,495	161,649	117,115	50,192	167,307	121,214	51,949
Health Insurance and Other Benefits	123,958	53,125	177,083	132,635	56,844	189,479	141,920	60,823	202,743	151,854	65,080	216,935	162,484	69,636
Other Salaries/Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits	***459,726***	***110,508***	**570,234**	***480,155***	***116,235***	**596,390**	***501,603***	***122,293***	**623,896**	***524,126***	***128,702***	**652,828**	***547,786***	***135,484***
Administration														
Advertising and Marketing	1,088	1,330	2,418	1,126	1,376	2,502	1,165	1,424	2,590	1,206	1,474	2,681	1,248	1,526
Office Expenses	5,174	6,324	11,499	5,356	6,546	11,901	5,543	6,775	12,318	5,737	7,012	12,749	5,938	7,257
Office Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	6,575	8,036	14,611	6,805	8,318	15,123	7,043	8,609	15,652	7,290	8,910	16,200	7,545	9,222
Audit Expense	9,577	11,705	21,282	9,912	12,115	22,027	10,259	12,539	22,798	10,618	12,978	23,596	10,990	13,432
Bookkeeping/Accounting Services	13,442	16,429	29,871	13,912	17,004	30,916	14,399	17,599	31,999	14,903	18,215	33,118	15,425	18,853
Bad Debts	1,708	2,088	3,796	1,768	2,161	3,929	1,830	2,236	4,066	1,894	2,315	4,209	1,960	2,396
Miscellaneous	17,441	21,316	38,757	17,441	21,316	38,757	17,441	21,316	38,757	17,441	21,316	38,757	17,441	21,316
Sub-total Administration Expenses	***55,005***	***67,229***	**122,234**	***56,320***	***68,835***	**125,155**	***57,681***	***70,499***	**128,179**	***59,089***	***72,220***	**131,309**	***60,547***	***74,002***
Utilities														
Electricity	59,835	73,132	132,967	61,929	75,691	137,621	64,097	78,341	142,437	66,340	81,082	147,423	68,662	83,920
Water	68,068	83,194	151,262	71,471	87,354	158,826	75,045	91,722	166,767	78,797	96,308	175,105	82,737	101,123
Gas	10,505	12,839	23,343	10,872	13,288	24,160	11,253	13,753	25,006	11,647	14,235	25,881	12,054	14,733
Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Utilities	***138,408***	***169,165***	**307,573**	***144,273***	***176,334***	**320,607**	***150,395***	***183,816***	**334,210**	***156,784***	***191,625***	**348,409**	***163,453***	***199,776***
Taxes and Licenses														
Real Estate Taxes	2,052	2,508	4,561	2,077	2,539	4,616	2,102	2,569	4,671	2,127	2,600	4,727	2,153	2,631
Payroll Taxes	37,792	16,196	53,988	39,114	16,763	55,878	40,483	17,350	57,834	41,900	17,957	59,858	43,367	18,586
Miscellaneous Taxes, Licenses and Permits	1,314	1,606	2,920	1,360	1,662	3,022	1,408	1,720	3,128	1,457	1,781	3,237	1,508	1,843
Sub-total Taxes and Licenses	***41,158***	***20,311***	**61,469**	***42,551***	***20,964***	**63,516**	***43,993***	***21,639***	**65,632**	***45,484***	***22,338***	**67,822**	***47,027***	***23,060***
Insurance														
Property and Liability Insurance	30,195	36,905	67,100	31,252	38,197	69,449	32,346	39,534	71,879	33,478	40,917	74,395	34,650	42,349
Fidelity Bond Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Worker's Compensation	32,079	13,748	45,827	33,202	14,229	47,431	34,364	14,727	49,091	35,566	15,243	50,809	36,811	15,776
Director's & Officers' Liability Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Insurance	***62,274***	***50,653***	**112,927**	***64,454***	***52,426***	**116,880**	***66,709***	***54,261***	**120,970**	***69,044***	***56,160***	**125,204**	***71,461***	***58,126***
Maintenance & Repair														
Payroll	150,837	64,644	215,481	156,116	66,907	223,023	161,580	69,249	230,829	167,236	71,672	238,908	173,089	74,181
Supplies	12,811	15,658	28,469	13,260	16,206	29,466	13,724	16,773	30,497	14,204	17,360	31,565	14,701	17,968
Contracts	62,749	26,893	89,642	64,946	27,834	92,780	67,219	28,808	96,027	69,571	29,816	99,388	72,006	30,860
Garbage and Trash Removal	19,581	23,933	43,514	20,267	24,771	45,037	20,976	25,638	46,614	21,710	26,535	48,245	22,470	27,464
Security Payroll/Contract	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	2,407	2,941	5,348	2,491	3,044	5,535	2,578	3,151	5,729	2,668	3,261	5,929	2,762	3,375
Vehicle and Maintenance Equipment Operation and Repairs	268	328	596	277	339	617	287	351	638	297	363	660	308	376
Miscellaneous Operating and Maintenance Expenses	12,522	15,305	27,827	12,960	15,841	28,801	13,414	16,395	29,809	13,884	16,969	30,852	14,369	17,563
Sub-total Maintenance & Repair Expenses	***261,176***	***149,702***	**410,878**	***270,317***	***154,942***	**425,259**	***279,778***	***160,364***	**440,143**	***289,570***	***165,977***	**455,548**	***299,705***	***171,786***
Supportive Services	113,395	5,968	119,363	117,363	6,177	123,540	121,471	6,393	127,864	125,723	6,617	132,340	130,123	6,849
Commercial Expenses			26,108			26,571			27,046			27,532		
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES	***1,242,596***	***631,601***	**1,900,305**	***1,290,789***	***656,010***	**1,973,371**	***1,341,023***	***681,466***	**2,049,535**	***1,393,393***	***708,017***	**2,128,942**	***1,447,999***	***735,714***
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	20,700	25,300	46,000	20,700	25,300	46,000	20,700	25,300	46,000	20,700	25,300	46,000	20,700	25,300
Operating Reserve Deposit	7,954	9,721	17,675	7,954	9,721	17,675	7,954	9,721	17,675	7,954	9,721	17,675	7,954	9,721
Other Required Reserve 1 Deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees	***28,654***	***35,021***	**63,675**	***28,654***	***35,021***	**63,675**	***28,654***	***35,021***	**63,675**	***28,654***	***35,021***	**63,675**	***28,654***	***35,021***
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES	***1,271,250***	***666,622***	**1,963,980**	***1,319,443***	***691,032***	**2,037,046**	***1,369,677***	***716,487***	**2,113,210**	***1,422,047***	***743,038***	**2,192,617**	***1,476,653***	***770,735***
PUPA (w/ Reserves/GL Base Rent/Bond Fees)														
NET OPERATING INCOME (INCOME minus OP EXPENSES)	***(34,280)***	***(88,936)***	**(42,839)**	***(35,509)***	***(101,646)***	**(54,047)**	***(36,776)***	***(115,166)***	**(66,018)**	***(38,082)***	***(129,540)***	**(78,794)**	***(39,429)***	***(144,813)***
DEBT SERVICE ("hard debt"/amortized loans)														

	LOSP Units	non-LOSP Units
Total # Units: 110	*50*	*60*
	45.00%	*55.00%*

INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Total	Year 9 2025 LOSP	Year 9 2025 non-LOSP	Year 9 2025 Total	Year 10 2026 LOSP	Year 10 2026 non-LOSP	Year 10 2026 Total	Year 11 2027 LOSP	Year 11 2027 non-LOSP	Year 11 2027 Total
Hard Debt - First Lender				-	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)				4,200	*1,890*	*2,310*	4,200	*1,890*	*2,310*	4,200	*1,890*	*2,310*	4,200
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender				-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service				-			-			-			-
TOTAL HARD DEBT SERVICE				**4,200**	***1,890***	***2,310***	**4,200**	***1,890***	***2,310***	**4,200**	***1,890***	***2,310***	**4,200**
CASH FLOW (NOI minus DEBT SERVICE)				**(9,059)**	***(32,701)***	***(57,567)***	**(17,599)**	***(33,822)***	***(68,090)***	**(26,752)**	***(34,978)***	***(79,304)***	**(36,553)**
Commercial Only Cash Flow				**70,254**			**72,670**			**75,161**			**77,729**
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)					*32,701*	*39,968*		*33,822*	*41,338*		*34,978*	*42,751*	
AVAILABLE CASH FLOW				**(9,059)**	***(0)***	***(17,599)***	**(17,599)**	**-**	***(26,752)***	**(26,752)**	**-**	***(36,553)***	**(36,553)**
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***DSCR:***	***-1.16***			***-3.19***						***-7.7***
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%		Partner exit 1/1/2023. Declines because of Calhfa rule		-	-		-	-		-	-	
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			CalHFA-MHSA Required Annual Payment	-	-	-	-	-	-	-	-	-	-
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)				**(9,059)**	(0)	(17,599)	**(17,599)**	-	(26,752)	**(26,752)**	-	(36,553)	**(36,553)**

INCOME	Year 12 2028 LOSP	Year 12 2028 non-LOSP	Year 12 2028 Total	Year 13 2029 LOSP	Year 13 2029 non-LOSP	Year 13 2029 Total	Year 14 2030 LOSP	Year 14 2030 non-LOSP	Year 14 2030 Total	Year 15 2031 LOSP	Year 15 2031 non-LOSP	Year 15 2031 Total	Year 16 2032 LOSP	Year 16 2032 non-LOSP
Hard Debt - First Lender	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)	*1,890*	*2,310*	4,200	*1,890*	*2,310*	4,200	*1,890*	*2,310*	4,200	*1,890*	*2,310*	4,200	*1,890*	*2,310*
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			-			-			-			-		
TOTAL HARD DEBT SERVICE	***1,890***	***2,310***	**4,200**	***1,890***	***2,310***	**4,200**	***1,890***	***2,310***	**4,200**	***1,890***	***2,310***	**4,200**	***1,890***	***2,310***
CASH FLOW (NOI minus DEBT SERVICE)	***(36,170)***	***(91,246)***	**(47,039)**	***(37,399)***	***(103,956)***	**(58,247)**	***(38,666)***	***(117,476)***	**(70,218)**	***(39,972)***	***(131,850)***	**(82,994)**	***(41,319)***	***(147,123)***
Commercial Only Cash Flow			**80,378**			**83,109**			**85,924**			**88,828**		
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)	*36,170*	*44,208*		*37,399*	*45,710*		*38,666*	*47,258*		*39,972*	*48,855*		*41,319*	*50,502*
AVAILABLE CASH FLOW	***(0)***	***(47,039)***	**(47,039)**	***0***	***(58,247)***	**(58,247)**	***0***	***(70,218)***	**(70,218)**	***(0)***	***(82,994)***	**(82,994)**	***0***	***(96,622)***
USES OF CASH FLOW BELOW (This row also shows DSCR.)			***-10.2***			***-12.87***			***-15.72***					
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL														
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	-	-		-	-		-	-		-	-		-	-
Partnership Management Fee (see policy for limits)	-	-		-	-		-	-		-	-		-	-
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	-	-		-	-		-	-		-	-		-	-
Other Payments	-	-		-	-		-	-		-	-		-	-
Non-amortizing Loan Pmnt - Lender 1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2	-	-		-	-		-	-		-	-		-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)	-	-		-	-		-	-		-	-		-	-
TOTAL PAYMENTS PRECEDING MOHCD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)	(0)	(47,039)	**(47,039)**	0	(58,247)	**(58,247)**	0	(70,218)	**(70,218)**	(0)	(82,994)	**(82,994)**	0	(96,622)

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%*	

	Dist. Soft Debt Loans	Comments	Total	Year 9 Total	Year 10 Total	Year 11 Total	Year 12 Total	Year 13 Total	Year 14 Total	Year 15 Total
			-	-	-	-	-	-	-	-
MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
MOHCD Residual Receipts Amount Due	*91.79%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Loan Repayment			-	-	-	-	-	-	-	-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease		Proposed Total MOHCD Amt Due less Loan Repayment	-	-	-	-	-	-	-	-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
HCD Residual Receipts Amount Due	*8.21%*	Allocation per pro rata share of all soft debt	-	-	-	-	-	-	-	-
Lender 4 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-
Lender 5 Residual Receipts Due	*0.00%*		-	-	-	-	-	-	-	-
Total Non-MOHCD Residual Receipts Debt Service			-	-	-	-	-	-	-	-
REMAINDER (Should be zero unless there are distributions			-	-	-	-	-	-	-	-
Owner Distributions/Incentive Management Fee			-	-	-	-	-	-	-	-
Other Distributions/Uses										
Final Balance (should be zero)			-	-	-	-	-	-	-	-
REPLACEMENT RESERVE - RUNNING BALANCE										
Replacement Reserve Starting Balance			**71,505**	**108,896**	**138,045**	**105,856**	**143,418**	**(8,990)**	**28,043**	**(68,915)**
Replacement Reserve Deposits			**46,000**	**46,000**	**46,000**	**46,000**	**46,000**	**46,000**	**46,000**	**46,000**
Replacement Reserve Withdrawals (ideally tied to CNA)		MOHCD - add withdrawals per CNA	**8,967**	**17,395**	**78,879**	**8,967**	**198,408**	**8,967**	**143,098**	**49,658**
Replacement Reserve Interest			**358**	**544**	**690**	**529**			**140**	
RR Running Balance			**108,896**	**138,045**	**105,856**	**143,418**	**(8,990)**	**28,043**	**(68,915)**	**(72,573)**
OPERATING RESERVE - RUNNING BALANCE										
Operating Reserve Starting Balance			**420,309**	**437,984**	**455,659**	**473,334**	**491,009**	**508,684**	**526,359**	**544,034**
Operating Reserve Deposits			**17,675**	**17,675**	**17,675**	**17,675**	**17,675**	**17,675**	**17,675**	**17,675**
Operating Reserve Withdrawals										
Operating Reserve Interest										
OR Running Balance			**437,984**	**455,659**	**473,334**	**491,009**	**508,684**	**526,359**	**544,034**	**561,709**
			25.76%	25.86%	25.91%	25.93%	25.90%	25.84%	25.74%	25.62%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE										
Other Reserve 1 Starting Balance			-	-	-	-	-	-	-	-
Other Reserve 1 Deposits			-	-	-	-	-	-	-	-
Other Reserve 1 Withdrawals										
Other Reserve 1 Interest										
Other Required Reserve 1 Running Balance			-	-	-	-	-	-	-	-
OTHER RESERVE 2 - RUNNING BALANCE										
Other Reserve 2 Starting Balance			-	-	-	-	-	-	-	-
Other Reserve 2 Deposits			-	-	-	-	-	-	-	-
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
Other Required Reserve 2 Running Balance			-	-	-	-	-	-	-	-

990 Polk Senior Apartments

		LOSP Units	non-LOSP Units														
Total # Units:																	
110		50	60			Year 17			Year 18			Year 19			Year 20		
		45.00%	55.00%			2033			2034			2035			2036		
INCOME		% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents	5120		2.0%	SSA cola is historically very low, 1.5% assumed. Half point boost from non-losp turnover which is about 2 per year. At turn-over rents move-up to rent limit.	880,464	269,640	623,041	892,681	269,640	635,501	905,141	269,640	648,211	917,851	269,640	661,176	930,816
Residential - Tenant Assistance Payments (Non-LOSP)		n/a				-	-		-	-		-	-		-	-	
Residential - LOSP Tenant Assistance Payments		n/a	n/a	MOHCD: inflation rate, 6%	1,169,486	1,225,027		1,225,027	1,282,976		1,282,976	1,343,450		1,343,450	1,406,570		1,406,570
Commercial Space	5140	n/a	3.0%	100% Commercial Income to Non-LOSP	101,067			104,099			107,222			110,439			113,752
Residential Parking	5170	0.0%			-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income	5190	2.5%	2.5%		5,793		5,938	5,938		6,086	6,086		6,239	6,239		6,395	6,395
Supportive Services Income	5300	0.0%			-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Income - Project Operations	5400	0.0%			-	-	-	-	-	-	-	-	-	-	-	-	-
Laundry and Vending	5910	2.5%	2.5%		8,979	4,142	5,062	9,204	4,245	5,189	9,434	4,351	5,318	9,670	4,460	5,451	9,912
Tenant Charges	5920	2.5%	2.5%		11,630	-	11,921	11,921	-	12,219	12,219	-	12,524	12,524	-	12,837	12,837
Miscellaneous Residential Income	5990	0.0%			-	-	-	-	-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	3.0%		23,837			24,552			25,289			26,047			26,829
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable		-	-		-	-		-	-		-	-	
Gross Potential Income					**2,201,256**	***1,498,808***	***645,961***	**2,273,421**	***1,556,861***	***658,995***	**2,348,367**	***1,617,442***	***672,293***	**2,426,220**	***1,680,670***	***685,859***	**2,507,109**
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	MOHCD: CHANGED TO USE .015 FOR VACANCY RATE TO MATCH YR 1	(13,207)	(6,026)	(7,365)	(13,390)	(6,110)	(7,467)	(13,577)	(6,195)	(7,572)	(13,768)	(6,283)	(7,679)	(13,962)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a		(5,053)			(5,205)			(5,361)			(5,522)			(5,688)
EFFECTIVE GROSS INCOME					**2,182,996**	***1,492,783***	***638,597***	**2,254,825**	***1,550,752***	***651,528***	**2,329,429**	***1,611,246***	***664,720***	**2,406,930**	***1,674,387***	***678,180***	**2,487,460**
OPERATING EXPENSES																	
Management																	
Management Fee	6320	3.5%	3.5%	1st Year to be set according to HUD schedule.	161,437	116,961	50,126	167,087	121,054	51,880	172,935	125,291	53,696	178,988	129,677	55,576	185,252
Asset Management Fee		3.5%	3.5%	per MOHCD policy	33,091	15,412	18,837	34,250	15,952	19,497	35,448	16,510	20,179	36,689	17,088	20,885	37,973
Sub-total Management Expenses					**194,528**	***132,373***	***68,963***	**201,337**	***137,006***	***71,377***	**208,383**	***141,801***	***73,875***	**215,677**	***146,765***	***76,461***	**223,225**
Salaries/Benefits																	
Office Salaries	6310	3.5%	3.5%		277,987	273,331	14,386	287,717	282,898	14,889	297,787	292,799	15,410	308,209	303,047	15,950	318,997
Manager's Salary	6330	3.5%	3.5%		173,162	125,456	53,767	179,223	129,847	55,649	185,496	134,392	57,596	191,988	139,095	59,612	198,708
Health Insurance and Other Benefits	6723	7.0%	7.0%		232,120	173,858	74,511	248,368	186,028	79,726	265,754	199,050	85,307	284,357	212,983	91,279	304,262
Other Salaries/Benefits		3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	6331	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					**683,270**	***572,645***	***142,663***	**715,308**	***598,773***	***150,264***	**749,037**	***626,241***	***158,314***	**784,555**	***655,126***	***166,841***	**821,967**
Administration																	
Advertising and Marketing	6210	3.5%	3.5%		2,774	1,292	1,579	2,871	1,337	1,635	2,972	1,384	1,692	3,076	1,433	1,751	3,184
Office Expenses	6311	3.5%	3.5%		13,195	6,146	7,511	13,657	6,361	7,774	14,135	6,583	8,046	14,630	6,814	8,328	15,142
Office Rent	6312	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-
Legal Expense - Property	6340	3.5%	3.5%		16,767	7,809	9,545	17,354	8,083	9,879	17,961	8,365	10,224	18,590	8,658	10,582	19,240
Audit Expense	6350	3.5%	3.5%		24,422	11,374	13,902	25,276	11,772	14,389	26,161	12,184	14,892	27,077	12,611	15,413	28,024
Bookkeeping/Accounting Services	6351	3.5%	3.5%		34,278	15,965	19,513	35,477	16,524	20,195	36,719	17,102	20,902	38,004	17,700	21,634	39,334
Bad Debts	6370	3.5%	3.5%		4,356	2,029	2,480	4,508	2,100	2,566	4,666	2,173	2,656	4,829	2,249	2,749	4,999
Miscellaneous	6390	0.0%			38,757	17,441	21,316	38,757	17,441	21,316	38,757	17,441	21,316	38,757	17,441	21,316	38,757
Sub-total Administration Expenses					**134,548**	***62,056***	***75,846***	**137,901**	***63,617***	***77,754***	**141,371**	***65,233***	***79,729***	**144,963**	***66,906***	***81,774***	**148,680**
Utilities																	
Electricity	6450	3.5%	3.5%		152,582	71,065	86,858	157,923	73,553	89,898	163,450	76,127	93,044	169,171	78,791	96,300	175,092
Water	6451	5.0%	5.0%		183,860	86,874	106,179	193,053	91,218	111,488	202,706	95,779	117,063	212,841	100,568	122,916	223,483
Gas	6452	3.5%	3.5%		26,787	12,476	15,249	27,725	12,913	15,782	28,695	13,365	16,335	29,699	13,832	16,906	30,739
Sewer	6453	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Utilities					**363,230**	***170,415***	***208,286***	**378,701**	***177,683***	***217,168***	**394,851**	***185,270***	***226,441***	**411,712**	***193,191***	***236,123***	**429,314**
Taxes and Licenses																	
Real Estate Taxes	6710	1.2%	1.2%		4,784	2,179	2,663	4,841	2,205	2,695	4,899	2,231	2,727	4,958	2,258	2,760	5,018
Payroll Taxes	6711	3.5%	3.5%		61,953	44,885	19,236	64,121	46,456	19,910	66,365	48,082	20,606	68,688	49,765	21,328	71,092
Miscellaneous Taxes, Licenses and Permits	6790	3.5%	3.5%		3,351	1,561	1,907	3,468	1,615	1,974	3,589	1,672	2,043	3,715	1,730	2,115	3,845
Sub-total Taxes and Licenses					**70,087**	***48,624***	***23,806***	**72,430**	***50,276***	***24,578***	**74,854**	***51,985***	***25,377***	**77,361**	***53,753***	***26,202***	**79,955**
Insurance																	
Property and Liability Insurance	6720	3.5%	3.5%		76,999	35,862	43,832	79,694	37,117	45,366	82,483	38,417	46,954	85,370	39,761	48,597	88,358
Fidelity Bond Insurance	6721	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-
Worker's Compensation	6722	3.5%	3.5%		52,588	38,100	16,328	54,428	39,433	16,900	56,333	40,813	17,491	58,305	42,242	18,104	60,345
Director's & Officers' Liability Insurance	6722	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Insurance					**129,587**	***73,962***	***60,160***	**134,122**	***76,551***	***62,266***	**138,816**	***79,230***	***64,445***	**143,675**	***82,003***	***66,701***	**148,704**
Maintenance & Repair																	
Payroll	6510	3.5%	3.5%		247,270	179,147	76,777	255,924	185,417	79,464	264,882	191,907	82,246	274,152	198,623	85,124	283,748
Supplies	6515	3.5%	3.5%		32,669	15,216	18,597	33,813	15,748	19,248	34,996	16,299	19,922	36,221	16,870	20,619	37,489
Contracts	6520	3.5%	3.5%		102,866	74,527	31,940	106,467	77,135	33,058	110,193	79,835	34,215	114,050	82,629	35,412	118,042
Garbage and Trash Removal	6525	3.5%	3.5%		49,934	23,257	28,425	51,681	24,071	29,420	53,490	24,913	30,449	55,362	25,785	31,515	57,300
Security Payroll/Contract	6530	3.5%	3.5%		-	-	-	-	-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	6546	3.5%	3.5%		6,137	2,858	3,493	6,352	2,958	3,616	6,574	3,062	3,742	6,804	3,169	3,873	7,042
Vehicle and Maintenance Equipment Operation and Repairs	6570	3.5%	3.5%		684	318	389	707	330	403	732	341	417	758	353	431	784
Miscellaneous Operating and Maintenance Expenses	6590	3.5%	3.5%		31,932	14,872	18,177	33,050	15,393	18,814	34,207	15,932	19,472	35,404	16,489	20,154	36,643
Sub-total Maintenance & Repair Expenses					**471,492**	***310,195***	***177,799***	**487,994**	***321,052***	***184,022***	**505,074**	***332,289***	***190,463***	**522,751**	***343,919***	***197,129***	**541,048**
Supportive Services	6900	3.5%	3.5%		136,971	134,677	7,088	141,765	139,391	7,336	146,727	144,270	7,593	151,863	149,319	7,859	157,178
Commercial Expenses					28,029			28,539			29,061			29,595			30,142
TOTAL OPERATING EXPENSES w/o RESERVES/GL BASE RENT/BOND FEES					**2,211,743**	***1,504,947***	***764,611***	**2,298,098**	***1,564,348***	***794,766***	**2,388,175**	***1,626,318***	***826,238***	**2,482,151**	***1,690,981***	***859,089***	**2,580,212**
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					46,000	20,700	25,300	46,000	20,700	25,300	46,000	20,700	25,300	46,000	20,700	25,300	46,000
Operating Reserve Deposit				MOHCD - required balance 25% of Expenses, inc D/S (hard debt)	17,675	7,954	9,721	17,675	7,954	9,721	17,675	7,954	9,721	17,675	7,954	9,721	17,675
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial					-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					**63,675**	***28,654***	***35,021***	**63,675**	***28,654***	***35,021***	**63,675**	***28,654***	***35,021***	**63,675**	***28,654***	***35,021***	**63,675**
TOTAL OPERATING EXPENSES w/ RESERVES/GL BASE RENT/BOND FEES					**2,275,418**	***1,533,601***	***799,633***	**2,361,773**	***1,593,002***	***829,787***	**2,451,850**	***1,654,972***	***861,259***	**2,545,826**	***1,719,635***	***894,110***	**2,643,887**
PUPA (w/ Reserves/GL Base Rent/Bond Fees)																	
NET OPERATING INCOME (INCOME minus OP EXPENSES)					**(92,422)**	***(40,818)***	***(161,036)***	**(106,947)**	***(42,250)***	***(178,260)***	**(122,421)**	***(43,726)***	***(196,539)***	**(138,896)**	***(45,248)***	***(215,931)***	**(156,428)**

DEBT SERVICE ("hard debt"/amortized loans)

	LOSP Units	non-LOSP Units
Total # Units:		
110	*50*	*60*
	45.00%	*55.00%*

					Year 17 2033			Year 18 2034			Year 19 2035			Year 20 2036		
INCOME	% annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Hard Debt - First Lender				-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)				4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				-	-	-	-	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender				-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service				-			-			-			-			-
TOTAL HARD DEBT SERVICE				4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200	1,890	2,310	4,200
CASH FLOW (NOI minus DEBT SERVICE)				(96,622)	(42,708)	(163,346)	(111,147)	(44,140)	(180,570)	(126,621)	(45,616)	(198,849)	(143,096)	(47,138)	(218,241)	(160,628)
Commercial Only Cash Flow				91,821			94,907			98,089			101,369			104,750
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)					42,708	52,199		44,140	53,949		45,616	55,753		47,138	57,613	
AVAILABLE CASH FLOW				(96,622)	0	(111,147)	(111,147)	0	(126,621)	(126,621)	-	(143,096)	(143,096)	0	(160,628)	(160,628)
USES OF CASH FLOW BELOW (This row also shows DSCR.)			DSCR:	-22.01			-25.46			-29.15			-33.07			-37.24
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%		Partner exit 1/1/2023. Declines because of Calhfa rule		-	-		-	-		-	-		-	-	
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			CalHFA-MHSA Required Annual Payment	-	-	-	-	-	-	-	-	-	-	-	-	-
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)				(96,622)	0	(111,147)	(111,147)	0	(126,621)	(126,621)	-	(143,096)	(143,096)	0	(160,628)	(160,628)
Does Project have a MOHCD Residual Receipt Obligation?		***Yes***														
Will Project Defer Developer Fee?		***No***														
Residual Receipts split for all years. - Lender/Owner		*67% / 33%*														
MOHCD RESIDUAL RECEIPTS DEBT SERVICE		*Dist. Soft Debt Loans*														
MOHCD Residual Receipts Amount Due		*91.79%*	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy	-			-			-			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment				-			-			-			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease			Proposed Total MOHCD Amt Due less Loan Repayment	-			-			-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																
HCD Residual Receipts Amount Due		*8.21%*	Allocation per pro rata share of all soft debt	-			-			-			-			-
Lender 4 Residual Receipts Due		*0.00%*		-			-			-			-			-
Lender 5 Residual Receipts Due		*0.00%*		-			-			-			-			-
Total Non-MOHCD Residual Receipts Debt Service				-			-			-			-			-
REMAINDER (Should be zero unless there are distributions				-			-			-			-			-
Owner Distributions/Incentive Management Fee				-			-			-			-			-
Other Distributions/Uses																
Final Balance (should be zero)				-			-			-			-			-
REPLACEMENT RESERVE - RUNNING BALANCE																
Replacement Reserve Starting Balance				(72,573)			(223,057)			(218,268)			(196,447)			(159,414)
Replacement Reserve Deposits				46,000			46,000			46,000			46,000			46,000
Replacement Reserve Withdrawals (ideally tied to CNA)			MOHCD - add withdrawals per CNA	196,484			41,211			24,179			8,967			-
Replacement Reserve Interest																
RR Running Balance				(223,057)			(218,268)			(196,447)			(159,414)			(113,414)
OPERATING RESERVE - RUNNING BALANCE																
Operating Reserve Starting Balance				561,709			579,384			597,059			614,734			632,409
Operating Reserve Deposits				17,675			17,675			17,675			17,675			17,675
Operating Reserve Withdrawals																
Operating Reserve Interest																
OR Running Balance				579,384			597,059			614,734			632,409			650,084
				25.46%			25.28%			25.07%			24.84%			24.59%
OTHER REQUIRED RESERVE 1 - RUNNING BALANCE																
Other Reserve 1 Starting Balance				-			-			-			-			-
Other Reserve 1 Deposits				-			-			-			-			-
Other Reserve 1 Withdrawals																
Other Reserve 1 Interest																
Other Required Reserve 1 Running Balance				-			-			-			-			-
OTHER RESERVE 2 - RUNNING BALANCE																
Other Reserve 2 Starting Balance				-			-			-			-			-
Other Reserve 2 Deposits				-			-			-			-			-
Other Reserve 2 Withdrawals																
Other Reserve 2 Interest																
Other Required Reserve 2 Running Balance				-			-			-			-			-

Attachment D: LOSP Funding Schedule A

LOSP FUNDING SCHEDULE

Project Address:	990 Polk Senior Apartments
Project Start Date:	7/1/2017

Exhibit A

Calendar Year		Full Year Funding Amount	# Months to Fund	Total Disbursement for Calendar Year	Estimated Disbursement Date
CY-1	2017	$561,852	6	$280,926	6/1/2017
CY-2	2018	$596,826	12	$596,826	1/1/2018
CY-3	2019	$627,859	12	$627,859	1/1/2019
CY-4	2020	$660,178	12	$660,178	1/1/2020
CY-5	2021	$693,839	12	$693,839	1/1/2021
CY-6	2022	$728,903	12	$728,903	1/1/2022
CY-7	2023	$761,605	12	$761,605	1/1/2023
CY-8	2024	$799,800	12	$799,800	1/1/2024
CY-9	2025	$839,592	12	$839,592	1/1/2025
CY-10	2026	$881,054	12	$881,054	1/1/2026
CY-11	2027	$924,263	12	$924,263	1/1/2027
CY-12	2028	$969,299	12	$969,299	1/1/2028
CY-13	2029	$1,016,247	12	$1,016,247	1/1/2029
CY-14	2030	$1,065,198	12	$1,065,198	1/1/2030
CY-15	2031	$1,116,244	12	$1,116,244	1/1/2031
CY-16	2032	$1,169,486	12	$1,169,486	1/1/2032
			Total Contract Amount:	**$13,131,321**	