

**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  
Controller's Office of Public Finance

**160 Freelon Street**  
**\$4,000,000**  
**Predevelopment Loan Request**

Evaluation of Request for:	\$4,000,000
Loan Committee Date:	December 3, 2021
Prepared By:	Shawnté Spears, Project Manager
MOHCD Asset Manager:	To Be Determined
Sources and Amounts of New Funds Recommended:	\$4,000,000 AHF Inclusionary
Sources and Amounts of Previous City Funds Committed:	\$0
NOFA/PROGRAM/RFP:	Multi-site Request for Qualifications issued on November 30, 2020
Applicant/Sponsor(s) Name:	Related California and San Francisco Housing Development Corporation (SFHDC)

## **EXECUTIVE SUMMARY**

### **Sponsor Information:**

Project Name:	160 Freelon Street	Sponsor(s):	Related and SFHDC
Project Address (w/ cross St):	160 Freelon Street (4 <sup>th</sup> Street, between Bryant and Brannan St.)	Ultimate Borrower Entity:	TBD

### **Project Summary:**

Related California (“Related”) and San Francisco Housing Development Corporation (“SFHDC”) (together, “Sponsor”) requests \$4MM to finance predevelopment costs for a proposed new construction affordable rental housing development located at 160 Freelon Street (the “Site” or the “Project”), a city-owned parcel at 4<sup>th</sup> Street between Bryant Street and Brannan Street. Through the 2020 Multisite Request for Qualifications (“RFQ”) issued on November 30, 2020, Related and San Francisco Housing Development Corporation (SFHDC) were selected to develop the site. As required by the RFQ, the project will be a family-designated site and will serve diverse households, including COP holders, formerly homeless families, low-income people living with HIV, and families.

Through the Multi-site Request for Qualifications (RFQ) issued on November 30, 2020, JRCo and YCD were selected to develop the Project. The RFQ did not require respondents to provide a conceptual design, and therefore this request is based on a preliminary concept that is expected to be further refined during the initial design phases. The Sponsors assume a construction start beginning in spring 2024. The Project responds to the Consolidated Plan and achieves MOHCD’s racial equity goals by advancing opportunities and improving programmatic outcomes for low-income residents; while expanding development opportunity for Black Indigenous People of Color (BIPOC) led organizations.

The current proposal for 160 Freelon Street is a 75-foot building (including 72 units on 6 floors above retail and a residential lobby), as allowed by the Central SoMa Special Use District special height exception for MOHCD-supported affordable housing projects. As it moves forward, the project team will assess feasibility to increase the base unit count of the as-proposed base project to a minimum of 75 units, by either densifying the unit configuration or by adding floors. Additionally, it will consider alternative fast-tracked entitlements paths through SB35 and AB1763 that will allow for increased unit density while still bypassing discretionary approvals. The Project’s ground floor will include approximately 5,000 sf of community-serving retail space.

As currently envisioned, the Project will include 35 one-bedrooms (50%), 19 two-bedrooms (25%), and 18 three-bedrooms (25%) totaling 72 units at minimum. Household incomes will range from 30% to 80% MOHCD AMI. Twenty (20) units (28% overall) will be set aside for formerly homeless families, and at least five (5) units will be set aside for referrals from the City’s Plus Housing list at 50% AMI. The remaining units will have AMI’s that range from 30% to 80% households that are not homeless, and will enter the lottery process.

Proposed permanent financing includes tax-exempt bonds, 4% Low-Income Housing Tax Credits, General Partner Equity, a MOHCD gap loan, a permanent loan, and a State of California Department of Housing and Community Development, Multifamily Housing Program (MHP) loan and Infill Infrastructure Grant. Construction is expected to start in Spring 2024 and complete in Spring 2026.

**Project Description:**

Construction Type:	Type I or Type IIIA over I.	Project Type:	New Construction
Number of Stories:	7, including ground floor retail	Lot Size (acres and sf):	0.3 acres / 13,155 sf
Number of Units:	72	Architect:	To-Be-Determined (TBD)
Total Residential Area:	77,000 sf	General Contractor:	TBD
Total Commercial Area:	5,000 sf	Property Manager:	Related Management Company
Total Building Area:	82,000 sf	Supervisor and District:	Sup. Matt Haney, D6
Land Owner:	City & County of San Francisco		
Total Development Cost (TDC):	\$69,297,397	Total Acquisition Cost:	\$0
TDC/unit:	\$962,464	TDC less land cost/unit:	\$962,464
Loan Amount Requested:	\$4,000,000	Request Amount / unit:	\$55,556
HOME Funds?	N	Car Parking?	N

### **PRINCIPAL DEVELOPMENT ISSUES**

- **Project Size** – The base project will be 75 units at a minimum, and a second concept will evaluate the maximum number of units that can be built under the zoning. The base project concept submitted by the Principal Developer, Tishman Speyer, was for 72 units. The minimum project size required by the 2020 Multisite RFQ was 75 units. The Project Sponsor will explore a base concept to include 75 units and also a second concept to maximize the number of units. See Section 1.1. for more information about the project background.
- **Related Management Company racial equity and property management concerns.** In response to concerns raised about the property management's performance related to racial equity in marketing and lease-up and property management; Related Management Company will be required to submit a Housing Retention plan for MOHCD approval, as well as evidence that employees have completed Trauma-Informed Systems (TIS) training. Further, MOHCD will evaluate at a later point whether **Related Management Company** will be looking to be awarded the property management contract for this development. See Sections 1.3.7 Past Performance, 1.3.7.2 Marketing/Lease-up/Operations and 9.3 Recommended Loan Conditions.
- **Commercial Space plan & build-out.** The project will aim to include approximately 5,000 sf of ground floor commercial space. The project team will explore the feasibility of including an incubator space for low-income entrepreneurs, or other community-serving uses to be determined. See Section 4.5 for more information.
- **High development costs.** The anticipated cost to develop 160 Freelon Street is high at \$53.9M or \$748,611 hard cost/unit, and total development costs are \$962,464, 17% and 21% above comparable projects respectively. Based on preliminary cost information from general contractors and comparable 7-story, +/- 72-unit buildings under construction in San Francisco, the Sponsor is assuming a hard cost of \$522 PSF or \$42.8M. The hard cost total for 160 Freelon includes \$1.3M or \$260 PSF for the warm shell build out of the 5,000 SQFT ground floor retail. Additionally, it includes 11 percent in design, bid, and plan check contingency, 5% for escalation, and 5% for owner's contingency. The Sponsor is encouraged to evaluate all strategies to reduce overall costs to the City and the Project. See Section 4.3 Construction Supervisor/Construction Specialist's Evaluation and Section 9.3 Recommended Loan Conditions.
- **Financing Plan.** The proposed financing plan assumes the maximum \$17.5MM HCD-MHP loan and 4% LIHTC and tax-exempt bonds, but the Project is not competitive for a bond allocation compared to past awarded projects. The project team will need to track changes to MHP and CDLAC regulations that could impact the maximum MHP request and the Project's CDLAC bond competitiveness. See Section 6.2 Proposed Permanent Financing and Section 9.3 Recommended Loan Conditions.
- **Permanent Supportive Housing Experience** – Sponsors have no permanent supportive housing (PSH) experience. As 25% of the units will be set aside for families experiencing homelessness and the units will be supported by Local Operating Subsidy Program that includes services through a contract with the Department of Homelessness and Supportive Housing (HSH), the Sponsors will be required to execute an MOU with an approved HSH PSH supportive services provider. See Section 8.1.

### **SOURCES AND USES SUMMARY**

<b>Predevelopment Sources</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD/OCII	\$4,000,000	3 yrs @ 3% Def	This request
<b>Total</b>	<b>\$4,000,000</b>		

<b>Permanent Sources</b>	<b>Amount</b>	<b>Terms</b>	<b>Status</b>
MOHCD Gap Loan	\$15,815,754	55 yrs @ 3.00% RR	Not Committed
Permanent Loan	\$3,569,000	30 yrs @ 4.90%	Not Committed
HCD AHSC/MHP	\$17,500,000	55 yrs @ 3.00% RR	Not Committed
Deferred Developer Fee	\$110,000	15 yrs @ 1.12% RR	Not Committed
HCD IIG	\$2,500,000		Not Committed
GP Equity Contribution	\$500,000		Not Committed
Tax Credit Equity	\$29,302,643	\$0.95 per credit	Not Committed
<b>Total</b>	<b>\$69,297,397</b>		

<b>Permanent Uses</b>	<b>Amount</b>	<b>Per Unit</b>	<b>Per SF</b>
Acquisition	\$20,000	\$278	\$0
Hard Costs	\$53,859,263	\$748,045	\$657
Soft Costs	\$12,408,134	\$172,335	\$151
Developer Fee	\$3,010,000	\$41,805	\$37
<b>Total</b>	<b>\$69,297,397</b>	<b>\$962,464</b>	<b>\$845</b>

### **RECOMMENDATION**

Staff recommends approval of this predevelopment loan request for \$4,000,000.

## 1. BACKGROUND

### 1.1. Project History Leading to This Request.

The land for this project is being dedicated to the City by Tishman Speyer (the “Principal Developer”) under the Development Agreement negotiated for the adjacent project known as the 598 Brannan Project, a mixed-use development that includes office, Production, Distribution, Repair (“PDR”)/retail, institutional space, a public park, and residential uses on approximately 4.5-acre site in the Central SOMA area (comprised of lots 45, 50, 51, and 52 in Assessor’s Block 3777). The Principal Developer will receive a Jobs-Housing Linkage fee credit of \$13,980,265.25 for the site. The entire area is bounded by Welsh and Bryant Streets to the north, a mixture of surface parking lots and light industrial-style buildings to the east, Freelon and Brannan Streets to the South, and 5<sup>th</sup> Street and light industrial-style buildings to the west.

Currently, the Principal Developer is finalizing conditions of approval for the subdivision map that is required prior to transferring the Site (“Parcel C”) to the City. The planned next steps are as follows, and all steps are anticipated to be completed by late Summer 2022:

1. Complete tentative map / subdivision approval (showing all four future lots including Parcel C).
2. Record the Lot Transfer Agreement (LTA), which 1) allows the Final Map to be approved and recorded even with existing buildings on some of those lots, legally creating all four lots; and 2) states that transfer of a park parcel and Parcel C, which is the 160 Freelon parcel won’t be final and official until all existing buildings across all of the future sites are demolished.
3. Approve and record Final Map showing all four lots.
4. Initiate & approve Board resolution for Purchase and Sale Agreement (PSA) and acceptance of Parcel C (160 Freelon).
5. Approve demo permit for Phase 2, and thereby approval to demolish buildings that currently sit on two adjacent lots.
6. Closing/ transfer of Parcel C (160 Freelon).

### 1.2. Applicable NOFA/RFQ/RFP.

(See Attachment E for Threshold Eligibility Requirements and Ranking Criteria)

Through the Multi-site RFQ issued on November 30, 2020, Related and SFHDC were selected to develop the Site. The Sponsor met the minimum threshold eligibility requirements and was one of three teams to submit qualifications for the Project. With a composite score of 92 out of 100, it was the highest- scoring team from the competitive RFQ process.

### 1.3. Borrower/Grantee Profile.

(See Attachment B for Borrower Org Chart; See Attachment C for Developer Resume and Attachment D for Asset Management Analysis)

#### 1.3.1. Borrower.

The Sponsor will set up a project entity and provide this information before starting the closing process for the predevelopment loan. The borrower entity will be a To-Be-Determined (TBD) Limited Partnership (LP).

### 1.3.2. Joint Venture Partnership.

Related and SFHDC have executed a preliminary MOU for 160 Freelon but will work on updating the document for MOHCD's approval prior to predevelopment loan closing. The organizations currently have three existing JV partnerships – Fillmore Marketplace, Hunters Point East/West, and Westbrook Apartments – dating as far back as 1994. This partnership has agreed to split the developer fee 70/30, with Related as the partner receiving the larger share. Related will own a 70% interest of the General Partner portion of the TBD LP and act as the Administrative General Partner. SFHDC will own a 30% interest and act as the Managing General Partner. Net cash flow and/or sale or refinancing proceeds will be split in the same manner.

The developer fee will be paid according to milestones achieved as approved by MOHCD. Each partner will receive a pro-rata share of each installment of the fee. The partnership will provide a 50/50 split during the predevelopment phase, with subsequent allocations to be adjusted according to a finalized MOU. Partnership management and asset management fees will be allocated 50% to SFHDC and 50% to Related.

With regard to responsibilities during development, Related will lead planning, design, construction and financing, with SFHDC to participate in all meetings and able to influence project decisions, as evidenced by the submission of meeting minutes and monthly reports (see Section 9.3 Recommended Loan Conditions). SFHDC will lead community engagement, project approvals, and local hiring.

The existing MOU proposes to delegate property management and asset management responsibilities to Related, but this portion is contingent on approval by MOHCD. As a loan condition (see Section 9.3 Recommended Loan Conditions), MOHCD will require all employees -- including but not limited to supervisors and resident-facing employees -- to receive training on Trauma-Informed Systems (TIS), and will require Related Management Company to update their policies and procedures to reflect a TIS approach.

### 1.3.3. Demographics of Board of Directors, Staff and People Served.

#### Related

Overall, Related California staff is 42% BIPOC. The Northern California/Northwest affordable development divisions are 33% BIPOC, including 7% Black, 13% Latinx, and 13% AAPI. Additionally, the team is over 50% women with everyone at the CEO, SVP, and VP levels being women. Related is a for-profit entity and does not have a Board of Directors.

#### SFHDC

At SFHDC 80% of staff and 70% of the board of directors identify as BIPOC, and 65% of staff and 60% of board members identify as African American. Over the last six years, SFHDC has increased its capacity from 4.5 FTEs to 27 FTEs while retaining this representation.

### 1.3.4. Racial Equity Vision. According to the Sponsors, the principles of diversity, equity, inclusion, and belonging (DEIB) are core to both

organizations. Related and SFHDC were each founded on affordable housing and community development principles over 30 years ago, with origins in revitalizing San Francisco's most segregated and underinvested communities and serving low-income families, seniors, and formerly homeless people. Both organizations have a track record of hiring those with a strong commitment towards social impact and hiring from within the communities they serve. This project will strive to achieve a 25% SBE hiring requirement, with the recognition that community hiring can impact the transformation of individual lives and neighborhoods.

Related and SFHDC have expressed commitment to ensuring that 160 Freelon will generate economic opportunities for smaller and BIPOC-led firms, SBE/LBE organizations, and low-income local residents, in addition to creating a positive outcome for future residents. At the project level, they will work with MOHCD to establish explicit community and economic development goals, competitively procure consultants and contractors who have a track record of meeting or supporting those goals, with progress tracked through proper data collection.

Please see attachment M for Related's DEI statement.

SFHDC doesn't currently have a racial equity plan, but plans to develop one by early 2022.

#### 1.3.5. Relevant Experience.

Collectively, Related and SFHDC have experience developing 107 LIHTC-financed projects, and all were completed on time and on budget. In San Francisco, the majority of their developments are primarily Type V/I and Type III/I urban infill projects, and they have collaborated with almost all of the most qualified architects and general contractors specializing in this product type in the region.

Related and SFHDC own close to 13,500 affordable units in operations plus 4,100 affordable units under construction or in predevelopment. Together, they serve extremely low- and low-income households in 80 family properties, 26 senior properties, and 6 properties with permanent supportive housing, including in three (3) existing joint venture partnerships between Related and SFHDC – Fillmore Marketplace, Hunters Point East/West, and Westbrook Apartments – dating as far back as 1994.

#### 1.3.6. Project Management Capacity.

The development team for the Project is as the Sponsor proposed during the RFQ stage. This includes the following individuals with the addition of Sarah Graham from SFHDC.

#### Related California:

- **Ann Silverberg**, Project Executive, has 25+ years of San Francisco Bay Area affordable housing development and finance experience. She is responsible for the strategic direction, management, and project execution of the firm's Northern California and Oregon affordable pipeline and portfolio. 10% of full time.
- **Thu Nguyen**, Project Manager, has 10+ years of affordable housing and community development experience. She will manage the development process

- from inception through construction closeout. Thu has extensive experience in collaborating with stakeholders and overseeing complicated affordable housing projects, including three neighborhood-scale transformation projects. Her other primary responsibility is Sunnydale HOPE SF. 25% of full time.
- **Kaitlin Roth**, Project Coordinator, has 3+ years of multifamily development experience and additional experience as a paralegal before. She will heavily support the planning, entitlements, and community engagement process for this Project. Kaitlin is also assisting the construction of Balboa Park Upper Yard and projects in predevelopment for Sunnydale HOPE SF projects. 15% of full time.

**SFHDC:**

- **Tom Kostosky**, Associate Director of Real Estate Development, has 30+ years of affordable housing and finance experience. He is responsible for strategic planning, site selection, partnership identification, portfolio management and reporting for all real estate development activity in San Francisco. 15% of full time.
- **Michael Manigault**, Project Manager, has 25+ years of affordable housing and community development experience. He will work on all phases of development of this project from predevelopment to closeout. Michael has worked on RAD rehab projects in San Francisco.
- **Sarah Graham**, Project Manager, has 18+ years of experience in local government fiscal and housing policy and urban economics consulting. She will work on all phases of this project from inception to closeout. Sarah is also working on rehab and new construction projects. 10% of full time.
- **Reginald Hairston**, Project Manager, has 20+ years of experience in multifamily and affordable housing operations and capital improvements. He will work on all phases of this project from inception to closeout. Reggie is also working on San Francisco Small Sites Program which includes site selection, financing, rehab and relocation activities. 10% of full time.

1.3.7 Past Performance.

1.3.7.1 City audits/performance plans.

Related

While Related does not hold any community development grants with MOHCD, it is a well-known entity to the City, as developers who own and manage several affordable housing projects in San Francisco.

SFHDC

Community Development Grants: In 2021, SFHDC holds at least nine contracts with the City, including for workforce programming to support the Black community in the Arts, for homeowner education and counseling, rental housing counseling, for service provision at various RAD properties, Western Addition community-based services, and for SSP capacity building. MOHCD staff noted that SFHDC can be challenging to work with and slow to complete tasks due to staffing capacity limitations, but overall the organization performs on its programmatic grants with MOHCD.

Related Management Company

Feedback obtained from MOHCD and other City staff regarding Related Management Company's performance and on-site property management relations raised concerns that will be addressed in the loan conditions for 160 Freelon. Specifically, Related Management Company staff, including corporate staff and property management staff will need to complete TIS training, and the company will need to produce a Housing Retention Plan to ensure systems are in place to decrease the likelihood of tenant displacement due to non-payment of rent. Please see Section 9.3 Recommended Loan Conditions.

#### 1.3.7.2 Marketing/lease-up/operations.

##### Related Management Company

The MOHCD Marketing team has completed one marketing and lease up report card for 1601 Mariposa Street, a 60-unit family housing project, which began marketing in January 2020 and completed lease-up 23 months later, in December 2021. Property Management received A's for their performance in Marketing and the Lottery, and a B for its Lease-Up. Property Management lost points in the Marketing category due to delays in the marketing review. In the Lease-Up category, points lost were due to COVID delays.

Of note, MOHCD received one complaint from an applicant who believed she had been discriminated against in the process due to the color of her skin "and other communications." Though the applicant was initially displeased with the unit selection process, Related Management Company worked with the applicant to resolve her concerns, and she is now residing in the building.

Delays related to COVID were caused by a third-party vendor.

##### SFHDC

SFHDC does not have any new construction buildings in its portfolio for which MOHCD has completed a marketing report card.

## 2.0 SITE

Site Description	
Zoning:	Central SoMa Mixed Use Office (CMUO) & Central SoMa Special Use District
Maximum units allowed by current zoning (N/A if rehab):	No dwelling unit density limit by lot area
Number of units added or removed (rehab only, if applicable):	N/A
Seismic (if applicable):	Project is in an SF Seismic Hazard Zone for liquefaction.
Soil type:	A preliminary geotechnical memo was prepared by Rollo & Ridley Geotechnical Engineers and Scientists for Tishman Speyer on Sept 30, 2016.

	Heterogeneous, uncompacted, and weak fill was encountered below the existing ground surface to depths ranging from 4 to 12 feet consisting of sand and clay lenses. Below the fill is bay mud and marine deposits extending to a maximum depth of 29 feet below existing ground surface. The marine deposit is underlain by alluvial deposits extending to 29 to 44 feet, followed by colma formation extending to 33 to 111 feet.
Environmental Review:	A Phase I ESA was prepared by ENVIRON International Corporation for Tishman Speyer on Feb 2, 2015. The site has been improved since the late 1890 for industrial purposes. Most recently, the site was operated by SFPUC as a storage and maintenance facility for electrical and street lighting equipment. The master planned site, comprising the affordable housing development parcel, is 1.37 acre and is improved with one 6,300 sq. ft warehouse building and the remainder is paved with asphalt for outdoor storage. The Project Sponsor will commission additional environmental studies as the project is further along. The site is subject to San Francisco's Maher Ordinance. A Phase II was completed in 2021 that recommended additional studies in the case of redevelopment. Tishman will provide \$478,688 in remediation funds for soil removal and vapor barrier systems if required. See additional Details in Section 2.5.
Adjacent uses (North):	Tishman Speyer's "Building 3" comprising PDR and office with a ground floor childcare center
Adjacent uses (South):	Multifamily and industrial/commercial spaces
Adjacent uses (East):	Multifamily, mixed use, and single family attached properties
Adjacent uses (West):	The future public park to be developed by Tishman Speyer
Neighborhood Amenities within 0.5 miles:	Grocery: Safeway (.3 miles) Schools: Bessie Carmichael Elementary School (.3 miles) Healthcare: UCSF Primary Care (.4 miles) Pharmacy: Walgreens (.2 miles) Parks: Alice Street Community Gardens (.5 miles) Banks: Bank of America (.1 mile) Library: Mission Bay Library (.4 miles)
Public Transportation within 0.5 miles:	SF MUNI: 8, 12, 30, 45, and 91 to list a few within 2 blocks from the site Caltrain: 4th & King Station (0.3 miles) BART: Powell Station (0.9 miles)

Article 34:	Not Exempt, will be provided prior to construction loan closing.
Article 38:	The Master Development must comply with Article 38. How and to what extent the affordable housing needs to participate in the Article 38 mitigation measures is to be determined and will be defined during predevelopment and after this loan request.
Accessibility:	TCAC and California Building Code (CBC) 11B requires 10% of total units to be accessible for mobility impaired and 4% of total units accessible for hearing and visually impaired.
Green Building:	Project will meet the minimum TCAC Green Building requirements and the City's Green Building Code.
Recycled Water:	<b>Not Exempt</b> ; While 100% Affordable Housing projects are exempt from the Non-Potable Water Ordinance, projects like 160 Freelon that are located in the Designated Recycled Water Use Areas may be subject to the Recycled Water Ordinance unless a waiver from SFPUC is granted.
Storm Water Management:	<p>The Storm Water Management (SWM) Ordinance is applicable to the Master Development and the Principal Developer will need to submit a SWM Plan. How and to what extent the affordable housing needs to participate or may be charged any costs for assumed storm water is to-be-determined.</p> <p>Stormwater Management may necessitate negotiation of the use of a portion of the park space to accommodate infiltration or irrigation uses of the stormwater from the Affordable Housing site</p>

## 2.1 Description.

160 Freelon Street (Block 3777 Lot 052) is an infill site located on the north side of Freelon Street off 4<sup>th</sup> Street and between Bryant Street and Brannan Street. The site is an approximately 12,800 sf (0.3 acres) parcel and will be surrounded by three (3) mixed-use office buildings that are up to 185-feet tall comprising residential use, office, retail, PDR, and childcare units along with a public park and privately-owned public open space (POPO).

## 2.2 Zoning.

The entire 598 Brannan Project site was rezoned into the Central SOMA Mixed Use Office zoning district and the Central SOMA Special Use District. As a 100% affordable project, it is eligible for approval using the State Density Bonus Program for 100% Affordable Housing (also known as AB 1763), which provides three additional stories,

form-based density, and up to four incentives/concessions. The Project may also be eligible for approval under the Affordable Housing Density Bonus Program (AHBP), as long as the Project is compliant with all objective standards of the Planning Code plus the allowable Zoning Modifications provided by the AHBP in Planning Code Section 206.4(c)(5). The AHBP also provides three additional stories of height and form-based density. Either program may be used in conjunction with SB 35 for ministerial approval.

2.3 Probable Maximum Loss. n/a, new construction

2.4 Local/Federal Environmental Review. The Project is expected to be exempt from CEQA Review, per the streamlining allowed by SB35.

2.5 Environmental Issues.

- Phase I/II Site Assessment Status and Results. Information about the Phase I and Phase II is in the chart above. There is no new information for this item other than what has been previously reported.
- Phase 2 Investigation Report conducted by Ramboll uncovered several VOCs in soil vapor from the April 9, 2021 sampling event that exceeded residential land use ESLs; however, the accuracy of the analytical results was in question due to data quality concerns at the laboratory. Consultants were unable to determine the cause for the internal laboratory standard discrepancy. Based on uncertainty regarding the initial results, three new soil vapor probes, co-located with the previous three sample locations, were installed and sampled on May 3, 2021. The only detected compounds that exceeded residential land use ESLs during the May sampling event were benzene at 160-SV01 and 160-SV02, chloroform at 160-SV02, and TPH-g at all locations.

The findings of petroleum-related chemicals in soil vapor at the site align with previously reported expectations based on historical operations at 160 Freelon and the greater Brannan Square development. Previous sampling identified the presence of petroleum hydrocarbons (and in some cases, metals in soil), but no significant or widespread detections of chlorinated VOCs in soil and groundwater.

The Phase 2 suggested that mitigation of potential chemical vapors may be required in the case of future development on the site. However, because soil vapor concentrations decrease over time, a future owner may wish to consider reevaluation of soil vapor conditions to determine if vapor mitigation is warranted.

- Potential/Known Hazards. The site was initially used for industrial purposes beginning in the late 1890s by the Spring Valley Water Works Company. On-site operations included pipe cutting and storage. The SF Water Department subsequently conducted on-site business from the 1940s to the 1960s, including automobile maintenance, greasing, pipe cutting, and painting. Former industrial operations at the site likely included the use of petroleum products, solvents, paints, and other chemicals, when the historical handling, disposal, and use of these chemicals were not strictly regulated, controlled, or monitored. In addition, the site remained unpaved until approximately 2010, increasing the risk that any on-site releases may have impacted sub-surface conditions. Finally, database records indicate that an underground storage

tank (UST) was installed at the site during the late 1980s to early 1990s. Given the site's long history of industrial operations, it is likely that historical spills or releases of chemicals or petroleum products have adversely affected the soil and/or groundwater conditions at the site. Follow-up due diligence will be required.

2.6 Adjacent uses and neighborhood amenities. In addition to the amenities listed above, the principal development will build a public park directly west of the site, a rare amenity in SOMA. The Project will require at least one childcare unit for use by residents, and the required 5,000 sf of retail/PDR space on the ground floor will be community-serving.

2.7 Green Building. Green features will be determined during predevelopment and expected to meet the minimum TCAC Green Building Requirements and the City's Green Building Code.

### 3 COMMUNITY SUPPORT

3.1 Prior Outreach. No outreach has been done for the project. The Project team will meet with Julia Sabory, MOHCD Cultural Districts Director, prior to MOHCD Loan Committee to receive initial input on their community engagement and stakeholder list.

3.2 Future Outreach. MOHCD will require the Sponsor to submit a communication plan within 60 days after closing the predevelopment loan, as a condition for the loan. See Section 9.3 Recommended Loan Conditions.

3.3 Proposition I. Chapter 79 of the City's Administrative Code requires public noticing (Prop I) for any new City construction project. The project team will need to complete the 30-day noticing process immediately following Loan Committee's approval of this request, and prior to the predevelopment loan closing.

### 4 DEVELOPMENT PLAN

4.1 Site Control. The land dedication from Tishman Speyer to MOHCD is expected to be completed by Fall 2022.

4.2 Proposed Property Ownership Structure. At construction closing, MOHCD will transfer the property through a 75-year initial term ground lease agreement (with an option to extend up to 99-years) to the development entity established for this Project. The City's execution of a long-term ground lease for the MOHCD Parcel is subject to approval by the City's Board of Supervisors.

- Annual rent shall be set at 10% of the fair market appraised value, re-determined on the 15th anniversary date of ground lease and every 15 years thereafter.
- Payment shall consist of an annual Base Rent of \$15,000, collected annually regardless of cash flow and considered a project expense.
- Residual Rent of 10% of the appraised unrestricted value of the Site. Residual Rent will only be collected to the extent that cash flow is available and does not accrue.

**4.3 Proposed Design.** The Sponsor will seek to maximize density within a modern building that responds to its context. As a starting point, the façade will leverage and complement the planned public park directly west of the site, a rare amenity in SOMA. The Project's ground floor will include a residential lobby and approximately 5,000 sf of retail to enhance the neighboring pocket of urban green space. At least six stories above the ground floor will accommodate a minimum of 75 residential units. The project team will also evaluate an alternative design to maximize the unit count allowed by zoning.

UNIT TYPES	Avg Unit SF - This Project	CTCAC-Required Minimum SF	Percent of Minimum
1BR:	525	450	14%
2BR:	775	700	10%
3BR:	1075	900	16%
Do all units meet CTCAC minimum SF?	Yes, all units are expected to meet or exceed the CTCAC minimum SF.		
Residential SF:	77,000		
Commercial SF:	5,000		
<b>Building Total SF:</b>	<b>82,000</b>		

**4.4 Construction Supervisor/Construction Representative's Evaluation** Based on preliminary conceptual plans previously completed by Perry Architects, the ground floor's amount of the retail and community use may be less than projected if the mid-block entry passage/court is retained and due to the corresponding space requirements for management reception/offices, bike storage and rooms for main electrical switchgear/meters, trash, water pump, fire pump and MEP equipment. One space-saving alternative would be to locate the mechanical equipment at the roof level, which could necessitate additional structural support at the roof.

Another factor is utility service and whether the narrow sidewalks will allow underground vaults to be installed for secondary service or whether the building will be required to be set-back as shown on the Perry Architects' conceptual drawings or whether additional ground floor space will be needed. An on-going issue for utility service is the point-of-connection for permanent power and if not located on the adjacent Freelon or Welsh Streets, substantially high costs will be incurred to trench to 4<sup>th</sup> Street for connection.

In order to maximize the amount of affordable housing units, the 100% Affordable Housing Bonus Program allows a light court's depth to be reduced to a depth of 15 feet minimum (instead of the typical Planning Code's Sec. 140 requirement for 25 feet minimum), which was incorporated in Perry Architects' conceptual drawings. While one iteration of the Perry Architects' conceptual drawings shows a setback at the upper floors facing Welsh Street, confirmation with City Planning will determine if the 100% Affordable Housing Bonus Program will allow no setback and therefore, provide larger and more livable bedrooms and living spaces.

Different versions of the Perry Architects' conceptual drawings show either a 7-story and 8-story building with neither being classified as a high-rise structure.

If City Planning would allow more stories with a high-rise structure at this location, a cost-benefit analysis needs to be performed to determine if the number of additional affordable residential units would justify the additional life-safety high-rise systems and additional foundation/structure costs. Also, if the building becomes taller, more shadows will be cast upon the new proposed adjacent public park.

While a preliminary cost estimate has been provided for a 7-story building, construction costs are anticipated to increase when MEP building systems and exterior enclosure material selections are established with the development of the appropriate design contingency, escalation costs, plan-check contingency and allowances for soils conditions.

#### 4.5 Commercial Space.

- Space Description. The Project will include at least 5,000 sf of community-serving PDR/retail space.
- Commercial Leasing Plan. The Sponsor envisions the space to be used as an incubator for new low-income entrepreneurs to share equipment and develop their products. The Central SoMa zoning requires new developments to incorporate a significant amount of PDR space, which is often less expensive than typical office or retail rent and helps to preserve and encourage local makers to remain in the neighborhood. The ground floor incubator space would serve as the conduit for low-income new entrepreneurs to test their idea and develop their business plan in order to eventually expand and take advantage of the almost 50,000 square feet of PDR available within the 598 Brannan master development project alone. The commercial space structure (i.e., direct lease, master lease, or subdivision) is to be determined.
- Operating Pro Forma. At this early stage of development, the operating proforma for commercial space is only included for placeholder purposes. The commercial operating proforma reflects standard commercial underwriting standards and an assumption of \$1 rent/sf/month for a community serving commercial space. The Sponsor will work with MOHCD during predevelopment to flesh out the goals of this commercial space.
- Tenant Improvement Build Out. While no tenant improvement costs are included in the MOHCD, the Sponsor has estimated \$1,300,000 of the MOHCD applied to a warm shell construction. Prior to gap loan request, the Sponsor will provide to the MOHCD Project Manager and Construction Representative Manager a breakout showing the cold and warm shell cost application to the MOHCD commercial portion of the loan, and the proposal will be subject to MOHCD approval. See Section 9.3 Recommended Loan Conditions.

4.6 Service Space. The Sponsor currently envisions 1.0 FTE resident service staff to accommodate 52 households, plus the LOSP 1.0 FTE for the homeless households that will be paid through the HSH contract. As such, there would be a secured office space including two desks to accommodate staffing plus locking file cabinet space to maintain client privacy. The service spaces will also include at least one community room for formal programming and community events.

4.7 Interim Use. The site will be used by the Principal Developer for staging during the construction of the adjacent development at 598 Brannan, but only so long as

it does not interfere with this Project's schedule. The two project teams will coordinate on the timeline and reach an agreement.

4.8 Infrastructure. The project Sponsor will apply for the IIG Grant for qualifying site improvements. So far, we expect it will be minimal. We know that we would need to build laterals from Freelon Street. As it relates to IIG, we will look into all of the off-site and on-site improvements that are IIG-eligible to size that grant

4.9 Communications Wiring and Internet Access. MOHCD Communications Wiring Standards are under review will be released soon. Costs permitting, the Sponsor will work with the MOHCD Construction Representative to determine the appropriate communications wiring scope that meets MOHCD's standards.

4.10 Public Art Component. The Project's public art requirement calculation will be based off 1% of expected construction cost multiplied by the percent of Project funded by MOHCD. Currently, the Project's estimated art requirement is estimated to be \$122,923. This number will be readjusted as the project budget is refined.

MOHCD Committed	\$15,815,754
TDC	\$69,297,397
Hard Cost Total	\$53,859,263
<b>Public Art Requirement Calculation</b>	
1%	1%
Construction Cost	\$53,859,263
Percent funded by MOHCD (MOHCD Committed / TDC)	22.82%
<b>Public Art Requirement</b>	<b>\$122,906</b>

4.11 Marketing, Occupancy, and Lease-Up. MOHCD's marketing policies and procedures will be applied to all units. Marketing and occupancy outreach for the Project will be conducted in accordance with all applicable fair housing laws.

Related and SFHDC will conduct outreach to neighborhood-based, non-profit housing corporations, agencies and other low-income housing advocacy organizations that maintain waiting lists. Units that are not LOSP or Plus Housing will be entered in a lottery and subject to San Francisco preferences. Among all eligible applicants, additional preference will be observed in the following order:

1. San Francisco Redevelopment Agency Certificate of Preference Holders,
2. Displaced Tenant Housing Preference (Ellis Act/OMI) Certificate Holders,
3. Neighborhood Resident Preference (25% of lottery units given the expected HCD-MHP funding to the Project), and
4. Live or Work in San Francisco.

Marketing materials will be printed in Chinese, English, Spanish and Tagalog, and published in a variety of publications that represent a broad range of non-English speaking populations.

Their engagement strategy will include a concerted effort to outreach to communities of color through linkages with neighborhood-based organizations.

Additionally, SFHDC resident services and financial empowerment staff work with segments of the community that have historically been difficult to reach and provide tangible outcomes such as credit improvement, debt relief, legal referrals, and money management practices that lead to greater stability and prosperity. SFHDC's regular contact with over 2,500 clients per year, including COP holders, displaced BIPOC households, and a widely dispersed and largely African American clientele, provides an attentive base of stakeholders that the Sponsors will engage.

The five Plus Housing units in the Project are restricted at 50% MOHCD AMI. Incomes of Plus Housing participants, however, are primarily at or below 30% AMI. As a loan condition, the Sponsor will work with seniors in the community and Plus Housing participants to seek a tenant-based rental subsidy from programs like the Q Foundation to help meet the Sponsor's affordability goals for the Project. See Section 9.3 Recommended Loan Conditions.

To be competitive for a CDLAC allocation, the Project team anticipates marketing all units between 30-80% AMI, with the overall average AMI currently at 55%. The current proforma has removed 1 BR's at 80% AMI as a result of recent marketing done during the COVID-19 pandemic that indicated recent trouble leasing up smaller 80% AMI units. The Project team will continue to refine the Project's unit mix and affordability matrix to optimize the spread in response to the market and relevant funding applications.

#### 4.11 Relocation. N/A

## 5 DEVELOPMENT TEAM

Development Team			
Consultant Type	Name	SBE/LBE	Outstanding Procurement Issues
Architect	TBD via CMD RFP		N
Landscape Architect	TBD via CMD RFP		N
JV/other Architect	TBD via CMD RFP		N
General Contractor	TBD via CMD RFP		N
Owner's Rep/Construction Manager	TBD via CMD RFP		N
Financial Consultant	TBD		
Other Consultant	TBD		
Legal	TBD		
Property Manager	Related Management Company	N	N
Service Provider for LOSP Units	TBD	TBD	TBD

5.1 Procurement Plan. CMD has established a 25% SBE goal for Professional, Engineering and Architectural Services for this project.

**5.2 Opportunities for BIPOC-Led Organizations.** Related and SFHDC are fully committed to ensuring that 160 Freelon will generate economic opportunities for smaller and BIPOC-led firms, SBE/LBE organizations, and low-income local residents, in addition to creating a positive outcome for our future residents. At the project level, they will work with MOHCD to establish explicit community and economic development goals, competitively procure consultants and contractors who have a track record of meeting or supporting those goals, and track progress through proper data collection. Strategies include:

- Outreach, advertising and marketing, including timely use of the Bid and Contract Opportunities newsletter published by the City and County of San Francisco Purchasing Department and media focused specifically on SBE businesses such as the Small Business Exchange, of the opportunity to submit bids or proposals and to attend a pre-bid meeting to learn about contracting opportunities.
- Network with other local, community-based employment and training agencies to enroll very low- and low-income area residents in training programs, such as City Build, so they are prepared for construction workforce opportunities when they become available.
- Utilize the Construction Industry Workforce Initiative for outreach to employ neighborhood college students as interns.
- Perform direct outreach to SBE firms to ascertain their interest in performing certain contract scopes.
- Consider splitting professional contracting into smaller scopes of work or dollar amount contracts to allow smaller firms to participate more easily.
- Assist and provide possible solutions to potential contractors and subcontractors who have questions around bonding and lines of credit.
- Hold hiring fairs to attract neighborhood residents into trade training programs that will prepare them for pending construction work.
- General Contractor and subcontractors provide First Source Hiring Plans to outline the specific steps the contractors will take to implement hiring goals.

Recent project outcomes for projects include Alice Griffith Phase 1 achieving 56% SBE professional services hours and 56% SBE construction hours, Alice Griffith Phase 3 achieving 48% SBE construction, and Hunters Point East/West achieving 71% Section 3 new hire.

## 6 FINANCING PLAN (See Attachment F for Cost Comparison of City Investment in Other Housing Developments; See Attachment G and H for Sources and Uses)

### 6.1 Prior MOHCD/OCII Funding N/A.

6.2 Disbursement Status. If this loan request is recommended, the Team will be able to submit for costs related to the project dated July 1, 2021 to present.

### 6.3 Fulfillment of Loan Conditions. N/A.

### 6.4 Proposed Predevelopment Financing

6.4.1 Predevelopment Sources Evaluation Narrative. This predevelopment budget is sized to take the Project through construction closing, totaling \$4,000,000.

6.4.2 Predevelopment Uses Evaluation:

<b>Predevelopment Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Acquisition Cost is based on appraisal	N/A	N/A. The site will be transferred to the City as a land dedication for the 598 Brannan Street project.
Holding costs are reasonable	N/A	
Architecture and Engineering Fees are within standards	Y	Architect design fees during predevelopment total \$2,732,000
Consultant and legal fees are reasonable	N	The sponsor has budget \$39,000 for predevelopment legal costs, and \$0 for financial consultants.
Entitlement fees are accurately estimated	N	No entitlement fees have been applied to the predevelopment loan.
Construction Management Fees are within standards	Y	\$80,000 during predev, or \$3,077/month (26 months)
Developer Fee is within standards	Y	Total Dev Fee during predevelopment of \$550,000 complies with MOHCD Developer Fee Policy.
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%.

6.5 Potential Permanent Financing Permanent financing being presented to demonstrate the project's overall feasibility but not intended to be presented for their approval at this time.

6.5.1 Permanent Sources Evaluation Narrative: The Borrower proposes to use the following sources to permanently finance the project:

- MOHCD Loan (\$15,815,754): The estimated MOHCD gap loan on this project is \$15,815,754, or \$219,663 per unit, which is within the \$250K/unit target stated in the RFQ. If approved, MOHCD's \$4MM predevelopment loan will be rolled into MOHCD's final gap loan amount for 57-year term at 3.00% simple interest rate, and a residual receipt payment.

- Private mortgage (\$3,569,000): The Sponsor assumes a 30-year term with an interest rate of 4.90% inclusive of cushion and a 1.20 DSCR.
- 4% Tax Credit Equity (\$29,302,643): Related is assuming \$0.95 per federal tax credit pricing, which is consistent with the current credit market. Should the market improve, the increase in tax credit equity will reduce MOHCD's gap loan to the project.
- AHSC/MHP Loan (\$17,500,000): The Sponsor assumes that the project can be competitive for MHP or AHSC, which provides up to \$20M in funding for affordable housing projects. The loan amount of \$17.5M is based on the current unit type and AMI mix. The HCD loan would be for 55 years at a 3% interest rate paid through residual receipts. The project would be required to maintain a replacement reserve of \$500 PUPA.
- HCD IIG (\$2,500,000): In addition to MHP or AHSC, the Sponsor assumes that the project may be competitive and may have site improvement expenses to qualify for a \$2.5M IIG grant.
- Deferred Developer Fee (\$110,000): The Sponsor assumes a deferred developer fee of approximately \$110K based on a 15-year repayment period through a 50/50 split of residual receipts. The deferred developer fee with the \$500K in general partner equity contribution leads to \$301,340 of additional equity generated.
- General Partner Equity (\$500,000): The amount meets the minimum \$500K GP Equity under MOHCD's Developer Fee policy.

6.5.2 CDLAC Tax-Exempt Bond Application:

- Construction Loan (\$15,815,754): While not a permanent source, the construction loan terms are 24 months with a 3% interest term.

CDLAC Self-Score	
Opportunity Map Resource Level	Low Resource Area
TCAC Housing Type (new construction only)	Large Family
Bond Allocation Request Amount	\$34,000,000
Total Self-Score (out of 120 points)	119 out of 120
Tiebreaker Score	\$269,126

The Project will be competing in the ELI/VLI set-aside within the New Construction pool and the Bay Area's geographic set-aside, along with several others. The Project will apply to CDLAC-TCAC in September 2023 for a December 2023 allocation of tax-exempt bonds, scoring 119 out of 120 total points, with a tiebreaker of \$269,126 (based off the 2020 tiebreaker calculation).

With two opportunities to compete in the New Construction set-asides – ELI/VLI and Bay Area regional pool -- the Project's tiebreaker score is not competitive for an allocation in either pool because Bay Area projects are disadvantaged by higher development. In addition to the hard cost interventions to increase competitiveness, the Sponsor reduced the general partner equity contribution from the TCAC's maximum developer fee of 15% eligible basis to \$500,000 established as minimum in MOHCD's previous Developer Fee Policy.

6.5.3 HOME Funds Narrative: N/A

6.5.4 Commercial Space Sources and Uses Narrative: TBD.

6.5.5 Permanent Uses Evaluation:

Below is the breakdown of the total development fee in the Project, which meets MOHCD's Developer Fee Policy.

<b>Development Budget</b>		
<b>Underwriting Standard</b>	<b>Meets Standard? (Y/N)</b>	<b>Notes</b>
Hard Cost per unit is within standards	N	\$748,045/unit, which is approximately 17% higher than comparable units.
Construction Hard Cost Contingency is at least 5% (new construction) or 15% (rehab)	Y	Hard Cost Contingency is 5%. The standard is at least 5% for new construction
Architecture and Engineering Fees are within standards	N	\$3,554,000 – Arch fees \$155,000 – engineering fees
Construction Management Fees are within standards	Y	\$80,000 during pre-dev, or \$3,077/month (26 months) and \$120,000 during construction (\$5,000/month during construction) (28 months for construction) does not exceed underwriting guidelines for pre-dev (\$3,500/month) and construction (\$5K/month) period.
Developer Fee is within standards, see also disbursement chart below	Y	Project management fee: \$1.1MM At risk fee: \$1.1MM Deferred fee: \$40,000 GP equity: \$500,000 Commercial fee: \$200,000 Total fee: \$2,940,000
Consultant and legal fees are reasonable	Y	\$130,000 for borrower legal fees
Entitlement fees are accurately estimated	N	Entitlement fees are estimated at \$1,217,000.

Construction Loan interest is appropriately sized	Y	Estimated to be \$2,812,843
Soft Cost Contingency is 10% per standards	Y	Soft Cost Contingency is 10%
Capitalized Operating Reserves are a minimum of 3 months	Y	Capitalized Operating Reserve equals \$296,355, or the equivalent of three months of operating expenses, permanent debt service payments, and the 0.42% HCD mandatory annual payment (prorated as well) based on the first year of stabilized operation.

#### 6.5.4 Developer Fee Evaluation:

The milestones for the payment of the developer fee to the sponsor are specified below, and meet MOHCD requirements.

<b>Total Developer Fee:</b>	\$3,010,000	
Project Management Fee Paid to Date:	\$0	
Amount of Remaining Project Management Fee:	\$1,100,000	
Amount of Fee at Risk (the "At Risk Fee"):	\$1,100,000	
Amount of Commercial Space Developer Fee (the "Commercial Fee"):	\$200,000	
Amount of Fee Deferred (the "Deferred Fee"):	\$110,000	
Amount of General Partner Equity Contribution (the "GP Equity"):	\$500,000	
<b>Milestones for Disbursement of that portion of Developer Fee remaining and payable for Project Management</b>	<b>Amount Paid at Milestone</b>	<b>Percentage Project Management Fee</b>
Close of predevelopment loan	\$165,000	15.0%
Site Permit	\$165,000	15.0%
Submission of HCD funding application	\$110,000	10.0%
Submission of CDLAC and TCAC application	\$110,000	10.0%
Construction Close	\$220,000	20.0%
Certification of Construction Completion	\$220,000	20.0%
Project Close-out	\$110,000	10.0%
Percentage At Risk Fee:	\$220,000	20.0%
Perm Loan Closing/Conversion (Cost Cert)	\$550,000	50.0%
Project Close Out	\$330,000	30.0%
<b>Milestones For Disbursement Payable for Commercial Developer Fee</b>	<b>Amount Paid at Milestone</b>	<b>Percentage Commercial Fee</b>

At Completion of Condo subdivision Mapping	\$50,000	25.0%
Executed LOI with Commercial tenant	\$70,000	25.0%
Executed Lease with Commercial tenant	\$80,000	25.0%
Occupancy by commercial tenant/provider	\$50,000	25.0%

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

7.1 Annual Operating Budget.

The annual operating budget is being presented to demonstrate the project's overall feasibility, but is not intended to be presented for approval at this time.

7.2 Annual Operating Expenses Evaluation.

Operating Proforma		
Underwriting Standard	Meets Standard? (Y/N)	Notes
Debt Service Coverage Ratio is minimum 1.1:1 in Year 1 and stays above 1:1 through Year 17	Y	DSCR is 1.22 at Year 1 and 1.296 at Year 17.
<i>For TCAC projects:</i> Vacancy rate meets TCAC Standards  <i>For non-TCAC existing projects:</i> Vacancy rate is based on project's historical actuals	Y	Vacancy rate is 5%
Annual Income Growth is increased at 2.5% per year or 1% for LOSP tenant rents	Y	Income escalation factor is 2.5% per year, except for 1% for LOSP
<i>For TCAC projects:</i> Annual Operating Expenses are increased at 3.5% per year  <i>For non-TCAC existing projects:</i> Annual Operating Expense escalation is based on project's historical actuals	Y	Expenses escalation factor is 3.5%
Base year operating expenses per unit are reasonable per comparables.	Y	Total Operating Expenses are \$13,724 per unit, escalated to 2026, which is in line with comparable projects in MOHCD's portfolio.
Property Management Fee is at allowable <u>HUD Maximum</u>	Y	Total Property Management Fee is \$64,769 or \$75 PUPM
Property Management staffing level is reasonable per comparables.	Y	Refer to chart below.

Asset Management and Partnership Management Fees meet standards	Y	Annual AM Fee is \$24,280/yr. Annual PM Fee is \$24,270/yr.
<i>For TCAC projects:</i> Replacement Reserve Deposits meet or exceed TCAC minimum standards  <i>For non-TCAC existing projects:</i> Replacement Reserve Deposits meet project needs based on CNA	Y	Replacement Reserves are \$500 per unit per year, which is consistent with HCD requirements.
Limited Partnership Asset Management Fee meets standards	Y	Limited Partnership Asset Management fee is \$5,000.

### 7.3 Staffing Summary.

Title	FTE allocated to Project	Expenses allocated to Project	Total Fringe (FICA, WC, Health, 403B)
<b>Office Salaries</b>			
<i>Assistant Manager</i>	1.5	\$90,622	\$27,187
<b>Subtotal</b>	<b>\$90,622</b>	<b>\$90,622</b>	<b>\$27,187</b>
<b>Manager Salaries</b>			
<i>Property Manager</i>	0.2	\$14,672	\$4,402
<b>Subtotal</b>	<b>0.2</b>	<b>\$14,672</b>	<b>\$4,402</b>
<b>Janitorial</b>			
<i>Janitor</i>	1.0	\$49,627	\$14,888
<b>Subtotal</b>		<b>\$49,627</b>	<b>\$14,888</b>
<b>Maintenance</b>			
<i>Technician</i>	1	\$43,154	\$12,946
<b>Subtotal</b>		<b>\$43,154</b>	<b>\$12,946</b>
<b>Resident Services</b>		\$56,894	\$17,068

<i>Services Coordinator</i>	<b>1</b>	<b>\$56,894</b>	<b>\$17,068</b>
<b>Subtotal</b>			
<b>Total FTEs and Expenses</b>		\$254,969	\$76,491

7.4 Income Restrictions for All Sources.

<b><u>NON-LOTTERY</u></b>	<b>No. of Units</b>	<b>MOHCD</b>	<b>TCAC</b>
1 BR – LOSP	15	30% MOHCD AMI	23% TCAC AMI
2 BR – LOSP	5	30% MOHCD AMI	21% TCAC AMI
1 BR - Housing Plus	5	50% MOHCD AMI	38% TCAC AMI
<b>Sub-Total</b>	<b>20</b>		
1 BR	1	30% MOHCD AMI	23% TCAC AMI
1 BR	1	40% MOHCD AMI	31% TCAC AMI
1 BR	5	50% MOHCD AMI	38% TCAC AMI
1 BR	6	60% MOHCD AMI	46% TCAC AMI
1 BR	7	70% MOHCD AMI	54% TCAC AMI
<b>Sub-Total</b>	<b>20</b>		
2 BR	1	40% MOHCD AMI	29% TCAC AMI
2 BR	2	50% MOHCD AMI	36% TCAC AMI
2 BR	2	60% MOHCD AMI	43% TCAC AMI
2 BR	4	70% MOHCD AMI	51% TCAC AMI
2 BR	4	80% MOHCD AMI	58% TCAC AMI
<b>Sub-Total</b>	<b>13</b>		
3 BR	1	40% MOHCD AMI	28% TCAC AMI
3 BR	2	50% MOHCD AMI	35% TCAC AMI
3 BR	3	60% MOHCD AMI	42% TCAC AMI
3 BR	6	70% MOHCD AMI	49% TCAC AMI
3 BR	6	80% MOHCD AMI	56% TCAC AMI
<b>Sub-Total</b>	<b>18</b>		
<b><u>STAFF UNITS</u></b>			
2 BR	1		
<b>TOTAL</b>	<b>72</b>		
		<b>36%</b>	<b>27%</b>

<b>PROJECT AVERAGE</b>			
<b>AVERAGE FOR LOTTERY UNITS ONLY</b>		<b>64%</b>	<b>47%</b>

MOHCD staff recommends restricting the 20 LO SP units (or 28% of total units) at 30% MOHCD AMI. Five Plus Housing units will be restricted at 50% MOHCD AMI, with the remaining 52 lottery units ranging between 30% and 80% AMI. The overall project average is currently 64% MOHCD AMI and 47% TCAC AMI (including only lottery units), but will be refined further as the project advances, to meet affordability goals and to ensure its competitiveness for state funding.

#### 7.5 MOHCD Restrictions.

<b>Unit Size</b>	<b>No. of Units</b>	<b>Maximum Income Level</b>
1 BR	1	30% of Median Income
1 BR	1	40% of Median Income
1 BR	5	50% of Median Income
1 BR	5	50% of Median Income
1 BR	6	60% of Median Income
1 BR	7	70% of Median Income
2 BR	1	40% of Median Income
2 BR	2	50% of Median Income
2 BR	17	60% of Median Income
2 BR	4	70% of Median Income
2 BR	4	80% of Median Income
3 BR	1	40% of Median Income
3 BR	2	50% of Median Income
3 BR	3	60% of Median Income
3 BR	6	70% of Median Income
3 BR	6	80% of Median Income

The Project will provide 20 units to the chronically homeless or those at risk of homelessness during the period in which the City's LO SP program is in operation and the City provides such subsidy to the project under LO SP. If assistance provided with respect to the Project under LO SP is terminated or substantially reduced, the occupancy and rent restrictions of the LO SP-designated units may be altered, but only to the minimum extent required for the financial feasibility of the Project, as determined by the City in its reasonable discretion, and in accordance with substantially similar underwriting criteria used by the City to evaluate the Project's financial feasibility prior to the Closing Date, provided that, in any event, such units shall at all times be occupied by Tenants whose Adjusted Income does not exceed sixty percent (60%) of Median Income for the Area and the monthly rent paid by such Tenants shall not exceed thirty percent (30%) times sixty percent (60%) of the lower of City Median Income or Median Income for the Area.

## 8 SUPPORT SERVICES

### 8.1 Services Plan.

SFHDC's resident services staff will provide services for the general population, including a combination of direct services and resource referrals to support family growth and success. For adults, programming will include financial empowerment workshops and counseling to build wealth and long-term financial security as well as career development to attain living wage jobs and increase household income. For youth, programming will include appropriate afterschool and summer programs, equipping them with leadership skills and responsibility through community impact projects. Finally, all residents will have access to SFHDC's established network of health and wellness counseling, caseworkers, food distribution programs, and other community services to improve their health outcomes.

### 8.2 Services Budget.

Staff Position	Employed	FTE	Residents Served	Staff to Resident Ratio	Funding Source
Resident Services Coordinator	SFHDC	1.0 FTE	52 households	1:52	Operating Budget
Intensive Case Manager	TBD	1.0 FTE	20 formerly homeless	1:20	HSH

### 8.3 HSH Assessment of Service Plan and Budget.

The LOSP units will receive services through a contract with HSH. HSH participated in the development team RFQ selection process, and will review and assess the Services Plan and Budget once submitted. They will remain involved during the predevelopment phase while the homeless resident programming and model are being developed.

## 9 STAFF RECOMMENDATIONS

### 9.1 Proposed Loan/Grant Terms

Financial Description of Proposed Loan	
Loan Amount:	\$4,000,000
Loan Term:	30 years
Loan Maturity Date:	TBD
Loan Repayment Type:	Balloon
Loan Interest Rate:	3%
Date Loan Committee approves prior expenses can be paid:	July 1, 2021

### 9.2 Recommended Disbursement Condition/schedule

Prior to initial predevelopment disbursement:

- Sponsors must provide an executed revised MOU outlining their partnership.
- Sponsor must provide evidence of Limited Partnership formation and be a vendor in the City and County of San Francisco.
- Sponsor must provide a finalized organizational chart for 160 Freelon Housing Partners, LP.
- Sponsor must provide evidence of Prop I sign posting.

### 9.3 Recommended Loan Conditions

#### During Predevelopment:

1. Sponsor must provide MOHCD with detailed monthly updates via the MOHCD Monthly Project Update, including on:
  - a. Community outreach completed,
  - b. Outcomes achieved related to racial equity goals, and
  - c. Commercial-use programming.
2. Sponsor must work with MOHCD staff to determine the proper services for the Plus Housing units and if applicable, the source to pay for the service program
3. Sponsor must submit an updated 1<sup>st</sup> year operating budget and 20-year cash flow – if any changes have occurred – by November 1<sup>st</sup> before the year the project will achieve TCO so that MOHCD may request the LOSP subsidy.
4. Sponsor to work with MOHCD and HSH to establish the LOSP budget and income restrictions for the referrals from Coordinated Entry.
5. Sponsor to implement cost containment strategies to reduce overall project costs and maximize efficiencies to MOHCD gap loan, while meeting the RFQ goal of the total hard costs to be less than \$600K per unit. Sponsor must identify and implement cost containment strategies for construction and present them at the various cost estimates with narrative analysis of the pricing from the general contractor.

#### By 100% Schematic Design & prior to Site Permit Submittal:

6. Prior to development fee milestone, Sponsor must submit evidence to MOHCD that staff listed under Section 1.3.6, including managerial, supervisory, and on-site staff, as well as any additional or replacement staff to be working on this Project, at this time has completed Trauma Informed Systems (TIS) training.
7. Sponsor must submit a preliminary services plan and budget covering the formerly homeless households for HSH and MOHCD review and approval.
8. Sponsor must submit application to the Planning Department for SB35 and Site Permit review.
9. Sponsor must research alternate funding sources, such as Infill Infrastructure Grant (IIG), and provide analysis to MOHCD for review to reduce MOHCD's gap.
10. Sponsor must submit a preliminary commercial space plan, commercial

financial assumptions, and commercial development timeline for MOHCD review and approval.

By 100% Design Development:

11. Sponsor must submit an updated commercial space plan, commercial financial assumptions, and commercial development timeline for MOHCD review and approval.
12. Sponsor must submit a tenant improvement plan for MOHCD review and approval.

Prior to Preliminary Gap Request for the Project's MHP and CDLAC-TCAC Application:

13. Prior to payment of developer fee milestone, Related Management Company must obtain MOHCD approval of revisions to corporate policies reflecting a trauma informed approach.
14. Sponsor must receive approval from HSH on the income restrictions for MHP and service plan for the LOSP units.

Prior to Gap Loan Request:

15. Sponsor must provide operating and development budgets that meet MOHCD underwriting guidelines and commercial space policy requirements.
16. Sponsor must provide MOHCD with a services plan and proposed staffing levels that meet MOHCD underwriting standards prior to gap loan approval. Any changes to the current proposed staffing will need to be presented to MOHCD at least 90 days prior to gap loan approval.
17. Sponsor must re-submit qualifications for the property management company for MOHCD approval.
18. Sponsor must: a) provide for MOHCD review of the Request for Proposals (RFP) for equity investors and lenders before it is finalized and distributed; b) provide for MOHCD review of all raw financial data from developer or financial consultant prior to selection; c) provide for MOHCD review and approval of all selected investors and lenders; and, d) provide for MOHCD review and approval of all Letters of Intent from financial partners.
19. Sponsor must provide executed Letter of Intent (LOIs) with neighborhood serving commercial tenants, a commercial development budget, a tenant improvement proforma for MOHCD review and approval.

Prior to Construction Close and payment of development fee milestone:

20. Sponsor must submit a Housing Retention Plan for MOHCD review and approval that aims to reduce tenant displacement due to non-payment of rent. The plan must include policies to promote resident housing stability and retention, eviction prevention, lease and house rules compliance, and access to support services, including third-party dispute resolution services for landlord-tenant grievances.

Prior to Marketing & Lease Up:

21. Prior to development fee milestone, Sponsor must submit evidence to MOHCD that staff listed under Section 1.3.6, including managerial,

supervisory, and on-site staff, as well as any additional or replacement staff to be working on this Project, at this time has completed Trauma Informed Systems (TIS) training.

22. Sponsor must work with Plus Housing participants to seek a tenant-based rental subsidy from programs like the Q Foundation to help meet the Sponsor's affordability goals for the Project.
23. Sponsor must provide initial draft marketing plan within 12 months of anticipated TCO, outlining the affirmative steps they will take to market the project to the City's preference program participants, including COP Holders, Displaced Tenants, and Neighborhood Residents, as well as how the marketing is consistent with the Mayor's Racial Equity statement and promotion of positive outcomes for African American San Franciscans.
24. Sponsor must create more structure around marketing meetings leading up to the lease up process, which includes identifying clear roles and responsibilities and preparing meeting agendas outlining clear next steps.

## 10 LOAN COMMITTEE MODIFICATIONS

## LOAN COMMITTEE RECOMMENDATION

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

☐ APPROVE.      ☐ DISAPPROVE.      ☐ TAKE NO ACTION.

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

Date: \_\_\_\_\_

☐ APPROVE.      ☐ DISAPPROVE.      ☐ TAKE NO ACTION.

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

Date: \_\_\_\_\_

☐ APPROVE.      ☐ DISAPPROVE.      ☐ TAKE NO ACTION.

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

Date: \_\_\_\_\_

☐ APPROVE.      ☐ DISAPPROVE.      ☐ TAKE NO ACTION.

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

Date: \_\_\_\_\_

- Attachments:
- A. Project Milestones/Schedule
  - B. Borrower Org Chart
  - C. Asset Management Analysis of Sponsor
  - D. Threshold Eligibility Requirements and Ranking Criteria
  - E. Site Map with amenities
  - F. Comparison of City Investment in Other Housing Developments
  - G. Predevelopment Budget
  - H. Development Budget
  - I. 1<sup>st</sup> Year Operating Budget
  - J. 20-year Operating Pro Forma
  - K. Related's DEI Statement

## **Chavez, Rosanna (MYR)**

---

**From:** Shaw, Eric (MYR)  
**Sent:** Friday, December 3, 2021 11:57 AM  
**To:** Chavez, Rosanna (MYR)  
**Subject:** Predevelopment Loan 160 Freelon

I approve

Eric D. Shaw  
Director/ Interim Director HopeSF

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

**If you, or someone you know, is a SF resident and in need of help paying rent due to the COVID-19 pandemic please go to <http://sf.gov/renthelp>**

## Chavez, Rosanna (MYR)

---

**From:** Hewson, Elizabeth (HOM)  
**Sent:** Friday, December 3, 2021 11:57 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR); Menjivar, Salvador (HOM)  
**Subject:** Pre-development funding for 160 Freelon

On behalf of Salvador Menjivar, I cast a Yes vote for the pre-development loan for 160 Freelon.

Best,  
Elizabeth



**Elizabeth Hewson (she/her)**

Manager of Supportive Housing Programs

San Francisco Department of Homelessness and Supportive Housing

[elizabeth.hewson@sfgov.org](mailto:elizabeth.hewson@sfgov.org) | P: 628-652-7730

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

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## Chavez, Rosanna (MYR)

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**From:** Oerth, Sally (CII)  
**Sent:** Friday, December 3, 2021 11:56 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR); Spears, Shawnte (MYR)  
**Subject:** Predevelopment Funding for 160 Freelon St, 12.3.21 Loan Committee

I approve the predev loan request for 160 Freelon St, as presented at the 12.3.21 Loan Committee.

And welcome Shawnte!



**Sally Oerth**  
**Interim Executive Director**

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📍 One South Van Ness Avenue, 5th Floor  
San Francisco, CA 94103  
📞 415.749.2588  
🏠 [www.sfocii.org](http://www.sfocii.org)

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## Chavez, Rosanna (MYR)

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**From:** Pereira Tully, Marisa (CON)  
**Sent:** Friday, December 3, 2021 11:56 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** Predevelopment funding for 160 Freelon St

Approve

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

**Attachment A: Project Milestones and Schedule**

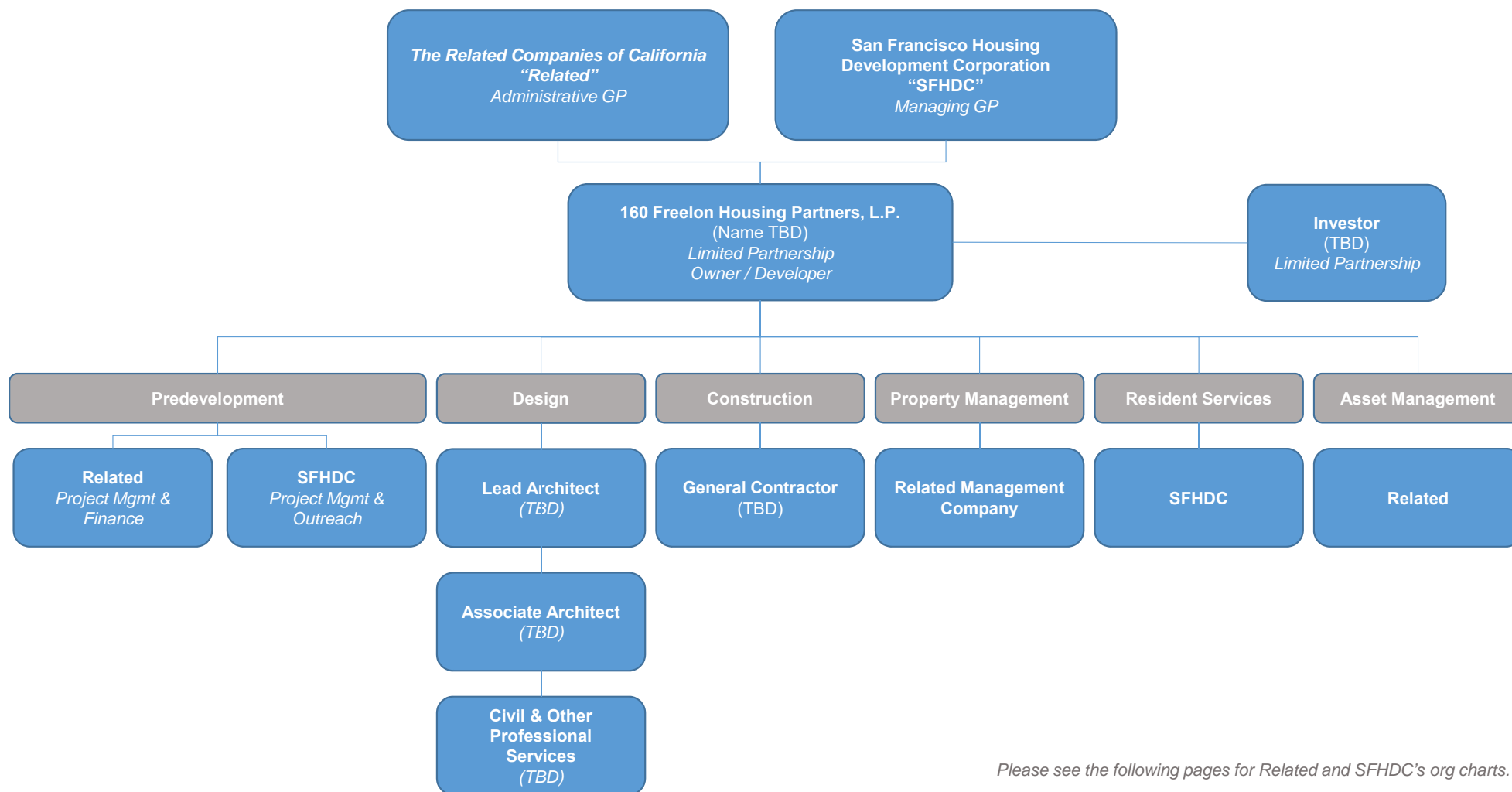
No.	Performance Milestone	Estimated or Actual Date	Notes
A.	Prop I Noticing (if applicable)	<u>12/31/2021</u>	
1	Acquisition/Predev Financing Commitment	<u>12/31/2021</u>	
2.	Site Acquisition	<u>12/31/2022</u>	Placeholder
3.	Development Team Selection		
a.	Architect	<u>12/31/2021</u>	
b.	General Contractor	<u>6/17/2022</u>	
c.	Owner's Representative	<u>12/31/2021</u>	
d.	Property Manager	<u>06/01/2021</u>	Project Award Date
e.	Service Provider	<u>06/01/2021</u>	Project Award Date
4.	Design		
a.	Submittal of Schematic Design & Cost Estimate	<u>07/15/2022</u>	
b.	Submittal of Design Development & Cost Estimate	<u>10/7/2022</u>	
c.	Submittal of 50% CD Set & Cost Estimate	<u>1/27/2023</u>	
d.	Submittal of Pre-Bid Set & Cost Estimate (75%-80% CDs)	<u>5/19/2023</u>	
5.	Environ Review/Land-Use Entitlements		
a.	SB 35 Application Submission	<u>10/07/2022</u>	
b.	CEQA Environ Review Submission	<u>N/A</u>	
c.	NEPA Environ Review Submission	<u>N/A</u>	
d.	CUP/PUD/Variances Submission	<u>N/A</u>	
6.	PUC/PG&E		
a.	Temp Power Application Submission	<u>3/29/2023</u>	
b.	Perm Power Application Submission	<u>3/29/2023</u>	
7.	Permits		
a.	Building / Site Permit Application Submitted	<u>10/7/2022</u>	
b.	Addendum #1 Submitted	<u>TBD</u>	

c.	Addendum #2 Submitted	<u>TBD</u>	
8.	Request for Bids Issued	<u>9/11/2023</u>	
9.	Service Plan Submission		
a.	Preliminary	<u>3/29/2023</u>	
b.	Final	<u>2/27/2024</u>	
10.	Additional City Financing		
a.	Preliminary Gap Financing Application	<u>12/31/2021</u>	
b.	Gap Financing Application	<u>7/19/2023</u>	Final gap post CDLAC/TCAC approval
11.	Other Financing		
a.	HCD Application	<u>2/1/2023</u>	
b.	Construction Financing RFP	<u>9/13/2023</u>	
c.	AHP Application	<u>TBD</u>	
d.	CDLAC Application	<u>7/18/2023</u>	
e.	TCAC Application	<u>7/18/2023</u>	
f.	Other Financing Application	<u>TBD</u>	
g.	LOSP Funding Request	<u>12/7/2022</u>	
12.	Closing		
a.	Construction Loan Closing	<u>2/28/2024</u>	
b.	Conversion of Construction Loan to Permanent Financing	<u>6/17/2026</u>	
13.	Construction		
a.	Notice to Proceed	<u>2/28/2024</u>	
b.	Temporary Certificate of Occupancy/Cert of Substantial Completion	<u>12/30/2025</u>	
14.	Marketing/Rent-up		
a.	Marketing Plan Submission	<u>3/26/2025</u>	
b.	Commence Marketing	<u>9/10/2025</u>	
c.	95% Occupancy	<u>3/24/2026</u>	
15.	Cost Certification/8609	<u>1/26/2027</u>	
16.	Close Out MOH/OCII Loan(s)	<u>1/26/2027</u>	

**Attachment B: Borrower Org Chart**

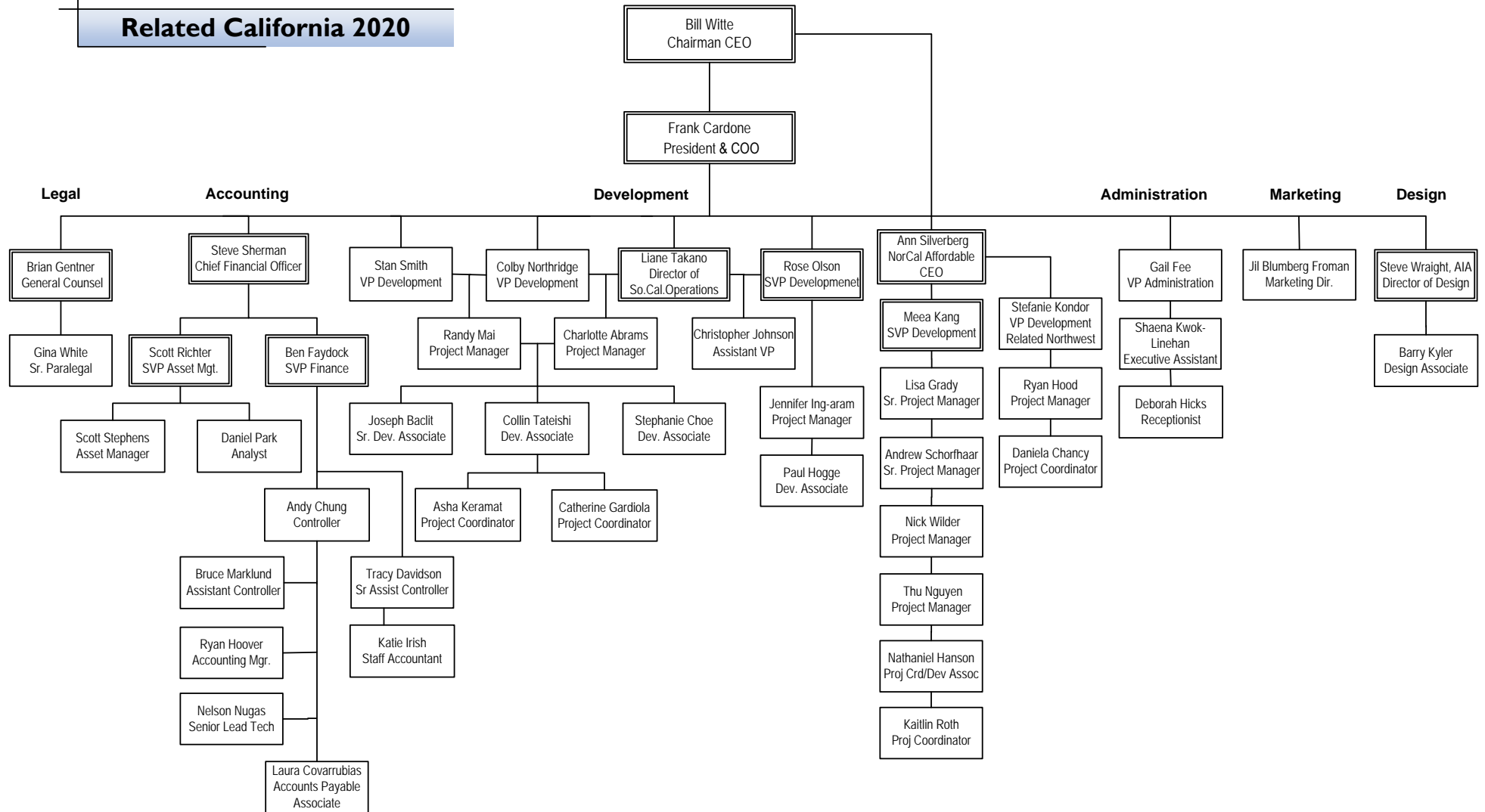
See Attached

## Proposed Owner Org Chart



Please see the following pages for Related and SFHDC's org charts.

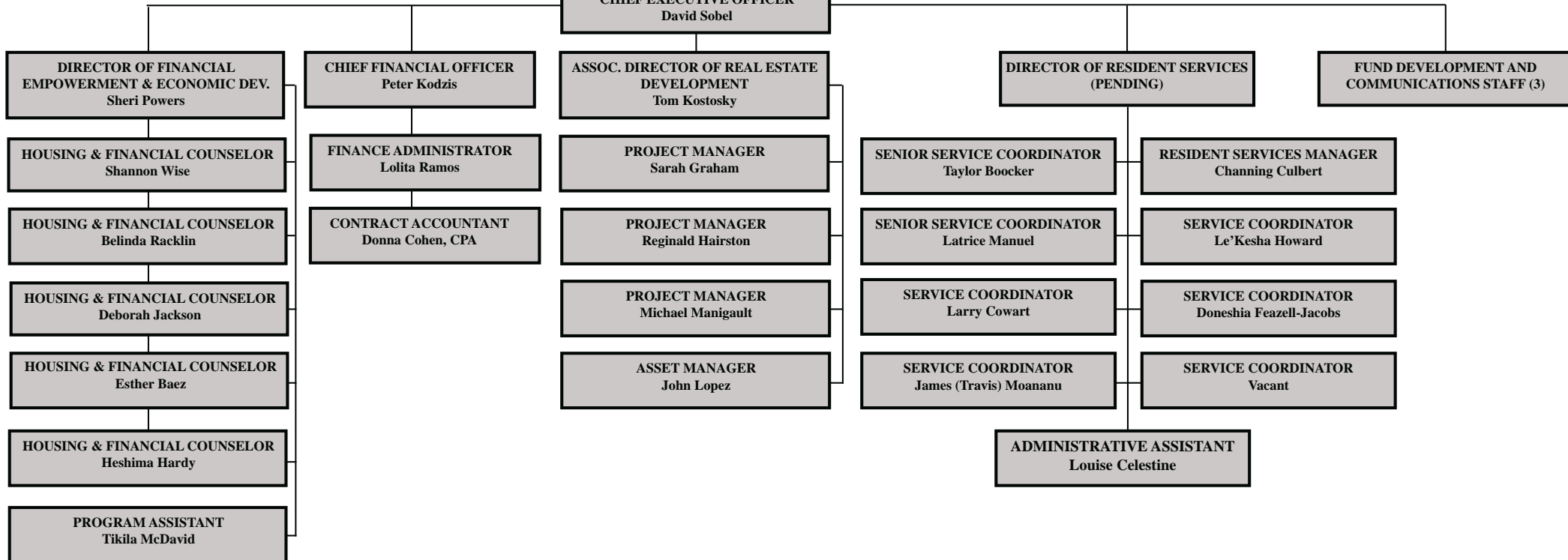
## Related California 2020





**BOARD OF DIRECTORS**

**CHIEF EXECUTIVE OFFICER**  
David Sobel



### **Attachment C: Asset Management Evaluation of Project Sponsor**

SFHDC as Managing General Partner will delegate the Project's asset management responsibility to Related, whose asset management department has the full capacity and structure to assume this role once the development is complete. Related's asset management team is led by Scott Richter, SVP of Asset Management. Richter has been managing institutional multifamily and mixed-use assets for over 15 years, of which the last nine years have been overseeing Related's unique and expanding portfolio of affordable housing, mixed-income, and mixed-use properties. Richter is supported by two full-time asset managers. Related's asset management team oversees a portfolio of 69 properties as of December 2020, with an average of 291 residents per project.

## **Attachment D: Threshold Eligibility Requirements and Ranking Criteria**

### **MINIMUM EXPERIENCE AND CAPACITY REQUIREMENTS**

Respondents must meet the following minimum development Sponsors characteristics, experience, and capacity requirements in order to qualify to be scored and ranked under this RFQ. For Minimum Qualifications for respondents applying for 100% housing for homeless adults please refer to Sections III.D and IV.C.

**Racial Equity Capacity:** The proposed Development Sponsors must document its capacity to successfully plan, design, and develop racial equity strategies that will lower barriers to obtaining quality affordable housing for communities of color through employment of staff with appropriate experience and capacity, contracted services, and/or collaboration with other organizations. Respondents should submit demographic data of the Boards of Directors of member organizations of the Development Sponsors and of the staff of the various organizations that make up the respondent Sponsors.

### **Minimum Development Sponsors Characteristics**

The proposed development Sponsors must include members able to work with MOHCD to create developments that are responsive to populations disproportionately impacted by systemic racism; implement a culturally competent approach throughout the development process; align the development program with City policies on anti-displacement, racially inclusive communities, and creation of stable housing for vulnerable populations; and create opportunities for Black- and Brown-led developers to be competitive within the RFQ process.

The proposed Development Sponsors must include:

- At least one San Francisco-based non-profit development entity whose mission includes the development of affordable housing in low-income communities with experience developing housing for the identified priority populations (such as Certificate of Preference Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, Plus Housing waitlist households and/or formerly homeless households) acting either as sole developer or as a partner in a joint venture, or joint-venture partner, defined as a nonprofit organization;
- A property owner entity with experience owning housing for low-income communities, including for priority populations (such as COP Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, Plus Housing waitlist households and/or formerly homeless households);
- A property management entity with experience managing housing for low-income communities, including for priority populations (such as COP Holders, displaced tenants, neighborhood residents, San Francisco residents, seniors, families, Plus Housing waitlist households and/or formerly homeless households);
- At least one services-providing entity with experience providing services appropriate for the intended target population(s) of each site.

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

### **Minimum Development Sponsors Experience**

Minimum experience must be demonstrated by identifying specific **Qualifying Projects** in which Sponsors members have participated, as further described below. The proposed Development Sponsors must submit **Attachment 4 - Qualifying Project Form**, to document how the

Qualifying Project characteristics meet each of the experience categories below (developer, owner, property manager, service provider.)

To demonstrate the minimum required development Sponsors experience, each Sponsors should submit one project for each experience category. When appropriate, Sponsors may submit the same project as evidence of experience across multiple experience categories or may use different projects to demonstrate experience across categories. In all cases, no more than four (4) total Qualifying Projects should be submitted. **Qualifying Projects will not be scored but are used to determine if the proposed Development Sponsors meets the minimum development Sponsors experience required to develop the Site.**

For Developer and Owner, a **Qualifying Project** must have all of the following characteristics:

- New construction in either a Type V over I or Type III over I construction type (not a requirement for Minimum Property Manager and Service Provision Experience)
- At least 75 units in size
- Majority multiple-bedrooms, *only for family projects*
- Mixed-use including residential (not a requirement for Minimum Service Provision Experience)
- Affordable to low- and very low-income households<sup>1</sup>, formerly homeless residents, families and/or seniors
- Financed with Low-Income Housing Tax Credits.

**a. Minimum Development Experience:**

The proposed Developer must have completed within the past ten years at least **one** Qualifying Project located in San Francisco. "Completed" means the Project must have received its Temporary Certificate of Occupancy by the date of the issuance of the RFQ.

For joint venture Developer Sponsors, the experience of the lead entity may suffice for the joint-venture partnership. A signed Memorandum of Understanding or Term Sheet between joint-venture Development partners that outlines roles and responsibilities, proposed ownership structure, etc. must be submitted with the application. Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Finally, the requirement to have served formerly homeless residents may be satisfied in a non- Type V over I or Type III over I building. In such a case, the proposed Developer must provide evidence of having completed a partially Type V over I or Type III over I affordable housing building, and separately, an affordable housing building that serves formerly homeless residents.

**b. Minimum Ownership Experience:** The proposed Owner must have owned at least **one** Qualifying Project for at least four years prior to the Submittal Deadline of this RFQ. For purposes of this requirement, the member of the general partner of the tax credit partnership that will own the completed project is the proposed "Owner."

**c. Minimum Property Management Experience:** The proposed Property Manager must have managed at least **one** Qualifying Project for at least 24 months.

**d. Minimum Service Provision Experience:** The proposed service provider(s) must have at least 36 months experience providing services to low-income family residents, communities of color, homeless persons and/or senior citizens within a Qualifying Project.

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<sup>1</sup> "Low Income" is defined as 60% MOHCD AMI and below. "Extremely Low Income" is defined as 30% MOHCD AMI and below.

**Note Regarding Experience:** For any Respondent Sponsors member, the experience of key staff members may be substituted for the experience of the organization as a whole as long as the staff members' experience in other firms was substantive and involved responsibilities similar to those that they are anticipated to perform during the proposed development of the site. Any substitution should be clearly identified in Attachment 4, Qualifying Project Form.

## Minimum Developer and Owner Capacity Requirements

The proposed Developer and Owner must demonstrate the financial and staffing capacity to successfully complete the project and manage the asset in the long-term, as further described below.

- a. **Financial Capacity:** The proposed Developer (or Guarantor where another entity is providing required guarantees) must demonstrate its ability to obtain competitive financing, as evidenced by submitting the latest (2) years of either signed federal income tax returns (including schedules or attachments, if any); or audited financial statements (with management letters, if any). The proposed Developer must also submit **Attachment 5 – Financing Terms for Developer's Qualifying Project** documenting the equity pricing and debt terms for the Qualifying Project submitted under Minimum Developer Experience.
- b. **Staffing Capacity:** The proposed Developer must document its capacity to successfully plan, design, and develop the Project, throughout the period of development, either through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. To document this, the proposed Developer must submit a written narrative **no more than one page** (in Times New Roman font, 12 font size, and 1-inch margins) to document the experience and capacity of key staff, their workloads, and the organizational structure for supporting staff. The proposed Developer must also submit **Attachment 6 – Projected Staffing Workload Form** to document the work assignments (existing or contemplated) associated with each staff person expected to work on the Project for Developer.
- c. **Asset Management Capacity:** The proposed Owner must document its capacity to successfully manage real estate assets in compliance with City regulatory agreements and restrictions. To document this, the proposed Owner must submit a recent Real Estate Owned (REO) schedule, stating the number of projects and average number of units/project currently in Owner's asset management portfolio, proposed Owner's current asset management staffing noting job titles, FTEs, and status of each position (filled/vacant) and proposed Owner's organizational chart.
- d. **Racial Equity Capacity:** The proposed Developer must document its capacity to successfully plan, design, and develop racial equity strategy that will lower barriers to obtaining quality affordable housing for communities of color through staff with appropriate experience and capacity, contracted services, or collaboration with other organizations. Documentation should include information evidencing the Developer's capacity to achieve the goals of this RFQ (see especially pages 4-5).
  - Select partners that are able to work with MOHCD to deploy city resources, tools and expertise to create developments that are responsive to populations disproportionately impacted by systemic racism;
  - Ensure that development Sponsors are working within a culturally competent approach through the development process;

- Align each Project with the implementation of City policies on anti-displacement, racially inclusive communities, and creating stable housing for vulnerable populations;
- Create opportunities for growth of smaller and Black, Indigenous and people of color, (BIPOC)-led organizations in development role or as member of development Sponsors
- Submit demographic data for the Boards of Directors of each Development Sponsors member and for the staff of each organization represented on the Sponsors.

***MINIMUM EXPERIENCE AND CAPACITY REQUIREMENTS FOR  
RESPONDENTS APPLYING FOR 100% SUPPORTIVE HOUSING FOR  
HOMELESS ADULTS***

**Sponsors Member Specific Minimum Requirements**

- a. **Minimum Developer Requirements** - Lead Developer itself or in partnership with other co-developers must provide evidence of the following experience:
- New construction of at least two affordable housing developments that are both high-density infill sites, with an aggregate unit count of approximately 75 units or more
  - Development of at least one supportive affordable housing development for formerly homeless adults and/or formerly homeless seniors (may be new construction or substantial rehabilitation of an existing building)
  - Use of Low-Income Housing Tax Credit financing

For joint-venture Development partners, the experience of either entity may suffice for the joint-venture partnership. A Memorandum of Understanding between joint-venture Development partners must be submitted with the application.

Furthermore, a Respondent can qualify for development experience by contracting with a development consultant for comprehensive project management services. Project management services should include financial packaging, selection of other consultants, selection of construction contractor and property management agent, oversight of architectural design, construction management, and consultation on major aspects of the development process. The contract for development services must be submitted with the RFQ response and must be acceptable to MOHCD.

- b. **Minimum Ownership Experience** - The proposed Owner of the Project must have owned at least one supportive formerly homeless project in San Francisco for at least 5 years prior to the Submittal Deadline of this RFQ. In addition, each proposed Owner must provide evidence of experience with owning housing financed with Low Income Housing Tax credits. This experience does not have to be on the same project that satisfies the 5-year ownership requirement. If the Selected Developer entity is not the same entity as the proposed Owner, MOHCD reserves the right to require that certain members of the Selected Developer remain active in the ownership for whatever length of time MOHCD deems necessary to ensure operating and financial stability.

For purposes of this requirement, the managing general partner of the tax credit partnership intended to take ownership of the completed Project and to provide asset management for the Project is the proposed "Owner".

- c. **Minimum Property Manager Requirements** - The proposed property manager for the Project must have managed at least three supportive formerly homeless or supportive senior rental projects, including at least one in San Francisco, each for at least 36 months. In addition, the Property Manager for the Project must provide evidence of experience with managing housing financed with Low Income Housing Tax credits.
- d. **Minimum Service Provision Requirements** - The proposed service provider(s) must have at least 36 months' experience providing supportive services to formerly homeless adults and/or formerly homeless seniors including case management and comprehensive services for homeless households in a residential setting in San Francisco. The proposed service provider(s) must have the infrastructure to supervise and train the onsite staff and their supervisors. The service provider must also have experience with and capacity to bill Medi-Cal.
- e. **Other Consultants** – For any Respondent Sponsors, the experience of key staff members or “other consultants” may be substituted for the experience of the organization as a whole as long as the staff member’s or consultant’s experience in other firms was substantive and involved responsibilities similar to what they are anticipated to perform as a member of the Respondent’s Sponsors.

### **SELECTION CRITERIA AND SCORING**

All applications that meet the Minimum Experience and Capacity Requirements will be scored and ranked according to the following selection criteria:

	<b>Category</b>	<b>Points</b>
<b>A.</b>	<b>EXPERIENCE:</b>	<b>40</b>
i.	<b>Developer (12 pts)</b> <ul style="list-style-type: none"> <li>➤ Experience with the following: <ul style="list-style-type: none"> <li>○ Completing projects on time and on budget</li> <li>○ Obtaining competitive financing terms</li> <li>○ Developing Type V/I or III/I construction</li> <li>○ Developing housing for low-income families, seniors, or the homeless</li> </ul> </li> <li>➤ Building community support through outreach</li> <li>➤ Current staff capacity and experience to take on this project type</li> </ul>	
ii.	<b>Owner (4 pts)</b> <ul style="list-style-type: none"> <li>➤ Track record successfully owning housing financed with Low-Income Housing Tax Credits <ul style="list-style-type: none"> <li>○ Experience owning affordable housing for low-income families, seniors and/or the homeless</li> </ul> </li> <li>➤ Current asset management structure, staffing, and portfolio</li> <li>➤ Capacity for assuming asset management of an expanded portfolio once the development is complete</li> </ul>	

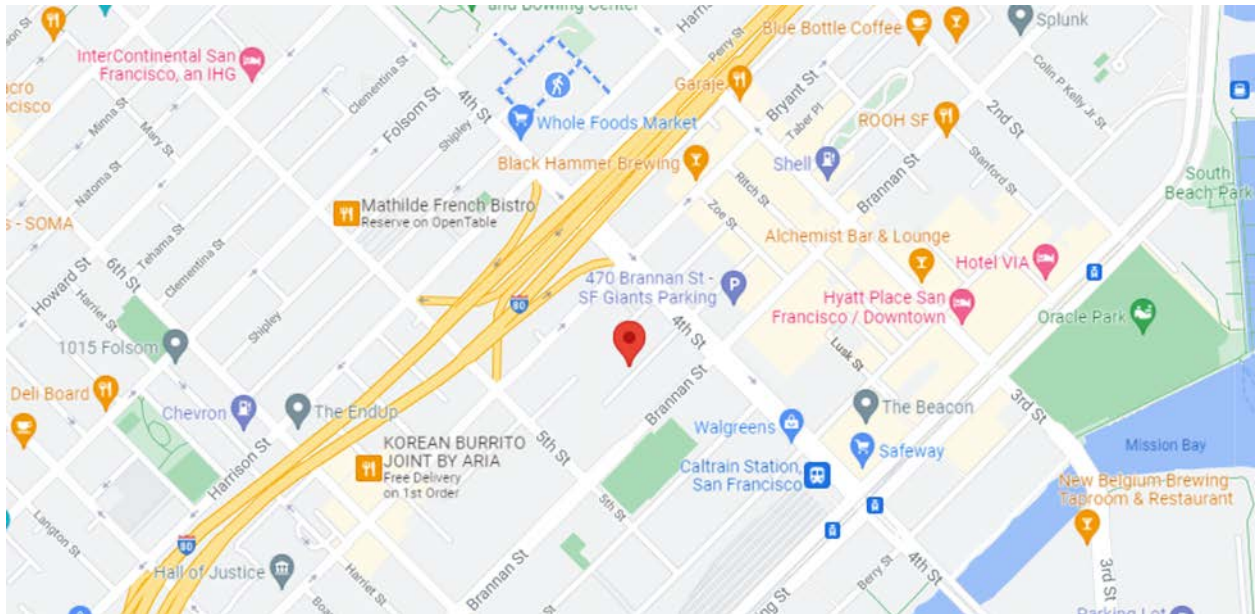
iii.	<b>Property Manager (8 pts)</b> <ul style="list-style-type: none"> <li>➤ Experience managing property for target populations</li> <li>➤ Experience achieving high rates of housing retention</li> <li>➤ Implements low barrier tenant selection policies</li> <li>➤ Contributes to long-term sustainability of the development</li> <li>➤ Achieves cost efficiencies in operations</li> </ul>	
iv.	<b>Service Providers (8 pts)</b> <ul style="list-style-type: none"> <li>➤ Experience delivering services to target populations</li> <li>➤ Experience linking residents to the City's safety net of services</li> <li>➤ Works with property management to achieve high rates of housing retention</li> <li>➤ Supports positive outcomes for residents around health and economic mobility</li> <li>➤ If applicable, provides explanation for service contracts terminated prematurely within the last 5 years</li> <li>➤ Discusses barriers to communities of color accessing quality health care services, employment and educational opportunities</li> </ul>	
v.	<b>Racial Equity Strategy (8 pts)</b> <ul style="list-style-type: none"> <li>➤ Describes level of racial equity awareness</li> <li>➤ Experience providing housing to COP and neighborhood preference holders</li> <li>➤ Uses innovative approaches to engagement with COP and neighborhood preference holders</li> <li>➤ Demonstrates commitment to racially diverse project development Sponsors</li> </ul> <p>Proposes a substantive partnership that increases opportunity/capacity for growth of smaller and Black, Indigenous and people of color, (BIPOC)-led organizations</p> <ul style="list-style-type: none"> <li>➤ Demonstrates experience with serving historically excluded communities of color</li> <li>➤ Describes approaches to overcoming historical obstacles to communities of color obtaining high quality affordable housing</li> <li>➤ Describes experience providing access and implementing service delivery strategies to historically excluded communities of color</li> </ul>	
<b>VISION:</b>		<b>60</b>
i.	<b>Program Concept (20 pts)</b> <ul style="list-style-type: none"> <li>➤ Describes vision for a development program at this site, while best achieving the project goals, and includes: <ul style="list-style-type: none"> <li>○ A residential program and other envisioned uses;</li> <li>○ Indicates how the proposed uses and amenities will enhance the lives of the proposed target population and the surrounding neighborhood.</li> </ul> </li> </ul>	

	<ul style="list-style-type: none"> <li>➤ Indicates particular groups served by the programs and spaces (tots, children, teens, homeless people, young adults, adults, elderly, disabled etc.).</li> <li>➤ Describes how the program will contribute to lowering barriers to persons of color seeking and retaining quality housing.</li> </ul>	
ii.	<p><b>Community Engagement Strategy (10 pts)</b></p> <ul style="list-style-type: none"> <li>➤ Describes community engagement strategy and includes: <ul style="list-style-type: none"> <li>○ The Sponsors' philosophy on community engagement;</li> <li>○ Process for establishing and/or building positive relationships with surrounding neighbors and the larger community;</li> <li>○ Efforts designed to engage all interested community members, including monolingual non-English speaking members of the community;</li> <li>○ How the Development Sponsors intends to comply with the City's Language Access Ordinance.</li> </ul> </li> <li>➤ Describes the Sponsors' approach to achieving entitlements for the project expeditiously and the Sponsors' approach to maintaining and building community relationships after entitlements have been achieved and the development is in operations.</li> <li>➤ Indicate how particular community engagement strategy will address the historical exclusion of communities of color from quality housing, including but not limited to marketing to attract target populations.</li> </ul>	
iii.	<p><b>Services Delivery Strategy (10 pts)</b></p> <ul style="list-style-type: none"> <li>➤ Describes the Development Sponsors' services delivery strategy and includes: <ul style="list-style-type: none"> <li>○ The overall service philosophy;</li> <li>○ Model for providing any anticipated services to formerly homeless residents (including case management ratio and provision of amenities such as front desk clerks, if applicable);</li> <li>○ The services goals of the proposed vision.</li> </ul> </li> <li>➤ A brief description of the desired outcome of the services to be provided and innovative approaches to services provision, including the strategy of engaging residents and encouraging access to services.</li> <li>➤ Describes how services for residents will be coordinated with the existing network of services in the neighborhood and community.</li> </ul>	
iv.	<p><b>Finance &amp; Cost Containment Approach (10 pts)</b></p> <ul style="list-style-type: none"> <li>➤ Narration that describes the Development Sponsors' financing approach to the project.</li> </ul>	

	<ul style="list-style-type: none"><li>➤ Includes the Sponsors' process for structuring the project and controlling development costs.</li><li>➤ Includes innovative strategies intended to minimize MOHCD's projected capital gap financing.</li><li>➤ Describes any innovative (i.e. non-standard, routine or commonly used) direct or indirect cost-cutting strategies relevant to overall development, construction or operating expenses.</li><li>➤ Do not include proforma financials.</li></ul>	
v.	<b>Racial Equity Strategy (10 pts)</b> <ul style="list-style-type: none"><li>➤ Describes proposed resident services program, including the activities or types of services, how they will be provided, and the approach (such as timeline, hours and days of operation, examples, and best practices).</li><li>➤ Explain how the Development Sponsors' model removes barriers to intergenerational wealth, self-sufficiency and resiliency for persons of color, particularly COP holders, African American households and/or households in historically African American neighborhoods.</li><li>➤ Explain how the strategy aligns with the four primary goals of this RFQ set forth in the Introduction.</li></ul>	
<b>TOTAL POSSIBLE POINTS</b>		<b>100</b>

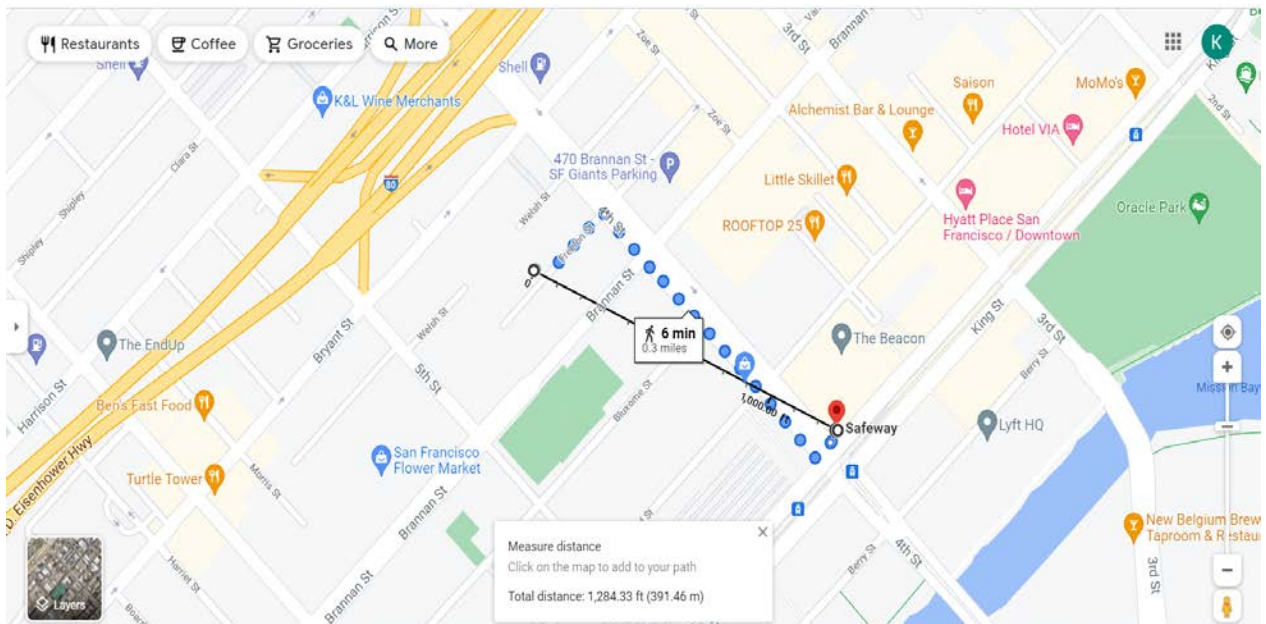
## **Attachment E: Site Map with amenities**

### Site



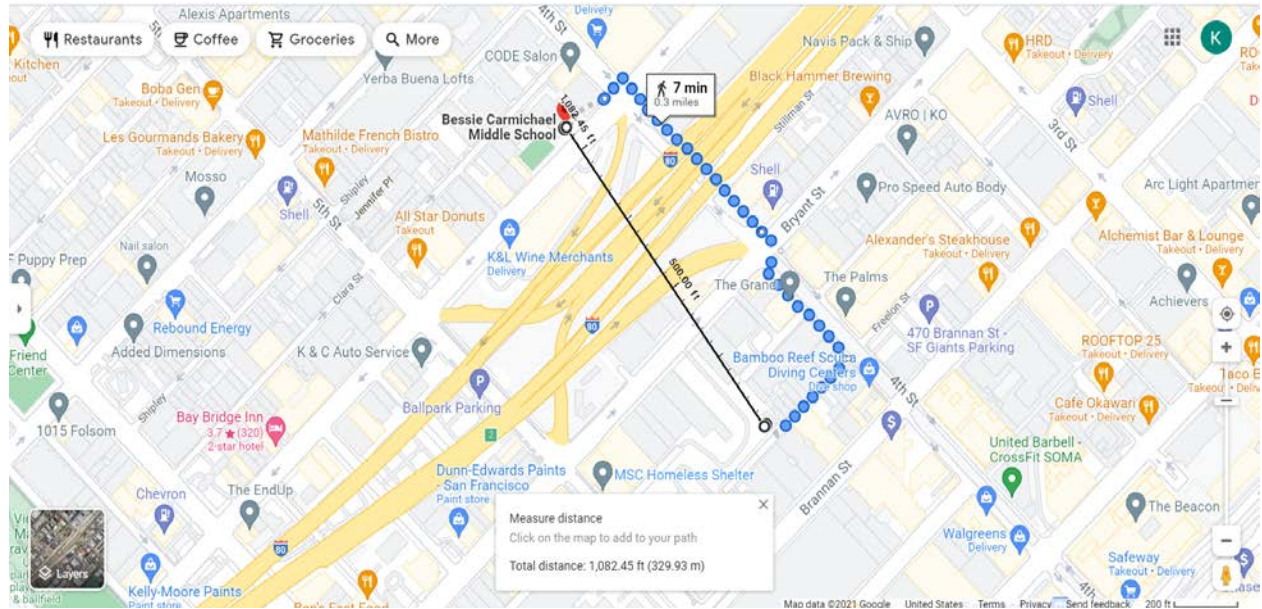
### Grocery

Safeway (.3 miles)



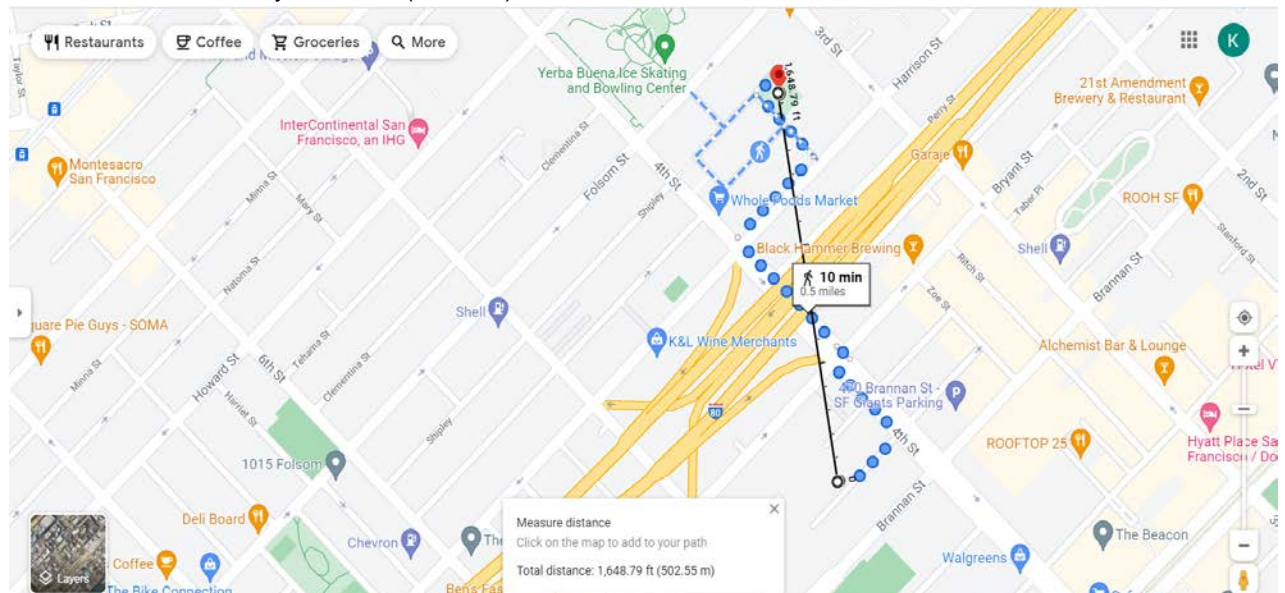
## Schools

### Bessie Carmichael Middle School (.3 miles)



## Parks

### Alice Street Community Gardens (.5 miles)



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

See Attached

Affordable Multifamily Housing New Construction Cost Comparison

Updated11/29/2021																
PROJECTS COMPLETED						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft & Other Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
Hunters View Phase II - Block 10	146 West Point Road	52,333	Jun-18	72	144	90,274	13,328	103,602	\$ -	\$ 39,639,577	\$ 8,732,464	\$ 48,372,041	\$ 17,393,406	\$ 48,372,041	9% LIHTC	Type IIIA over Type I Podium 5 Stories + Parking, Community Hub and Childcare
Potrero Block X (Vertical)	25th and Connecticut	30,000	Sep-19	72	139	86,569	28,952	115,521	\$ 20,700	\$ 67,326,230	\$ 12,766,230	\$ 80,113,160	\$ 17,693,093	\$ 80,092,460		Type IIIA & V over Type I Podium (4-6 stories) stepped w/ topography. No infrast. Cost
Eddy & Taylor Family Housing	222 Taylor	22,344	Jun-19	113	211	108,440	21,086	129,526	\$ 9,300,000	\$ 63,322,238	\$ 14,837,459	\$ 87,459,697	\$ 22,187,436	\$ 78,159,697	2 HCD Loans (MHP & TOD)	Type IB - 8 story, extensive PG&E regional switch required
Sunnydale Parcel Q	1477-1497 Sunnydale Ave	21,757	Jun-20	55	102	75,101	-	75,101	\$ -	\$ 39,066,470	\$ 10,072,197	\$ 49,138,667	\$ 9,652,147	\$ 49,138,667	9% LIHTC	Type IV - 5 Stories over grade podium parking
490 South Van Ness	490 S. Van Ness Avenue	14,250	Apr-21	81	121	51,639	28,985	80,624	\$ 18,500,000	\$ 52,393,985	\$ 13,393,811	\$ 84,287,796	\$ 28,892,030	\$ 65,787,796		Type IA - 7 stories over partial basement
88 Broadway - Family Housing	88 Broadway	38,182	Jul-21	125	221	140,279	8,700	148,979	\$ 14,900,000	\$ 79,372,243	\$ 25,758,226	\$ 122,030,469	\$ 27,908,676	\$ 107,130,469		Type IIIA & V over Type I Podium (5-6 stories) - family
Completed Projects:	Average:	29,811		86	156	92,050	16,842	108,892	10,680,175	56,853,457	14,593,398	78,566,972	20,621,131	71,446,855		

PROJECTS UNDER CONSTRUCTION						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Compl. Date	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft & Other Cost	Total Dev. Cost w/land	Local Subsidy5	Total Dev. Cost w/o land	Notes on Financing	Comments
500 Turk Street (555 Larkin)	500 Turk Street	18,906	Dec-21	108	186	82,805	26,586	109,391	\$ 1,853,895	\$ 54,251,461	\$ 29,815,020	\$ 85,920,376	\$ 32,400,000	\$ 84,066,481	HCD AHSC Loan	Type I 8 stories on constrained site
681 Florida	681 Florida Street	19,000	Sep-22	130	199	126,830	9,250	136,080	\$ 125,091	\$ 69,184,293	\$ 20,545,793	\$ 89,855,177	\$ 33,826,507	\$ 89,730,086	HCD MHP Loan	Type IB 9 stories, 8,400+/- PDR
BPUY	2430 San Jose Ave	30,699	Dec-22	131	217	164,636	10,741	175,377	\$ -	\$ 91,871,410	\$ 25,523,152	\$ 117,394,562	\$ 30,493,722	\$ 117,130,469	4% Credits; HCD IIG & AHSC	Type IB - 8-9 story adjacent to BART. Early Childhood Ed Center. MOHCD Land not incl. (GMP Dr
Under Construction:	Average:	22,868		123	201	124,757	15,526	140,283	989,493	71,769,055	25,294,655	97,723,372	32,240,076	97,063,710		

PROJECTS IN PREDEVELOPMENT						Building Square Footage			Total Project Costs							
Project Name	Address	Lot sq.ft	Start Date (anticipated)	# of Units	# of BR <sup>1</sup>	Res. <sup>2</sup>	Non-Res.	Total	Acq. Cost3	Constr. Cost4	Soft & Other Cost	Total Dev. Cost w/land	Local Subsidy	Total Dev. Cost w/o land	Notes on Financing	Comments
266 4th Steet	266 4th Street	8,400	Apr-22	70	99	60,515	1,580	62,095	\$ 133,100	\$ 49,982,213	\$ 13,943,417	\$ 64,058,730	\$ 15,629,817	\$ 63,925,630	4% Credits; AHSC, St. Credits	Type I , 8 stories over MUNI substation tunnel, structurally complex, small footprint
600 7th Street (fmlly. 801 Brannan)	600 7th Street	37,800	Mar-22	221	334	181,534	4,223	185,757	\$ 10,000	\$ 111,943,100	\$ 29,117,734	\$ 141,070,834	\$ 72,050,000	\$ 141,060,834	4% Credits; HCD IIG & NPLH	Type I, 8 stories (50% CD pricing updated 8/30/21 incl. Type I concrete and VE)
730 Stanyan	730 Stanyan Street	37,813	Oct-22	160	282	173,030	19,728	192,758	\$ -	\$ 113,319,647	\$ 13,958,549	\$ 98,121,310	\$ 34,325,853	\$ 98,121,310	4% Credits; HCD MHP	Type I 8 stories, passive house design, multiple services spaces, urban farm (Revised concept pri
The Kelsey	240 Van Ness	18,313	Jul-22	112	144	94,001	1,349	95,350	\$ 9,846,500	\$ 60,075,564	\$ 22,200,353	\$ 92,122,417	\$ 25,618,912	\$ 82,275,917	4% LIHTC , IIG, AHSC	5 stories of Type III over 3 stories of Type I, Innovative C40 Cities Initiative + Universal design (est.
2550 Irving	2550 Irving Street	19,125	Apr-23	98	187	105,390	2,228	107,618	\$ 9,426,500	\$ 62,022,139	\$ 15,972,611	\$ 94,019,992	\$ 25,573,912	\$ 84,593,492	4% LIHTC; HCD - IIG, MHP, AHP	Type I, 7 stories, TI space, 11 parking spaces
1515 SVN	1515 South Van Ness Ave	35,714	May-24	122	220	143,000	10,000	153,000	\$ 45,000	\$ 85,240,261	\$ 17,276,677	\$ 102,561,938	\$ 32,816,030	\$ 102,516,938	4% credits, HCD MHP	No design yet, assumes mid-rise, 6 stories, 10k sf retail TI, no parking (10/19/21 loan eval estimate
88 Bluxome	88 Bluxome	14,800	May-24	107	176	90,132	0	90,132	0	\$ 50,280,700	\$ 14,968,377	\$ 65,249,077	\$ 29,499,087	\$ 65,249,077	4% credits	No design yet, assumes mid-rise, 4-5 stories Type IIIA over 1-2 Type I air rights parcel, no pkg (10
In Predevelopment	Average:	24,566		127	206	121,086	5,587	126,673	\$ 2,780,157	\$ 76,123,375	\$ 18,205,388	\$ 93,886,328	\$ 33,644,802	\$ 91,106,171		

ALL PROJECTS	Average:	25,749		112	188	112,631	12,651	125,283	\$ 4,816,608	\$ 68,248,629	\$ 19,364,480	\$ 90,058,891	\$ 28,835,336	\$ 86,538,912		
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SUBJECT PROPERTY	160 Freelon	13,155	May-24	72	127	77,000	5,000	82,000	\$ 20,000	\$ 53,859,263	\$ 15,418,134	\$ 69,297,397	\$ 15,815,754	\$ 69,277,397	4% Credits, MHP, AHP	No design yet, assumes mid-rise, 7 stories, Type I or Type IIIA over I. No pkg. (10/19/21 loan
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PROJECTS COMPLETED		Acquisition by Unit/Bed/SF			Construction by Unit/Bed/SF			Soft Costs By Unit/Bed/SF			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft <sup>6</sup>	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging <sup>7</sup>
Hunters View Phase II - Block 10	#NAME?	-	-	-	\$ 550,550	\$ 275,275	\$ 383	\$ 121,284	\$ 60,642	\$ 84	\$ 671,834	\$ 335,917	\$ 467	\$ 241,575	64.0%
Potrero Block X (Vertical)	Sep-19	288	149	1	\$ 935,087	\$ 484,361	\$ 583	\$ 177,309	\$ 91,843	\$ 111	\$ 1,112,683	\$ 576,354	\$ 693	\$ 245,737	77.9%
Eddy & Taylor Family Housing	Jun-19	82,301	44,076	416	\$ 560,374	\$ 300,105	\$ 489	\$ 131,305	\$ 70,320	\$ 115	\$ 773,980	\$ 414,501	\$ 675	\$ 196,349	74.6%
Sunnydale Parcel Q	Jun-20	-	-	-	\$ 710,299	\$ 383,005	\$ 520	\$ 183,131	\$ 98,747	\$ 129	\$ 893,430	\$ 481,752	\$ 654	\$ 175,494	80.4%
490 South Van Ness	Apr-21	228,395	152,893	1,298	\$ 646,839	\$ 433,008	\$ 650	\$ 165,356	\$ 110,693	\$ 560	\$ 1,040,590	\$ 696,593	\$ 1,045	\$ 356,692	65.7%
88 Broadway - Family Housing	Jul-21	119,200	67,421	390	\$ 634,978	\$ 359,150	\$ 533	\$ 222,066	\$ 125,603	\$ 186	\$ 976,244	\$ 552,174	\$ 819	\$ 223,269	77.1%
Completed Projects:	Average:	\$ 107,546	\$ 66,135	\$ 526	\$ 673,021	\$ 372,484	\$ 526	\$ 166,742	\$ 92,975	\$ 197	\$ 911,460	\$ 509,548	\$ 726	\$ 239,853	73%

PROJECTS UNDER CONSTRUCTION		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Compl. Date	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft <sup>6</sup>	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging <sup>7</sup>
500 Turk Street (555 Larkin)	Dec-21	1,013	9,967	98	\$ 502,328	\$ 291,675	\$ 496	\$ 276,065	\$ 160,296	\$ 273	\$ 795,559	\$ 461,938	\$ 785	\$ 300,000	62.3%
681 Florida	Sep-22	962	629	7	\$ 532,187	\$ 347,660	\$ 508	\$ 158,045	\$ 103,245	\$ 151	\$ 691,194	\$ 451,534	\$ 660	\$ 260,204	62.4%
BPUY	Dec-22	-	-	-	\$ 701,308	\$ 423,371	\$ 524	\$ 194,833	\$ 117,618	\$ 146	\$ 896,142	\$ 540,989	\$ 669	\$ 232,777	74.0%
Under Construction:	Average:	\$ 988	\$ 5,298	\$ 52	\$ 578,608	\$ 354,235	\$ 509	\$ 209,648	\$ 127,053	\$ 190	\$ 794,298	\$ 484,820	\$ 705	\$ 264,327	66%

PROJECTS IN PREDEVELOPMENT		Acquisition			Construction			Soft Costs			Total Development Cost (Incl. Land)			Subsidy	
Project Name	Start Date (anticipated)	Acq/unit	Acq/BR	Acq/lot sq.ft	Const/unit	Const/BR	Const/sq.ft <sup>6</sup>	Soft/unit	Soft/BR	Soft/sq.ft6	Gross TDC/unit	Gross TDC/BR	Gross TDC/sq.ft6	Subsidy / unit	Leveraging <sup>7</sup>
4th and Folsom	Apr-22	1,901	1,344	16	\$ 714,032	\$ 504,871	\$ 805	\$ 199,192	\$ 140,843	\$ 225	\$ 915,125	\$ 647,058	\$ 1,032	\$ 223,283	75.6%
600 7th Street	Mar-22	45	30	0	\$ 506,530	\$ 335,159	\$ 603	\$ 131,754	\$ 87,179	\$ 157	\$ 638,330	\$ 422,368	\$ 759	\$ 326,018	48.9%
730 Stanyan	Oct-22	-	-	-	\$ 708,248	\$ 401,843	\$ 588	\$ 87,241	\$ 49,498	\$ 72	\$ 613,258	\$ 347,948	\$ 509	\$ 214,537	65.0%
The Kelsey	Jul-22	87,915	68,378	538	\$ 536,389	\$ 417,191	\$ 630	\$ 198,217	\$ 154,169	\$ 233	\$ 822,522	\$ 639,739	\$ 966	\$ 228,740	72.2%
2550 Irving	Apr-23	96,189	50,409	493	\$ 632,879	\$ 331,669	\$ 576	\$ 162,986	\$ 85,415	\$ 148	\$ 959,388	\$ 502,781	\$ 874	\$ 260,958	72.8%
1515 S. Van Ness Avenue	May-24	369	205	1	\$ 698,691	\$ 387,456	\$ 557	\$ 141,612	\$ 78,530	\$ 113	\$ 840,672	\$ 466,191	\$ 670	\$ 268,984	68.0%
88 Bluxome	May-24	-	-	-	\$ 469,913	\$ 285,686	\$ 558	\$ 139,891	\$ 85,048	\$ 166	\$ 609,804	\$ 370,733	\$ 724	\$ 275,692	54.8%
In Predevelopment	Average:	\$ 37,284	\$ 24,073	\$ 210	\$ 609,526	\$ 380,554	\$ 617	\$ 151,556	\$ 97,240	\$ 159	\$ 771,300	\$ 485,260	\$ 791	\$ 256,888	65%

All Projects:	AVERAGE	\$ 48,606	\$ 31,835	\$ 263	\$ 620,385	\$ 369,091	\$ 551	\$ 175,982	\$ 105,756	\$ 182	\$ 825,686	\$ 493,209	\$ 740	\$ 253,689	68.3%
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**Attachment G: Predevelopment Budget**

See Attached

Application Date:  
Project Name:  
Project Address:  
Project Sponsor:

11/19/21  
MOHCD Multisite RFP - Site 7 (160 Freelon)  
160 Freelon Street  
Related & SFHDC

# Units:  
# Bedrooms:  
# Beds:

72  
126

LOSP Project

						Total Sources	Comments
SOURCES	4,000,000	-	-	-	-	4,000,000	
Name of Sources:		MOHCD/OCII					

USES

ACQUISITION

Acquisition cost or value							0
Legal / Closing costs / Broker's Fee							0
Holding Costs							0
Transfer Tax							0
TOTAL ACQUISITION	0	0	0	0	0	0	0

CONSTRUCTION (HARD COSTS)

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

Construction line item costs as a % of hard costs

SOFT COSTS

Architecture & Design								
Architect design fees	1,980,000						1,980,000	See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
Design Subconsultants to the Architect (incl. Fees)	404,800						404,800	
Architect Construction Admin	0						0	
Reimbursables	0						0	
Additional Services	0						0	
Sub-total Architect Contract	2,384,800	0	0	0	0	0	2,384,800	
Other Third Party design consultants (not included under Architect contract)	247,200						247,200	Consultants not covered under architect contract; name consultant type and contract amount
Total Architecture & Design	2,632,000	0	0	0	0	0	2,632,000	
Engineering & Environmental Studies								
Survey	0						0	
Geotechnical studies	56,000						56,000	
Phase I & II Reports	68,000						68,000	
CEQA / Environmental Review consultants	0						0	
NEPA / 106 Review	0						0	
CNA/PNA (rehab only)	0						0	
Other environmental consultants	0						0	Name consultants & contract amounts
Total Engineering & Environmental Studies	124,000	0	0	0	0	0	124,000	
Financing Costs								
Construction Financing Costs								
Construction Loan Origination Fee							0	
Construction Loan Interest							0	
Title & Recording							0	
CDLAC & CDIAC fees							0	
Bond Issuer Fees							0	
Other Bond Cost of Issuance							0	
Other Lender Costs (specify)							0	
Sub-total Const. Financing Costs	0	0	0	0	0	0	0	
Permanent Financing Costs								
Permanent Loan Origination Fee							0	
Credit Enhance. & Appl. Fee							0	
Title & Recording							0	
Sub-total Perm. Financing Costs	0	0	0	0	0	0	0	
Total Financing Costs	0	0	0	0	0	0	0	
Legal Costs								
Borrower Legal fees	39,000						39,000	
Land Use / CEQA Attorney fees							0	
Tax Credit Counsel							0	
Bond Counsel							0	
Construction Lender Counsel							0	
Permanent Lender Counsel							0	
MOHCD Counsel							0	
Total Legal Costs	39,000	0	0	0	0	0	39,000	
Other Development Costs								
Appraisal	10,000						10,000	
Market Study	30,000						30,000	
* Insurance							0	
* Property Taxes							0	
Accounting / Audit							0	
* Organizational Costs							0	
Entitlement / Permit Fees	100,000						100,000	
* Marketing / Rent-up							0	
* Furnishings							0	\$2,000/unit. See MOHCD U/W Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
PGE / Utility Fees							0	
TCAC App / Alloc / Monitor Fees	5,000						5,000	
* Financial Consultant fees	0						0	
Construction Management fees / Owner's Rep	80,000						80,000	
Security during Construction	0						0	
* Relocation	0						0	
Community Outreach (noticing, translation, website)	30,000						30,000	
Testing & Inspections	0						0	
Tenant Improvement Allowance							0	
Total Other Development Costs	255,000	0	0	0	0	0	255,000	
Soft Cost Contingency								
Contingency (Arch, Eng, Fin, Legal & Other Dev)	400,000		0	0	0	0	400,000	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	3,450,000	0	0	0	0	0	3,450,000	Total Soft Cost Contingency as % of Total Soft Costs 13.1%

RESERVES

* Operating Reserves							0	
* Replacement Reserves							0	
* Tenant Improvements Reserves							0	
Other (specify)							0	
Other (specify)							0	
Other (specify)							0	
TOTAL RESERVES	0	0	0	0	0	0	0	

DEVELOPER COSTS

Developer Fee - Cash-out Paid at Milestones	550,000						550,000	
Developer Fee - Cash-out At Risk							0	
Commercial Developer Fee							0	
Developer Fee - GP Equity (also show as source)							0	
Developer Fee - Deferred (also show as source)							0	
Development Consultant Fees							0	Need MOHCD approval for this cost, N/A for most projects
Other (specify)							0	
TOTAL DEVELOPER COSTS	550,000	0	0	0	0	0	550,000	

TOTAL DEVELOPMENT COST	4,000,000	0	0	0	0	0	4,000,000	
Development Cost/Unit by Source	55,556	0	0	0	0	0	55,556	
Development Cost/Unit as % of TDC by Source	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	

Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/Unit By Source	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/SF	0.00	0.00	0.00	0.00	0.00	0.00	0.00	

\*Possible non-eligible GO Bond/COP Amount:  
City Subsidy/Unit

0
55,556

Tax Credit Equity Pricing:  
Construction Bond Amount:  
Construction Loan Term (in months):  
Construction Loan Interest Rate (as %):

0.95
32,627,663.35
32.00
0.04

**Attachment H: Development Budget**

See Attached

Application Date:11/19/21  
Project Name:MOHCD Multisite RFP - Site 7 (160 Freelon)  
Project Address:160 Freelon Street  
Project Sponsor:Related & SFHDC

# Units:72  
# Bedrooms:125  
# Beds:

LOSP Project

SOURCES	15,815,754	3,569,000	29,302,643	17,500,000	2,500,000	110,000	500,000	-	-	-	Total Sources	Comments
											69,297,397	
USES	Name of Sources:	MOHCD/CCL	Perm Loan	TC Equity	HCD AHSC	HCD IG	Def. Costs	GP Equity				

ACQUISITION												
Acquisition cost or value											0	
Legal / Closing costs / Broker's Fee	20,000										20,000	
Holding Costs											0	
Transfer Tax											0	
TOTAL ACQUISITION	20,000	0	0	0	0	0	0	0	0	0	20,000	

CONSTRUCTION (HARD COSTS)												
Unit Construction/Rehab		3,569,000	16,144,520	17,500,000	2,500,000						39,713,520	
Commercial Shell Construction	1,300,000										1,300,000	Assuming nonprofit/qualified tenant for warm shell
Demolition											0	Estimate includes environmental monitoring during demo
Environmental Remediation											0	
Onsight Improvements/Landscaping											0	
Offsite Improvements											0	
Infrastructure Improvements											0	
Parking											0	
GC Bond Premium/GC Insurance/GC Taxes											0	
GC Overhead & Profit											0	
GC General Conditions											0	
Sub-total Construction Costs	1,300,000	3,569,000	21,561,400	17,500,000	2,500,000	0	0	0	0	0	5,416,880	GC/IGR/Overhead/Profit/Insurance/Bonds
Design Contingency (remove at DD)			1,857,216								1,857,216	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Bid Contingency (remove at bid)			1,857,216								1,857,216	5% up to \$30MM HC, 4% \$30-\$45MM, 3% \$45MM+
Plan Check Contingency (remove/reduce during Plan Review)			1,392,912								1,392,912	4% up to \$30MM HC, 3% \$30-\$45MM, 2% \$45MM+
Hard Cost Construction Contingency			2,321,519								2,321,519	5% new construction / 15% rehab
Sub-total Construction Contingencies	0	0	7,428,863	0	0	0	0	0	0	0	7,428,863	
TOTAL CONSTRUCTION COSTS	1,300,000	3,569,000	28,990,263	17,500,000	2,500,000	0	0	0	0	0	53,859,263	

SOFT COSTS												
Architecture & Design												
Architect design fees	2,600,000										2,600,000	See MOHCD A&E Fee Guidelines: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
Design Subconsultants to the Architect (incl. Fees)	645,000										645,000	incl. structural, MEP, landscape, etc.
Architect Construction Admin											0	
Reimbursables											0	
Additional Services											0	
Sub-total Architect Contract	3,245,000	0	0	0	0	0	0	0	0	0	3,245,000	
Other Third Party design consultants (not included under Architect contract)											0	
	309,000										309,000	incl. waterproofing, fire protection, energy, joint trench, acoustical, civil, etc.
Total Architecture & Design	3,554,000	0	0	0	0	0	0	0	0	0	3,554,000	
Engineering & Environmental Studies												
Survey											0	
Geotechnical studies	70,000										70,000	
Phase I & II Reports	85,000										85,000	
CEQA / Environmental Review consultants											0	
NEPA / 106 Review											0	
CNA/PMA (rehab only)											0	
Other environmental consultants											0	
Total Engineering & Environmental Studies	155,000	0	0	0	0	0	0	0	0	0	155,000	
Financing Costs												
Construction Financing Costs												
Construction Loan Origination Fee	468,462										468,462	
Construction Loan Interest	2,500,463		312,380								2,812,843	
Title & Recording	160,000										160,000	
CDLAC & CDIAC fees	16,420										16,420	
Bond Issuer Fees	328,923										328,923	
Other Bond Cost of Issuance	27,500										27,500	
Other Lender Costs (specify)											0	
Sub-total Const. Financing Costs	3,501,768	0	312,380	0	0	0	0	0	0	0	3,814,148	
Permanent Financing Costs												
Permanent Loan Origination Fee	17,845										17,845	
Credit Enhance. & Appl. Fee											0	
Title & Recording	60,000										60,000	
Sub-total Perm. Financing Costs	77,845	0	0	0	0	0	0	0	0	0	77,845	
Total Financing Costs	3,579,613	0	312,380	0	0	0	0	0	0	0	3,891,993	
Legal Costs												
Borrower Legal fees	130,000										130,000	
Land Use / CEQA Attorney fees											0	
Tax Credit Counsel	40,000										40,000	
Bond Counsel	75,000										75,000	
Construction Lender Counsel	60,000										60,000	
Permanent Lender Counsel	40,000										40,000	
MOHCD Counsel	50,000										50,000	
Total Legal Costs	395,000	0	0	0	0	0	0	0	0	0	395,000	
Other Development Costs												
Appraisal	10,000										10,000	
Market Study	30,000										30,000	
Insurance	690,077										690,077	
Property Taxes											0	
Accounting / Audit	29,440										29,440	
Organizational Costs	8,240										8,240	
Entitlement / Permit Fees	1,217,000										1,217,000	
Marketing / Rent-up	345,000										345,000	
Furnishings	144,000										144,000	\$2,000/unit; See MOHCD U/W Guidelines on: <a href="http://sfmohcd.org/documents-reports-and-forms">http://sfmohcd.org/documents-reports-and-forms</a>
PGE / Utility Fees											0	
TCAC App / Allow / Monitor Fees	60,958										60,958	
Financial Consultant fees											0	
Construction Management fees / Owner's Rep	200,000										200,000	
Security during Construction											0	
Relocation											0	
Community Outreach (noticing, translation, website)	30,000										30,000	
Testing & Inspections											0	
Tenant Improvement Allowance	250,000										250,000	\$50 PSF allowance
Total Other Development Costs	3,014,715	0	0	0	0	0	0	0	0	0	3,014,715	
Soft Cost Contingency												
Contingency (Arch, Eng, Fin, Legal & Other Dev)	1,101,071	0		0	0	0					1,101,071	Should be either 10% or 5% of total soft costs.
TOTAL SOFT COSTS	11,799,398	0	312,380	0	0	0	0	0	0	0	12,111,778	

RESERVES												
Operating Reserves	296,355										296,355	
Replacement Reserves											0	
Tenant Improvements Reserves											0	
Other (specify)											0	
Other (specify)											0	
Other (specify)											0	
TOTAL RESERVES	296,355	0	0	0	0	0	0	0	0	0	296,355	

DEVELOPER COSTS												
Developer Fee - Cash-out Paid at Milestones	1,100,000										1,100,000	
Developer Fee - Cash-out At Risk	1,100,000										1,100,000	
Commercial Developer Fee	200,000										200,000	
Developer Fee - GP Equity (also show as source)							500,000				500,000	
Developer Fee - Deferred (also show as source)							110,000				110,000	
Development Consultant Fees											0	Need MOHCD approval for this cost. N/A for most projects
Other (specify)											0	
TOTAL DEVELOPER COSTS	2,400,000	0	0	0	0	0	110,000	500,000	0	0	3,010,000	

TOTAL DEVELOPMENT COST	15,815,754	3,569,000	29,302,643	17,500,000	2,500,000	110,000	500,000	0	0	0	69,297,397	
Development Cost/Unit by Source	219,663	49,569	406,981	243,056	34,722	1,528	6,944	0	0	0	962,464	
Development Cost/Unit as % of TDC by Source	22.8%	5.2%	42.3%	28.3%	3.6%	0.2%	0.7%	0.0%	0.0%	0.0%	100.0%	
Acquisition Cost/Unit by Source	0	0	0	0	0	0	0	0	0	0	0	
Construction Cost (inc Const Contingency)/Unit By Source	18,056	49,569	402,643	243,056	34,722	0	0	0	0	0	748,945	
Construction Cost (inc Const Contingency)/SF	15.85	43.52	353.54	213.41	30.49	0.00	0.00	0.00	0.00	0.00	656.82	
*Possible non-eligible GO Bond/COP Amount	2,833,672											
City Subsidy/Unit	219,663											
Tax Credit Equity Pricing:	0.950											
Construction Bond Amount:	32,627,663											
Construction Loan Term (in months):	32 months											
Construction Loan Interest Rate (as %):	4.15%											

**Attachment I: 1<sup>st</sup> Year Operating Budget**

See Attached

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

11/19/2021  
72  
2026

LOSP Units

20

Non-LOSP Units

52

LOSP/non-LOSP Allocation

28%

72%

Project Name:

MOHCD Multisite RFP - Site 7 (160 Freelon)

Project Address:

160 Freelon Street

Project Sponsor:

Related & SFHDC

Correct errors noted in Col N!

INCOME	LOSP	non-LOSP	Total	Comments	
Residential - Tenant Rents	60,000	1,083,936	1,143,936	Links from 'New Proj. - Rent & Unit Mix' Worksheet	Alternative LOSP Split
Residential - Tenant Assistance Payments (Non-LOSP)	0	0	0	Links from 'New Proj. - Rent & Unit Mix' Worksheet	Residential - Tenant Assistance Payments (Non-LOSP)
Residential - LOSP Tenant Assistance Payments	228,499		228,499		
Commercial Space			60,000	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
Residential Parking	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Miscellaneous Rent Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	Alternative LOSP Split
Supportive Services Income	0	0			Supportive Services Income
Interest Income - Project Operations	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Laundry and Vending	2,419	6,221	8,640	Links from 'Utilities & Other Income' Worksheet	Projected LOSP Split
Tenant Charges	0	0	0	Links from 'Utilities & Other Income' Worksheet	Tenant Charges
Miscellaneous Residential Income	0	0	0	Links from 'Utilities & Other Income' Worksheet	
Other Commercial Income	0	0	0	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	Alternative LOSP Split
Withdrawal from Capitalized Reserve (deposit to operating account)	0	0			Withdrawal from Capitalized Reserve (deposit to operating account)
Gross Potential Income	290,918	1,090,157	1,441,075		
Vacancy Loss - Residential - Tenant Rents	(3,000)	(54,197)	(57,197)	Vacancy loss is 5% of Tenant Rents.	
Vacancy Loss - Residential - Tenant Assistance Payments	0	0	0	#DIV/0!	
Vacancy Loss - Commercial			(30,000)	from 'Commercial Op. Budget' Worksheet; Commercial to Residential allocation: 100%	
EFFECTIVE GROSS INCOME	287,918	1,035,960	1,353,878	PUPA: 18,804	

OPERATING EXPENSES

Management

Management Fee

Asset Management Fee

Sub-total Management Expenses

24,934

64,115

89,049

PUPA: 1,237

Alternative LOSP Split

Management Fee

Asset Management Fee

Salaries/Benefits

Office Salaries

Manager's Salary

Health Insurance and Other Benefits

Other Salaries/Benefits

Administrative Rent-Free Unit

Sub-total Salaries/Benefits

50,900

130,885

181,785

PUPA: 2,525

Alternative LOSP Split

Office Salaries

Manager's Salary

Health Insurance and Other Benefits

Other Salaries/Benefits

Administrative Rent-Free Unit

Administration

Advertising and Marketing

Office Expenses

Office Rent

Legal Expense - Property

Audit Expense

Bookkeeping/Accounting Services

Bad Debts

Miscellaneous

Sub-total Administration Expenses

24,528

63,072

87,600

PUPA: 1,217

Alternative LOSP Split

Advertising and Marketing

Office Expenses

Office Rent

Legal Expense - Property

Audit Expense

Bookkeeping/Accounting Services

Bad Debts

Miscellaneous

Utilities

Electricity

Water

Gas

Sewer

Sub-total Utilities

57,274

147,276

204,550

PUPA: 2,841

Alternative LOSP Split

Electricity

Water

Gas

Sewer

Taxes and Licenses

Real Estate Taxes

Payroll Taxes

Miscellaneous Taxes, Licenses and Permits

Sub-total Taxes and Licenses

840

2,160

3,000

PUPA: 42

Alternative LOSP Split

Real Estate Taxes

Payroll Taxes

Miscellaneous Taxes, Licenses and Permits

Insurance

Property and Liability Insurance

Fidelity Bond Insurance

Worker's Compensation

Director's & Officers' Liability Insurance

Sub-total Insurance

30,464

78,336

108,800

PUPA: 1,511

Alternative LOSP Split

Property and Liability Insurance

Fidelity Bond Insurance

Worker's Compensation

Director's & Officers' Liability Insurance

Maintenance & Repair

Payroll

Supplies

Contracts

Garbage and Trash Removal

Security Payroll/Contract

HVAC Repairs and Maintenance

Vehicle and Maintenance Equipment Operation and Repairs

Miscellaneous Operating and Maintenance Expenses

Sub-total Maintenance & Repair Expenses

49,124

126,320

175,444

PUPA: 2,437

Alternative LOSP Split

Payroll

Supplies

Contracts

Garbage and Trash Removal

Security Payroll/Contract

HVAC Repairs and Maintenance

Vehicle and Maintenance Equipment Operation and Repairs

Miscellaneous Operating and Maintenance Expenses

Supportive Services

Commercial Expenses

TOTAL OPERATING EXPENSES

238,064

669,058

934,122

PUPA: 12,974

Alternative LOSP Split

Supportive Services

Commercial Expenses

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent

Bond Monitoring Fee

Replacement Reserve Deposit

Operating Reserve Deposit

Other Required Reserve 1 Deposit

Other Required Reserve 2 Deposit

Required Reserve Deposit/s, Commercial

Sub-total Reserves/Ground Lease Base Rent/Bond Fees

14,280

36,720

54,000

PUPA: 750

Alternative LOSP Split

Ground Lease Base Rent

Bond Monitoring Fee

Replacement Reserve Deposit

Operating Reserve Deposit

Other Required Reserve 1 Deposit

Other Required Reserve 2 Deposit

Required Reserve Deposit/s, Commercial

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

252,344

705,778

988,122

PUPA: 13,724

Alternative LOSP Split

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

NET OPERATING INCOME (INCOME minus OP EXPENSES)

35,574

330,182

365,756

PUPA: 5,080

Alternative LOSP Split

NET OPERATING INCOME (INCOME minus OP EXPENSES)

DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)

Hard Debt - First Lender

Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)

Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)

Hard Debt - Fourth Lender

Commercial Hard Debt Service

TOTAL HARD DEBT SERVICE

20,580

280,220

300,800

PUPA: 4,178

Alternative LOSP Split

Hard Debt - First Lender

Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)

Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)

Hard Debt - Fourth Lender

Commercial Hard Debt Service

CASH FLOW (NOI minus DEBT SERVICE)

14,994

49,962

64,956

PUPA: 1,22

Alternative LOSP Split

CASH FLOW (NOI minus DEBT SERVICE)

Commercial Only Cash Flow

Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)

14,994

49,962

64,956

PUPA: 1,22

Alternative LOSP Split

Commercial Only Cash Flow

Allocation of Commercial Surplus to LOSP/non-LOSP (residual income)

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

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)

Partnership Management Fee (see policy for limits)

Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)

Other Payments

Non-amortizing Loan Pmt - Lender 1 (select lender in comments field)

Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)

Deferred Developer Fee (Enter amt => Max Fee from cell H130)

TOTAL PAYMENTS PRECEDING MOHCD

14,994

44,259

59,253

PUPA: 823

Alternative LOSP Split

"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 Pmt - Lender 1 (select lender in comments field)

Non-amortizing Loan Pmt - Lender 2 (select lender in comments field)

Deferred Developer Fee (Enter amt => Max Fee from cell H130)

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

0

5,703

5,703

PUPA: 823

Alternative LOSP Split

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)

Residual Receipts Calculation

Does Project have a MOHCD Residual Receipt Obligation?

Will Project Defor Developer Fee?

Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:

% of Residual Receipts available for distribution to soft debt lenders in

Yes

Yes

50%

50%

Project has MOHCD ground lease?

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

5,703

Sum of DD F from LOSP and non-LOSP:

Ratio of Sum of DDF and calculated 50%:

Soft Debt Lenders with Residual Receipts Obligations

(Select lender name/program from drop down)

Total Principal Amt

Distrib. of Soft Debt Loans

MOHCD/OOII - Soft Debt Loans

MOHCD/OOII - Ground Lease Value or Land Acq Cost

HCD (soft debt loan) - Lender 3

Other Soft Debt Lender - Lender 4

Other Soft Debt Lender - Lender 5

MOHCD RESIDUAL RECEIPTS DEBT SERVICE

MOHCD Residual Receipts Amount Due

Proposed MOHCD Residual Receipts Amount to Loan Repayment

Proposed MOHCD Residual Receipts Amount to Residual Ground Lease

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

2,996

Alternative LOSP Split

MOHCD/OOII - Soft Debt Loans

MOHCD/OOII - Ground Lease Value or Land Acq Cost

HCD (soft debt loan) - Lender 3

Other Soft Debt Lender - Lender 4

Other Soft Debt Lender - Lender 5

MOHCD Residual Receipts Amount Due

Proposed MOHCD Residual Receipts Amount to Loan Repayment

Proposed MOHCD Residual Receipts Amount to Residual Ground Lease

REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS DEBT SERVICE

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

HCD Residual Receipts Amount Due

Lender 4 Residual Receipts Due

Lender 5 Residual Receipts Due

Total Non-MOHCD Residual Receipts Debt Service

2,996

Alternative LOSP Split

HCD Residual Receipts Amount Due

Lender 4 Residual Receipts Due

Lender 5 Residual Receipts Due

Total Non-MOHCD Residual Receipts Debt Service

REMAINDER (Should be zero unless there are distributions below)

Owner Distributions/Incentive Management Fee

Other Distributions/Uses

Final Balance (should be zero)

0

0

0

0

Alternative LOSP Split

Owner Distributions/Incentive Management Fee

Other Distributions/Uses

Final Balance (should be zero)

<b>Application Date:</b>	<b>11/19/2021</b>
<b>Total # Units:</b>	<b>72</b>
<b>First Year of Operations</b> (provide data assuming that Year 1 is a full year, i.e. 12 months of operations):	<b>2026</b>

<b>INCOME</b>			
Residential - Tenant Rents		non-LOSP	Approved By (reqd)
Residential - Tenant Assistance Payments (Non-LOSP)	non-LOSP		
Residential - LOSP Tenant Assistance Payments			
Commercial Space			
Residential Parking			
Miscellaneous Rent Income	LOSP	non-LOSP	Approved By (reqd)
Supportive Services Income			
Interest Income - Project Operations			
Laundry and Vending	LOSP	non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entity level in the project's accounting system)
Tenant Charges			
Miscellaneous Residential Income			
Other Commercial Income	LOSP	non-LOSP	Approved By (reqd)
Withdrawal from Capitalized Reserve (deposit to operating account)	to operating account		
<b>Gross Potential Income</b>			
Vacancy Loss - Residential - Tenant Rents			
Vacancy Loss - Residential - Tenant Assistance Payments			
Vacancy Loss - Commercial			
<b>EFFECTIVE GROSS INCOME</b>			

## OPERATING EXPENSES

Management	LOSP	non-LOSP	Approved By (reqd)
Management Fee			
Asset Management Fee			
Sub-total Management Expenses			
Salaries/Benefits	LOSP	non-LOSP	Approved By (reqd)
Office Salaries			
Manager's Salary			
Health Insurance and Other Benefits			
Other Salaries/Benefits			
Administrative Rent-Free Unit			
Sub-total Salaries/Benefits			

## Administration

Advertising and Marketing				
Office Expenses				
Office Rent	LOSP		non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Legal Expense - Property	→	28.00%	72.00%	
Audit Expense				
Bookkeeping/Accounting Services	LOSP		non-LOSP	(only acceptable if LOSP-specific expenses are being tracked at entry level in the project's accounting system)
Bad Debts		28.00%	72.00%	
Miscellaneous				

## Utilities

Utilities	2020	2021	
Electricity	28.00%	72.00%	tracked at entry level in the project's accounting system)
Water			
Gas			
Sewer			

## Sub-total Utilities

Taxes and Licenses	LOSP	non-LOSP	Approved By (reqd)
Real Estate Taxes			
Payroll Taxes			
Miscellaneous Taxes, Licenses and Permits			
Sub-total Taxes and Licenses			

## Insurance

Property and Liability Insurance			
Fidelity Bond Insurance	LOSP	non-LOSP	Approved By (read)
Worker's Compensation			
Director's & Officers' Liability Insurance			

## Sub-total Insurance

Maintenance & Repair	LOSP	non-LOSP	Approved By (reqd)
Payroll			
Supplies			(LOSP-specific expenses must be tracked at entry level in projects)
Contracts			
Garbage and Trash Removal	LOSP	non-LOSP	Approved By (reqd)
Security Payroll Contract			
HVAC Repairs and Maintenance			
Vehicle and Maintenance Equipment Operation and Repairs			
Miscellaneous Operating and Maintenance Expenses			

## Sub-total Maintenance &amp; Repair Expenses

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

**TOTAL OPERATING EXPENSES**

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

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

**NET OPERATING INCOME (INCOME minus OP EXPENSES)**

DEBT SERVICE/MUST PAY PAYMENTS (Hard debt/amortized loans)		LOSP	non-LOSP	Approved By (req)
Hard Debt - First Lender		0.00%	100.00%	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender 42% pymt, or other 2nd Lender 42% pymt, or other 2nd Lender 42% pymt)				
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				
Hard Debt - Fourth Lender				
Commercial Hard Debt Service				

**TOTAL HARD DEBT SERVICE**

**CASH FLOW (NOI minus DEBT SERVICE)**

Commercial Only Cash Flow			
Allocation of Commercial Surplus to I OPS/non-I OSP (residual income)	n-I OSP (residual income)		

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

USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)			
Partnership Management Fee (see policy for limits)			
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)	LOSP	non-LOSP	Approved By (req)
Other Payments			
Non-amortizing Loan Pmnt - Lender 1 (select lender in comments field)	lender in comments field)		
Non-amortizing Loan Pmnt - Lender 2 (select lender in comments field)			
Deferred Developer Fee (Enter amt <= Max Fee from cell H30)	0.00%	100.00%	

## TOTAL PAYMENTS PRECEDING MOHCD

**RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)**

### Residual Receipts Calculation

**Residual Receipts Calculation**  
Does Project have a MOHCD Residual Receipt Obligation?

*Will Project Defer Developer Fee?*

**Max Deferred Developer Fee/Borrower % of Residual Receipts in Yr 1:**

5,703

% of Residual Receipts available for distribution to **soft debt lenders** in

1

### Soft Debt Lenders with Residual Receipts Obligations

Soft Debt Lenders with Residual Receipts Obligations
MOHCD/OCII - Soft Debt Loans
MOHCD/OCII - Ground Lease Value or Land Acc Cost
HCD (soft debt loan) - Lender 3
Other Soft Debt Lender - Lender 4
Other Soft Debt Lender - Lender 5

## MOHCD RESIDUAL RECEIPTS DEBT SERVICE

MOHCD Residual Receipts Amount Due
Proposed MOHCD Residual Receipts Amount to Loan Repayment
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease

## REMAINING BALANCE AFTER MOHCD RESIDUAL RECEIPTS

## NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE

NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE	
HCD Residual Receipts Amount Due	
Lender 4 Residual Receipts Due	
Lender 5 Residual Receipts Due	

## Total Non-MOHCD Residual Receipts Debt Service

## REMAINDER (Should be zero unless there are distributions below)

Owner Distributions/Incentive Management Fee
Other Distributions/Uses
<b>Final Balance (should be zero)</b>

**Attachment J: 20-year Operating Proforma**

See Attached

MOHCD Multisite RFP - Site 7 (160 Freelon)

	Total # Units: 72	LOSP Units 20 28.00%	Non-LOSP Units 52 72.00%	Comments (related to annual inc assumptions)	Year 1 2026			Year 2 2027			Year 3 2028		
					LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME		annual inc LOSP	% annual increase										
Residential - Tenant Rents		1.0%	2.5%		60,000	1,083,936	1,143,936	60,600	1,111,034	1,171,634	61,206	1,136,810	1,200,016
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a			-			-			-	
Residential - LOSP Tenant Assistance Payments		n/a	n/a		228,499		228,499	236,665		236,665	245,133		245,133
Commercial Space		n/a	2.5%	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			60,000			61,500			63,038
Residential Parking		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending		2.5%	2.5%		2,419	6,221	8,640	2,480	6,376	8,856	2,542	6,536	9,077
Tenant Charges		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	2.5%	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-			-			-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income					290,918	1,090,157	1,441,075	299,745	1,117,411	1,478,655	308,881	1,145,346	1,517,264
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(3,000)	(54,197)	(57,197)	(3,030)	(55,552)	(58,582)	(3,060)	(56,941)	(60,001)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a				(30,000)			(30,750)			(31,519)
EFFECTIVE GROSS INCOME					287,918	1,035,960	1,353,878	296,715	1,061,859	1,389,324	305,821	1,088,405	1,425,745

OPERATING EXPENSES

Management

Management Fee	3.5%	3.5%	1st Year to be set according to HUD schedule.	18,135	46,634	64,769	18,770	48,266	67,036	19,427	49,955	69,382
Asset Management Fee	3.5%	3.5%	per MOHCD policy	6,798	17,482	24,280	7,036	18,093	25,130	7,283	18,727	26,009
Sub-total Management Expenses				24,934	64,115	89,049	25,806	66,359	92,166	26,710	68,682	95,392

Salaries/Benefits

Office Salaries	3.5%	3.5%		25,374	65,248	90,622	26,262	67,532	93,794	27,182	69,895	97,077
Manager's Salary	3.5%	3.5%		4,108	10,564	14,672	4,252	10,934	15,186	4,401	11,316	15,717
Health Insurance and Other Benefits	3.5%	3.5%		21,417	55,073	76,491	22,167	57,001	79,168	22,943	58,996	81,939
Other Salaries/Benefits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits				50,900	130,885	181,785	52,681	135,466	188,148	54,525	140,208	194,733

Administration

Advertising and Marketing	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses	3.5%	3.5%		11,088	28,512	39,600	11,476	29,510	40,986	11,878	30,543	42,421
Office Rent	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property	3.5%	3.5%		7,000	18,000	25,000	7,245	18,630	25,875	7,499	19,282	26,781
Audit Expense	3.5%	3.5%		5,040	12,960	18,000	5,216	13,414	18,630	5,399	13,683	19,282
Bookkeeping/Accounting Services	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Bad Debts	3.5%	3.5%		1,400	3,600	5,000	1,449	3,726	5,175	1,500	3,856	5,356
Miscellaneous	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses				24,528	63,072	87,600	25,386	65,280	90,666	26,275	67,564	93,839

Utilities

Electricity	3.5%	3.5%		28,154	72,396	100,550	29,139	74,930	104,069	30,159	77,552	107,712
Water	3.5%	3.5%		10,080	25,920	36,000	10,433	26,827	37,260	10,798	27,766	38,564
Gas	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer	3.5%	3.5%		19,040	48,960	68,000	19,706	50,674	70,380	20,395	52,447	72,843
Sub-total Utilities				57,274	147,276	204,550	59,279	152,431	211,709	61,353	157,766	219,119

Taxes and Licenses

Real Estate Taxes	3.5%	3.5%		840	2,160	3,000	869	2,236	3,105	900	2,314	3,214
Payroll Taxes	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses				840	2,160	3,000	869	2,236	3,105	900	2,314	3,214

Insurance

Property and Liability Insurance	3.5%	3.5%		30,464	78,336	108,800	31,530	81,078	112,608	32,634	83,915	116,549
Fidelity Bond Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance				30,464	78,336	108,800	31,530	81,078	112,608	32,634	83,915	116,549

Maintenance & Repair

Payroll	3.5%	3.5%		25,978	66,802	92,780	26,888	69,140	96,027	27,829	71,560	99,388
Supplies	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Contracts	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Garbage and Trash Removal	3.5%	3.5%		15,866	40,798	56,664	16,421	42,226	58,647	16,996	43,704	60,700
Security Payroll/Contract	3.5%	3.5%		-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance	3.5%	3.5%		7,280	18,720	26,000	7,535	19,375	26,910	7,799	20,063	27,852
Vehicle and Maintenance Equipment Operation and Repairs	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses	3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses				49,124	126,320	175,444	50,844	130,741	181,585	52,623	135,317	187,940

Supportive Services

Commercial Expenses	3.5%	3.5%	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	56,894	56,894	-	58,885	58,885	-	60,946	60,946
						25,500			27,710			28,441

TOTAL OPERATING EXPENSES					238,064	669,058	934,122	246,396	692,475	966,582	255,020	716,712	1,000,173
PUPA (w/o Reserves/GL Base Rent/Bond Fees)							12,974						

Reserves/Ground Lease Base Rent/Bond Fees

Ground Lease Base Rent				4,200	10,800	15,000	4,200	10,800	15,000	4,200	10,800	15,000
Bond Monitoring Fee				-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit				10,080	25,920	36,000	10,080	25,920	36,000	10,080	25,920	36,000
Operating Reserve Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit				-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit				-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial			from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	3,000	840	2,160	3,000	840	2,160	3,000
Sub-total Reserves/Ground Lease Base Rent/Bond Fees				14,280	36,720	54,000	14,280	36,720	51,000	14,280	36,720	51,000

TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					252,344	705,778	988,122	260,676	729,195	1,017,582	269,300	753,432	1,051,173
PUPA (w/ Reserves/GL Base Rent/Bond Fees)							13,724						

NET OPERATING INCOME (INCOME minus OP EXPENSES)					35,574	330,182	365,756	36,039	332,664	371,742	36,521	334,973	374,571
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DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)

Hard Debt - First Lender			Enter comments re: annual increase, etc.	-	227,300	227,300	-	227,300	227,300	-	227,300	227,300
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)			Enter comments re: annual increase, etc.	20,580	52,920	73,500	20,580	52,920	73,500	20,580	52,920	73,500
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service			from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-

TOTAL HARD DEBT SERVICE					20,580	280,220	300,800	20,580	280,220	300,800	20,580	280,220	300,800
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CASH FLOW (NOI minus DEBT SERVICE)					14,994	49,962	64,956	15,459	52,473	70,943	15,941	54,754	73,772
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Commercial Only Cash Flow					-	-	-	-	-	40	-	-	78
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)					-	-	-	11	29	-	22	56	-
AVAILABLE CASH FLOW					14,994	49,962	64,956	15,470	52,473	70,943	15,962	54,810	73,772

USES OF CASH FLOW BELOW (This row also shows DSCR.)				DSCR:			1.216			1.236			1.245
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USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL

"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)	3.5%	3.5%	per MOHCD policy	6,798	17,482	24,280	7,036	18,093	25,130	7,283	18,727	26,009
Partnership Management Fee (see policy for limits)	3.5%	3.5%	per MOHCD policy	6,798	17,474	24,270	7,033	18,086	25,119	7,280	18,719	25,999
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)			per MOHCD policy no annual increase	1,400	3,600	5,000	1,400	3,600	5,000	1,400	3,600	5,000
Other Payments				-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2			Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				-	5,703	5,703	-	7,847	7,847	-	8,382	8,382
TOTAL PAYMENTS PRECEDING MOHCD				14,994	44,259	59,253	15,470	47,626	63,096	15,962	49,428	65,390

RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)					-	5,703	5,703	-	4,847	7,847	0	5,382	8,382
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Does Project have a MOHCD Residual Receipt Obligation?	Yes	Year 15 is year indicated below:											
Will Project Defer Developer Fee?	Yes	2040											
1st Residual Receipts Split - Lender/Deferred Developer Fee	50% / 50%	2nd Residual Receipts Split Begins:											
2nd Residual Receipts Split - Lender/Owner	67% / 33%	2040											
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):						5,703	</						

Total # Units:		LOSP		Non-LOSP Units	Year 1			Year 2			Year 3			
		Units	Units		2026			2027			2028			
72		20	52											
		28.00%	72.00%											
		annual	% annual	Comments		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	LOSP	Total
		inc LOSP	increase	(related to annual inc assumptions)										
INCOME														
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														



<b>Total # Units:</b>		LOSP Units	Non-LOSP Units									
72		20	52									
		28.00%	72.00%									
		annual inc	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
INCOME		LOSP										
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance												

MOHCD Multisite RFP - Site 7 (160 Freelon)

Total # Units:		LOSP	Non-LOSP	Comments (related to annual inc assumptions)	Year 7 2032			Year 8 2033			Year 9 2034		
		72	20	52									
		28.00%	72.00%										
		annual	% annual		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME		inc LOSP	increase										
Residential - Tenant Rents		1.0%	2.5%		63,691	1,257,033	1,320,725	64,328	1,288,459	1,352,787	64,971	1,320,671	1,385,642
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments		n/a	n/a		282,244	-	282,244	292,390	-	292,390	302,908	-	302,908
Commercial Space		n/a	2.5%	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	69,582	-	-	71,321	-	-	73,104
Residential Parking		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Supportive Services Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Interest Income - Project Operations		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Laundry and Vending		2.5%	2.5%		2,806	7,214	10,020	2,876	7,395	10,270	2,948	7,579	10,527
Tenant Charges		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income		2.5%	2.5%		-	-	-	-	-	-	-	-	-
Other Commercial Income		n/a	2.5%	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-	-	-	-
Gross Potential Income					348,741	1,264,248	1,682,570	359,594	1,295,854	1,726,769	370,827	1,328,250	1,772,181
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(3,185)	(62,852)	(66,036)	(3,216)	(64,423)	(67,639)	(3,249)	(66,034)	(69,282)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a		-	-	(34,791)	-	-	(35,661)	-	-	(36,552)
EFFECTIVE GROSS INCOME					345,556	1,201,396	1,581,743	356,377	1,231,431	1,623,469	367,578	1,262,217	1,666,347
OPERATING EXPENSES													
Management													
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule	22,293	57,325	79,618	23,073	59,331	82,404	23,881	61,408	85,288
Asset Management Fee		3.5%	3.5%	per MOHCD policy	8,357	21,489	29,846	8,649	22,241	30,891	8,952	23,020	31,972
Sub-total Management Expenses					30,650	78,814	109,464	31,723	81,573	113,295	32,833	84,428	117,261
Salaries/Benefits													
Office Salaries		3.5%	3.5%		31,191	80,207	111,398	32,283	83,014	115,297	33,413	85,919	119,332
Manager's Salary		3.5%	3.5%		5,050	12,986	18,036	5,227	13,440	18,667	5,410	13,911	19,320
Health Insurance and Other Benefits		3.5%	3.5%		26,327	67,699	94,026	27,249	70,069	97,317	28,203	72,521	100,724
Other Salaries/Benefits		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits					62,569	160,892	223,460	64,759	166,523	231,282	67,025	172,351	239,376
Administration													
Advertising and Marketing		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Office Expenses		3.5%	3.5%		13,630	35,049	48,679	14,107	36,275	50,382	14,601	37,546	52,146
Office Rent		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%		8,605	22,127	30,731	8,908	22,901	31,807	9,218	23,703	32,920
Audit Expense		3.5%	3.5%		6,195	15,931	22,127	6,412	16,489	22,901	6,637	17,066	23,703
Bookkeeping/Accounting Services		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Bad Debts		3.5%	3.5%		1,721	4,425	6,146	1,781	4,580	6,361	1,844	4,741	6,594
Miscellaneous		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses					30,151	77,532	107,683	31,206	80,245	111,452	32,299	83,054	115,352
Utilities													
Electricity		3.5%	3.5%		34,608	88,993	123,602	35,820	92,108	127,928	37,073	95,332	132,405
Water		3.5%	3.5%		12,391	31,862	44,253	12,825	32,977	45,802	13,273	34,132	47,405
Gas		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sewer		3.5%	3.5%		23,405	60,184	83,589	24,224	62,291	86,515	25,072	64,471	89,543
Sub-total Utilities					70,404	181,040	251,444	72,869	187,376	260,245	75,419	193,934	269,533
Taxes and Licenses													
Real Estate Taxes		3.5%	3.5%		1,033	2,655	3,688	1,069	2,748	3,817	1,106	2,844	3,950
Payroll Taxes		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses					1,033	2,655	3,688	1,069	2,748	3,817	1,106	2,844	3,950
Insurance													
Property and Liability Insurance		3.5%	3.5%		37,448	96,295	133,743	38,759	99,665	138,424	40,115	103,154	143,269
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Insurance					37,448	96,295	133,743	38,759	99,665	138,424	40,115	103,154	143,269
Maintenance & Repair													
Payroll		3.5%	3.5%		31,934	82,116	114,050	33,052	84,990	118,042	34,209	87,965	122,174
Supplies		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Contracts		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Garbage and Trash Removal		3.5%	3.5%		19,503	50,151	69,655	20,186	51,907	72,092	20,892	53,723	74,816
Security Payroll/Contract		3.5%	3.5%		-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance		3.5%	3.5%		8,949	23,012	31,961	9,262	23,817	33,079	9,586	24,651	34,237
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses					60,386	155,279	215,666	62,500	160,714	223,214	64,687	166,339	231,026
Supportive Services		3.5%	3.5%		-	69,937	69,937	-	72,385	72,385	-	74,919	74,919
Commercial Expenses				from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	31,592	-	-	32,439	-	-	33,313
TOTAL OPERATING EXPENSES					292,641	822,444	1,146,677	302,884	851,229	1,186,552	313,485	881,022	1,227,820
PUPA (w/o Reserves/GL Base Rent/Bond Fees)													
Reserves/Ground Lease Base Rent/Bond Fees													
Ground Lease Base Rent					4,200	10,800	15,000	4,200	10,800	15,000	4,200	10,800	15,000
Bond Monitoring Fee					-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit					10,080	25,920	36,000	10,080	25,920	36,000	10,080	25,920	36,000
Operating Reserve Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit					-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	840	2,160	3,000	840	2,160	3,000	840	2,160	3,000
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					14,280	36,720	51,000	14,280	36,720	51,000	14,280	36,720	51,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					306,921	859,164	1,197,677	317,164	887,949	1,237,552	327,765	917,742	1,278,820
PUPA (w/ Reserves/GL Base Rent/Bond Fees)													
NET OPERATING INCOME (INCOME minus OP EXPENSES)					38,635	342,232	384,066	39,213	343,482	385,916	39,814	344,475	387,528
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)													
Hard Debt - First Lender				Enter comments re: annual increase, etc.	-	227,300	227,300	-	227,300	227,300	-	227,300	227,300
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)				Enter comments re: annual increase, etc.	20,580	52,920	73,500	20,580	52,920	73,500	20,580	52,920	73,500
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender				Enter comments re: annual increase, etc.	-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service				from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					20,580	280,220	300,800	20,580	280,220	300,800	20,580	280,220	300,800
CASH FLOW (NOI minus DEBT SERVICE)													
Commercial Only Cash Flow					18,055	62,013	83,267	18,633	63,262	85,117	19,234	64,255	86,728
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)					56	143	199	62	159	221	67	172	239

	Total # Units:		LOSP Units		Non-LOSP Units		Year 7 2032			Year 8 2033			Year 9 2034		
	72		20		52										
			28.00%		72.00%										
			annual inc	LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME															
Other Reserve 2 Withdrawals															
Other Reserve 2 Interest															
Other Required Reserve 2 Running Balance															

MOHCD Multisite RFP - Site 7 (160 Freelon)

Total # Units:				LOSP Units		Non-LOSP Units		Year 10 2035			Year 11 2036			Year 12 2037		
72		20		52												
		28.00%		72.00%												
		annual inc	% annual increase	Comments (related to annual inc assumptions)		LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total		
INCOME																
Residential - Tenant Rents		1.0%	2.5%			65,621	1,353,688	1,419,309	66,277	1,387,530	1,453,807	66,940	1,422,218	1,489,158		
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a			-	-	-	-	-	-	-	-	-		
Residential - LOSP Tenant Assistance Payments		n/a	n/a			313,812	-	313,812	325,115	-	325,115	336,831	-	336,831		
Commercial Space		n/a	2.5%	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%		-	-	74,932	-	-	76,805	-	-	78,725		
Residential Parking		2.5%	2.5%			-	-	-	-	-	-	-	-	-		
Miscellaneous Rent Income		2.5%	2.5%			-	-	-	-	-	-	-	-	-		
Supportive Services Income		2.5%	2.5%			-	-	-	-	-	-	-	-	-		
Interest Income - Project Operations		2.5%	2.5%			-	-	-	-	-	-	-	-	-		
Laundry and Vending		2.5%	2.5%			3,021	7,769	10,790	3,097	7,963	11,060	3,174	8,162	11,336		
Tenant Charges		2.5%	2.5%			-	-	-	-	-	-	-	-	-		
Miscellaneous Residential Income		2.5%	2.5%			-	-	-	-	-	-	-	-	-		
Other Commercial Income		n/a	2.5%	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%		-	-	-	-	-	-	-	-	-		
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable		-	-	-	-	-	-	-	-	-		
Gross Potential Income						382,454	1,361,456	1,818,842	394,489	1,395,493	1,866,787	406,945	1,430,380	1,916,050		
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate		(3,281)	(67,684)	(70,965)	(3,314)	(69,376)	(72,690)	(3,347)	(71,111)	(74,458)		
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a			-	-	-	-	-	-	-	-	-		
Vacancy Loss - Commercial		n/a	n/a			-	-	(37,466)	-	-	(38,403)	-	-	(39,363)		
EFFECTIVE GROSS INCOME						379,173	1,293,772	1,710,411	391,175	1,326,116	1,755,694	403,598	1,359,269	1,802,230		
OPERATING EXPENSES																
Management																
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.		24,717	63,557	88,274	25,582	65,781	91,363	26,477	68,084	94,561		
Asset Management Fee		3.5%	3.5%	per MOHCD policy		9,266	23,826	33,091	9,590	24,660	34,249	9,925	25,523	35,448		
Sub-total Management Expenses						33,982	87,383	121,365	35,171	90,441	125,612	36,402	93,606	130,009		
Salaries/Benefits																
Office Salaries		3.5%	3.5%			34,583	88,927	123,509	35,793	92,039	127,832	37,046	95,260	132,306		
Manager's Salary		3.5%	3.5%			5,599	14,398	19,997	5,795	14,902	20,697	5,998	15,423	21,421		
Health Insurance and Other Benefits		3.5%	3.5%			29,190	75,059	104,249	30,211	77,686	107,898	31,269	80,405	111,674		
Other Salaries/Benefits		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Administrative Rent-Free Unit		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Sub-total Salaries/Benefits						69,371	178,383	247,755	71,799	184,627	256,426	74,312	191,089	265,401		
Administration																
Advertising and Marketing		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Office Expenses		3.5%	3.5%			15,112	38,859	53,971	15,641	40,219	55,860	16,188	41,627	57,815		
Office Rent		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Legal Expense - Property		3.5%	3.5%			9,540	24,532	34,072	9,874	25,391	35,265	10,220	26,279	36,499		
Audit Expense		3.5%	3.5%			6,869	17,663	24,532	7,109	18,281	25,391	7,358	18,921	26,279		
Bookkeeping/Accounting Services		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Bad Debts		3.5%	3.5%			1,908	4,906	6,814	1,975	5,078	7,053	2,044	5,256	7,300		
Miscellaneous		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Sub-total Administration Expenses						33,429	85,961	119,390	34,599	88,969	123,568	35,810	92,083	127,893		
Utilities																
Electricity		3.5%	3.5%			38,371	98,668	137,039	39,714	102,122	141,836	41,104	105,696	146,800		
Water		3.5%	3.5%			13,738	35,326	49,064	14,219	36,563	50,782	14,716	37,842	52,559		
Gas		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Sewer		3.5%	3.5%			25,950	66,727	92,677	26,858	69,063	95,921	27,798	71,480	99,278		
Sub-total Utilities						78,059	200,722	278,781	80,791	207,747	288,538	83,618	215,019	298,637		
Taxes and Licenses																
Real Estate Taxes		3.5%	3.5%			1,145	2,944	4,089	1,185	3,047	4,232	1,226	3,154	4,380		
Payroll Taxes		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Sub-total Taxes and Licenses						1,145	2,944	4,089	1,185	3,047	4,232	1,226	3,154	4,380		
Insurance																
Property and Liability Insurance		3.5%	3.5%			41,519	106,764	148,283	42,972	110,501	153,473	44,477	114,368	158,845		
Fidelity Bond Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Worker's Compensation		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Director's & Officers' Liability Insurance		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Sub-total Insurance						41,519	106,764	148,283	42,972	110,501	153,473	44,477	114,368	158,845		
Maintenance & Repair																
Payroll		3.5%	3.5%			35,406	91,044	126,450	36,645	94,230	130,875	37,928	97,528	135,456		
Supplies		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Contracts		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Garbage and Trash Removal		3.5%	3.5%			21,624	55,604	77,227	22,380	57,550	79,930	23,164	59,564	82,728		
Security Payroll/Contract		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
HVAC Repairs and Maintenance		3.5%	3.5%			9,922	25,513	35,435	10,269	26,406	36,676	10,629	27,331	37,959		
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%			-	-	-	-	-	-	-	-	-		
Sub-total Maintenance & Repair Expenses						66,951	172,161	239,112	69,295	178,186	247,481	71,720	184,423	256,143		
Supportive Services		3.5%	3.5%			-	77,541	77,541	-	80,255	80,255	-	83,064	83,064		
Commercial Expenses				from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%		-	-	34,213	-	-	35,140	-	-	36,095		
TOTAL OPERATING EXPENSES						324,457	911,858	1,270,527	335,813	943,773	1,314,725	347,566	976,805	1,360,466		
PUPA (w/o Reserves/GL Base Rent/Bond Fees)																
Reserves/Ground Lease Base Rent/Bond Fees																
Ground Lease Base Rent						4,200	10,800	15,000	4,200	10,800	15,000	4,200	10,800	15,000		
Bond Monitoring Fee						-	-	-	-	-	-	-	-	-		
Replacement Reserve Deposit						10,080	25,920	36,000	10,080	25,920	36,000	10,080	25,920	36,000		
Operating Reserve Deposit						-	-	-	-	-	-	-	-	-		
Other Required Reserve 1 Deposit						-	-	-	-	-	-	-	-	-		
Other Required Reserve 2 Deposit						-	-	-	-	-	-	-	-	-		
Required Reserve Deposit/s, Commercial				from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%		840	2,160	3,000	840	2,160	3,000	840	2,160	3,000		
Sub-total Reserves/Ground Lease Base Rent/Bond Fees						14,280	36,720	51,000	14,280	36,720	51,000	14,280	36,720	51,000		
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)						338,737	948,578	1,321,527	350,093	980,493	1,365,725	361,846	1,013,525	1,411,466		
PUPA (w/ Reserves/GL Base Rent/Bond Fees)																
NET OPERATING INCOME (INCOME minus OP EXPENSES)						40,436	345,194	388,884	41,082	345,623	389,968	41,752	345,744	390,764		
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																
Hard Debt - First Lender				Enter comments re: annual increase, etc.		-	227,300	227,300	-	227,300	227,300	-	227,300	227,300		
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)				Enter comments re: annual increase, etc.		20,580	52,920	73,500	20,580	52,920	73,500	20,580	52,920	73,500		
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-		
Hard Debt - Fourth Lender				Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-		
Commercial Hard Debt Service				from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%		-	-	-	-	-	-	-	-	-		
TOTAL HARD DEBT SERVICE						20,580	280,220	300,800	20,580	280,220	300,800	20,580	280,220	300,800		
CASH FLOW (NOI minus DEBT SERVICE)						19,856	64,975	88,084	20,502	65,404	89,169	21,172	65,525	89,964		
Commercial Only Cash Flow								253			263			267		
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)						71	182		74	189		75	193			
AVAILABLE CASH FLOW						19,927	65,157	88,084	20,576	65,593	89,169	21,247	65,717	89,964		
USES OF CASH FLOW BELOW (This row also shows DSCR.)				DSCR:				1.293			1.296			1.299		
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																
Below-the-line Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy		9,266	23,826	33,091	9,590	24,660	34,249	9,925	25,523	35,448		
Partnership Management Fee (see policy for limits)		3.5%	3.5%	per MOHCD policy		9,262	23,816	33,078	9,586	24,649	34,235	9,921	25,512	35,433		
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)				per MOHCD policy no annual increase		1,400	3,600	5,000	1,400	3,600	5,000	1,400	3,600	5,000		
Other Payments						-	-	-	-	-	-	-	-	-		
Non-amortizing Loan Pmnt - Lender 1				Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-		
Non-amortizing Loan Pmnt - Lender 2				Enter comments re: annual increase, etc.		-	-	-	-	-	-	-	-	-		
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				Enter comments re: annual increase, etc.		-	8,458	8,458	-	7,842	7,842	-	7,041	7,041		
TOTAL PAYMENTS PRECEDING MOHCD						19,927	59,699	79,626	20,576	60,751	81,327	21,247	61,676	82,923		
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)						(0)	5,458	8,458	-	4,842	7,842	0	4,041	7,041		
Does Project have a MOHCD Residual Receipt Obligation?				Yes												
Will Project Defer Developer Fee?				Yes												
1st Residual Receipts Split - Lender/Deferred Developer Fee				50% / 50%												
2nd Residual Receipts Split - Lender/Owner				67% / 33%												
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):								8,458			7,842			7,041		
MOHCD RESIDUAL RECEIPTS DEBT SERVICE				Dist. Soft Debt				84,921			92,763			99,804		
MOHCD Residual Receipts Amount Due				47.47%												

	Total # Units: 72	LOSP Units		Non-LOSP Units		Year 10 2035			Year 11 2036			Year 12 2037		
		20	52	28.00%	72.00%									
		annual inc	LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME														
Other Reserve 2 Withdrawals														
Other Reserve 2 Interest														
Other Required Reserve 2 Running Balance														

MOHCD Multisite RFP - Site 7 (160 Freelon)

Total # Units:				LOSP Units		Non-LOSP Units		Year 13 2038			Year 14 2039			Year 15 2040						
72		20		52																
		28.00%		72.00%																
		annual inc LOSP		% annual increase		Comments (related to annual inc assumptions)			LOSP		non-LOSP		Total		LOSP		non-LOSP		Total	
INCOME		1.0%		2.5%					67,610		1,457,773		1,525,383		68,286		1,494,218		1,562,503	
Residential - Tenant Rents		n/a		n/a					-		-		-		68,968		1,531,573		1,600,542	
Residential - Tenant Assistance Payments (Non-LOSP)		n/a		n/a					-		-		-		-		-		-	
Residential - LOSP Tenant Assistance Payments		n/a		n/a					348,975		-		348,975		361,563		-		361,563	
Commercial Space		n/a		2.5%		from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-		-		80,693		-		82,711		-	
Residential Parking		2.5%		2.5%					-		-		-		-		-		-	
Miscellaneous Rent Income		2.5%		2.5%					-		-		-		-		-		-	
Supportive Services Income		2.5%		2.5%					-		-		-		-		-		-	
Interest Income - Project Operations		2.5%		2.5%					-		-		-		-		-		-	
Laundry and Vending		2.5%		2.5%					3,254		8,366		11,620		3,335		8,575		11,910	
Tenant Charges		2.5%		2.5%					-		-		-		-		-		-	
Miscellaneous Residential Income		2.5%		2.5%					-		-		-		-		-		-	
Other Commercial Income		n/a		2.5%		from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-		-		-		-		-		-	
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a		n/a		Link from Reserve Section below, as applicable			-		-		-		-		-		-	
Gross Potential Income									419,838		1,466,140		1,966,671		433,183		1,502,793		2,018,687	
Vacancy Loss - Residential - Tenant Rents		n/a		n/a		Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate			(3,380)		(72,889)		(76,269)		(3,414)		(74,711)		(78,125)	
Vacancy Loss - Residential - Tenant Assistance Payments		n/a		n/a					10,273		26,416		36,689		10,632		27,340		37,973	
Vacancy Loss - Commercial		n/a		n/a					-		-		(40,347)		-		-		(41,355)	
EFFECTIVE GROSS INCOME									416,458		1,393,251		1,850,055		429,769		1,428,082		1,899,206	
OPERATING EXPENSES																				
Management																				
Management Fee		3.5%		3.5%		1st Year to be set according to HUD schedule.			27,404		70,467		97,870		28,363		72,933		101,296	
Asset Management Fee		3.5%		3.5%		per MOHCD policy			10,273		26,416		36,689		10,632		27,340		37,973	
Sub-total Management Expenses									37,677		96,883		134,559		38,995		100,274		139,269	
Salaries/Benefits																				
Office Salaries		3.5%		3.5%					38,342		98,594		136,937		39,684		102,045		141,729	
Manager's Salary		3.5%		3.5%					6,208		15,963		22,171		6,425		16,522		22,947	
Health Insurance and Other Benefits		3.5%		3.5%					32,363		83,219		115,583		33,496		86,132		119,628	
Other Salaries/Benefits		3.5%		3.5%					-		-		-		-		-		-	
Administrative Rent-Free Unit		3.5%		3.5%					-		-		-		-		-		-	
Sub-total Salaries/Benefits									76,913		197,777		274,690		79,605		204,699		284,304	
Administration																				
Advertising and Marketing		3.5%		3.5%					-		-		-		-		-		-	
Office Expenses		3.5%		3.5%					16,755		43,084		59,838		17,341		44,592		61,933	
Office Rent		3.5%		3.5%					-		-		-		-		-		-	
Legal Expense - Property		3.5%		3.5%					10,577		27,199		37,777		10,948		28,151		39,099	
Audit Expense		3.5%		3.5%					7,616		19,583		27,199		7,882		20,269		28,151	
Bookkeeping/Accounting Services		3.5%		3.5%					-		-		-		-		-		-	
Bad Debts		3.5%		3.5%					2,115		5,440		7,555		2,190		5,630		7,820	
Miscellaneous		3.5%		3.5%					-		-		-		-		-		-	
Sub-total Administration Expenses									37,063		95,306		132,370		38,361		98,642		137,003	
Utilities																				
Electricity		3.5%		3.5%					42,543		109,395		151,938		44,032		113,224		157,256	
Water		3.5%		3.5%					15,232		39,167		54,398		15,765		40,538		56,302	
Gas		3.5%		3.5%					-		-		-		-		-		-	
Sewer		3.5%		3.5%					28,771		73,982		102,753		29,778		76,571		106,349	
Sub-total Utilities									86,545		222,544		309,089		89,574		230,333		319,907	
Taxes and Licenses																				
Real Estate Taxes		3.5%		3.5%					1,269		3,264		4,533		1,314		3,378		4,692	
Payroll Taxes		3.5%		3.5%					-		-		-		-		-		-	
Miscellaneous Taxes, Licenses and Permits		3.5%		3.5%					-		-		-		-		-		-	
Sub-total Taxes and Licenses									1,269		3,264		4,533		1,314		3,378		4,692	
Insurance																				
Property and Liability Insurance		3.5%		3.5%					46,033		118,371		164,404		47,644		122,514		170,158	
Fidelity Bond Insurance		3.5%		3.5%					-		-		-		-		-		-	
Worker's Compensation		3.5%		3.5%					-		-		-		-		-		-	
Director's & Officers' Liability Insurance		3.5%		3.5%					-		-		-		-		-		-	
Sub-total Insurance									46,033		118,371		164,404		47,644		122,514		170,158	
Maintenance & Repair																				
Payroll		3.5%		3.5%					39,255		100,942		140,197		40,629		104,475		145,104	
Supplies		3.5%		3.5%					-		-		-		-		-		-	
Contracts		3.5%		3.5%					-		-		-		-		-		-	
Garbage and Trash Removal		3.5%		3.5%					23,974		61,649		85,623		24,814		63,806		88,620	
Security Payroll/Contract		3.5%		3.5%					-		-		-		-		-		-	
HVAC Repairs and Maintenance		3.5%		3.5%					11,001		28,287		39,288		11,386		29,277		40,663	
Vehicle and Maintenance Equipment Operation and Repairs		3.5%		3.5%					-		-		-		-		-		-	
Miscellaneous Operating and Maintenance Expenses		3.5%		3.5%					-		-		-		-		-		-	
Sub-total Maintenance & Repair Expenses									74,230		190,878		265,108		76,828		197,559		274,387	
Supportive Services		3.5%		3.5%					-		85,971		85,971		-		88,980		88,980	
Commercial Expenses						from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-		-		37,080		-		38,094		-	
TOTAL OPERATING EXPENSES									359,731		1,010,993		1,407,804		372,322		1,046,378		1,456,794	
PUPA (w/o Reserves/GL Base Rent/Bond Fees)																				
Reserves/Ground Lease Base Rent/Bond Fees																				
Ground Lease Base Rent									4,200		10,800		15,000		4,200		10,800		15,000	
Bond Monitoring Fee									-		-		-		-		-		-	
Replacement Reserve Deposit									10,080		25,920		36,000		10,080		25,920		36,000	
Operating Reserve Deposit									-		-		-		-		-		-	
Other Required Reserve 1 Deposit									-		-		-		-		-		-	
Other Required Reserve 2 Deposit									-		-		-		-		-		-	
Required Reserve Deposit/s, Commercial						from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			840		2,160		3,000		840		2,160		3,000	
Sub-total Reserves/Ground Lease Base Rent/Bond Fees									14,280		36,720		51,000		14,280		36,720		51,000	
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)									374,011		1,047,713		1,458,804		386,602		1,083,098		1,507,794	
PUPA (w/ Reserves/GL Base Rent/Bond Fees)																				
NET OPERATING INCOME (INCOME minus OP EXPENSES)									42,447		345,538		391,252		43,167		344,984		391,413	
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																				
Hard Debt - First Lender						Enter comments re: annual increase, etc.			-		227,300		227,300		-		227,300		227,300	
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)						Enter comments re: annual increase, etc.			20,580		52,920		73,500		20,580		52,920		73,500	
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						Enter comments re: annual increase, etc.			-		-		-		-		-		-	
Hard Debt - Fourth Lender						Enter comments re: annual increase, etc.			-		-		-		-		-		-	
Commercial Hard Debt Service						from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-		-		-		-		-		-	
TOTAL HARD DEBT SERVICE									20,580		280,220		300,800		20,580		280,220		300,800	
CASH FLOW (NOI minus DEBT SERVICE)									21,867		65,318		90,452		22,587		64,765		90,613	
Commercial Only Cash Flow																			261	
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)									75		192		267		73		188		249	
AVAILABLE CASH FLOW									21,941		65,510		90,452		22,660		64,953		90,613	
USES OF CASH FLOW BELOW (This row also shows DSCR.)																				
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																				
Below-the-line Asset Mgt fee (uncommon in new projects, see policy)		3.5%		3.5%		per MOHCD policy			10,273		26,416		36,689		10,632		27,340		37,973	
Partnership Management Fee (see policy for limits)		3.5%		3.5%		per MOHCD policy			10,269		26,405		36,674		10,628		27,329		37,957	
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)						per MOHCD policy no annual increase			1,400		3,600		5,000		1,400		3,600		5,000	
Other Payments									-		-		-		-		-		-	
Non-amortizing Loan Pmnt - Lender 1						Enter comments re: annual increase, etc.			-		-		-		-		-		-	
Non-amortizing Loan Pmnt - Lender 2						Enter comments re: annual increase, etc.			-		-		-		-		-		-	
Deferred Developer Fee (Enter amt <= Max Fee from row 131)						Enter comments re: annual increase, etc.			-		6,045		6,045		-		4,151		4,151	
TOTAL PAYMENTS PRECEDING MOHCD</																				

<b>Total # Units:</b>		LOSP Units	Non-LOSP Units									
72		20	52									
		28.00%	72.00%									
		annual inc	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP
INCOME												
Other Reserve 2 Withdrawals												
Other Reserve 2 Interest												
Other Required Reserve 2 Running Balance												

MOHCD Multisite RFP - Site 7 (160 Freelon)

Total # Units:				LOSP Units		Non-LOSP Units		Year 16			Year 17			Year 18			
72				20		52		2041			2042			2043			
				28.00%	72.00%				LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME				annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)			LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
Residential - Tenant Rents				1.0%	2.5%				69,658	1,569,863	1,639,521	70,355	1,609,109	1,679,464	71,058	1,649,337	1,720,395
Residential - Tenant Assistance Payments (Non-LOSP)				n/a	n/a				-	-	-	-	-	-	-	-	-
Residential - LOSP Tenant Assistance Payments				n/a	n/a				388,131	-	388,131	402,145	-	402,145	416,669	-	416,669
Commercial Space				n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-	86,898	86,898	-	-	89,070	-	-	91,297
Residential Parking				2.5%	2.5%				-	-	-	-	-	-	-	-	-
Miscellaneous Rent Income				2.5%	2.5%				-	-	-	-	-	-	-	-	-
Supportive Services Income				2.5%	2.5%				-	-	-	-	-	-	-	-	-
Interest Income - Project Operations				2.5%	2.5%				-	-	-	-	-	-	-	-	-
Laundry and Vending				2.5%	2.5%				3,504	9,010	12,513	3,591	9,235	12,826	3,681	9,466	13,147
Tenant Charges				2.5%	2.5%				-	-	-	-	-	-	-	-	-
Miscellaneous Residential Income				2.5%	2.5%				-	-	-	-	-	-	-	-	-
Other Commercial Income				n/a	2.5%	from Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-	-	-	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)				n/a	n/a	Link from Reserve Section below, as applicable			-	-	-	-	-	-	-	-	-
Gross Potential Income									461,293	1,578,872	2,127,063	476,091	1,618,344	2,183,505	491,408	1,658,802	2,241,508
Vacancy Loss - Residential - Tenant Rents				n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate			(3,483)	(78,493)	(81,976)	(3,518)	(80,455)	(83,973)	(3,553)	(82,467)	(86,020)
Vacancy Loss - Residential - Tenant Assistance Payments				n/a	n/a				-	-	-	-	-	-	-	-	-
Vacancy Loss - Commercial				n/a	n/a				-	-	(43,449)	-	-	(44,535)	-	-	(45,649)
EFFECTIVE GROSS INCOME									457,810	1,500,379	2,001,638	472,573	1,537,888	2,054,997	487,855	1,576,336	2,109,840
OPERATING EXPENSES																	
Management																	
Management Fee				3.5%	3.5%	1st Year to be set according to HUD schedule.			30,383	78,128	108,511	31,446	80,862	112,309	32,547	83,692	116,239
Asset Management Fee				3.5%	3.5%	per MOHCD policy			11,390	29,288	40,677	11,788	29,288	42,101	12,201	31,374	43,575
Sub-total Management Expenses									41,773	107,416	149,188	43,235	111,175	154,410	44,748	115,066	159,814
Salaries/Benefits																	
Office Salaries				3.5%	3.5%				42,511	109,313	151,824	43,999	113,139	157,138	45,539	117,099	162,638
Manager's Salary				3.5%	3.5%				6,883	17,698	24,581	7,124	18,318	25,441	7,373	18,959	26,332
Health Insurance and Other Benefits				3.5%	3.5%				35,882	92,267	128,148	37,137	95,496	132,634	38,437	98,839	137,276
Other Salaries/Benefits				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Administrative Rent-Free Unit				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Sub-total Salaries/Benefits									85,275	219,279	304,554	88,260	226,953	315,213	91,349	234,897	326,245
Administration																	
Advertising and Marketing				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Office Expenses				3.5%	3.5%				18,576	47,768	66,344	19,226	49,439	68,666	19,899	51,170	71,069
Office Rent				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Legal Expense - Property				3.5%	3.5%				11,727	30,156	41,884	12,138	31,212	43,350	12,563	32,304	44,867
Audit Expense				3.5%	3.5%				8,444	21,713	30,156	8,739	22,472	31,212	9,045	23,259	32,304
Bookkeeping/Accounting Services				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Bad Debts				3.5%	3.5%				2,345	6,031	8,377	2,428	6,242	8,670	2,513	6,461	8,973
Miscellaneous				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Sub-total Administration Expenses									41,093	105,668	146,761	42,531	109,366	151,897	44,020	113,194	157,214
Utilities																	
Electricity				3.5%	3.5%				47,168	121,289	168,456	48,819	125,534	174,352	50,527	129,927	180,455
Water				3.5%	3.5%				16,888	43,425	60,313	17,479	44,945	62,423	18,090	46,518	64,608
Gas				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Sewer				3.5%	3.5%				31,899	82,025	113,924	33,015	84,896	117,911	34,171	87,867	122,038
Sub-total Utilities									95,954	246,739	342,693	99,312	255,375	354,687	102,788	264,313	367,101
Taxes and Licenses																	
Real Estate Taxes				3.5%	3.5%				1,407	3,619	5,026	1,457	3,745	5,202	1,508	3,876	5,384
Payroll Taxes				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Sub-total Taxes and Licenses									1,407	3,619	5,026	1,457	3,745	5,202	1,508	3,876	5,384
Insurance																	
Property and Liability Insurance				3.5%	3.5%				51,038	131,240	182,278	52,824	135,834	188,658	54,673	140,588	195,261
Fidelity Bond Insurance				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Worker's Compensation				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Director's & Officers' Liability Insurance				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Sub-total Insurance									51,038	131,240	182,278	52,824	135,834	188,658	54,673	140,588	195,261
Maintenance & Repair																	
Payroll				3.5%	3.5%				43,523	111,916	155,439	45,046	115,833	160,879	46,623	119,887	166,510
Supplies				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Contracts				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Garbage and Trash Removal				3.5%	3.5%				26,581	68,351	94,932	27,511	70,743	98,255	28,474	73,219	101,693
Security Payroll/Contract				3.5%	3.5%				-	-	-	-	-	-	-	-	-
HVAC Repairs and Maintenance				3.5%	3.5%				12,197	31,363	43,559	12,623	32,460	45,084	13,065	33,596	46,662
Vehicle and Maintenance Equipment Operation and Repairs				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses				3.5%	3.5%				-	-	-	-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses									82,300	211,630	293,930	85,181	219,037	304,218	88,162	226,703	314,865
Supportive Services				3.5%	3.5%				-	95,317	95,317	-	98,653	98,653	-	102,106	102,106
Commercial Expenses						from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-	-	40,218	-	-	41,328	-	-	42,473
TOTAL OPERATING EXPENSES																	
PUPA (w/o Reserves/GL Base Rent/Bond Fees)									398,840	1,120,906	1,559,964	412,800	1,160,138	1,614,266	427,248	1,200,743	1,670,464
Reserves/Ground Lease Base Rent/Bond Fees																	
Ground Lease Base Rent									4,200	10,800	15,000	4,200	10,800	15,000	4,200	10,800	15,000
Bond Monitoring Fee									-	-	-	-	-	-	-	-	-
Replacement Reserve Deposit									10,080	25,920	36,000	10,080	25,920	36,000	10,080	25,920	36,000
Operating Reserve Deposit									-	-	-	-	-	-	-	-	-
Other Required Reserve 1 Deposit									-	-	-	-	-	-	-	-	-
Other Required Reserve 2 Deposit									-	-	-	-	-	-	-	-	-
Required Reserve Deposit/s, Commercial						from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			840	2,160	3,000	840	2,160	3,000	840	2,160	3,000
Sub-total Reserves/Ground Lease Base Rent/Bond Fees									14,280	36,720	51,000	14,280	36,720	51,000	14,280	36,720	51,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)									413,120	1,157,626	1,610,964	427,080	1,196,858	1,665,266	441,528	1,237,463	1,721,464
PUPA (w/ Reserves/GL Base Rent/Bond Fees)																	
NET OPERATING INCOME (INCOME minus OP EXPENSES)									44,690	342,753	390,674	45,494	341,031	389,731	46,328	338,873	388,376
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)																	
Hard Debt - First Lender						Enter comments re: annual increase, etc.			-	227,300	227,300	-	227,300	227,300	-	227,300	227,300
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)						Enter comments re: annual increase, etc.			20,580	52,920	73,500	20,580	52,920	73,500	20,580	52,920	73,500
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)						Enter comments re: annual increase, etc.			-	-	-	-	-	-	-	-	-
Hard Debt - Fourth Lender						Enter comments re: annual increase, etc.			-	-	-	-	-	-	-	-	-
Commercial Hard Debt Service						from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			-	-	-	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE									20,580	280,220	300,800	20,580	280,220	300,800	20,580	280,220	300,800
CASH FLOW (NOI minus DEBT SERVICE)																	
Commercial Only Cash Flow									24,110	62,533	89,874	24,914	60,811	88,932	25,748	58,653	87,576
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)											231			207			175
AVAILABLE CASH FLOW									24,175	62,700	89,874	24,972	60,960	88,932	25,797	58,779	87,576
USES OF CASH FLOW BELOW (This row also shows DSCR.)						DSCR:					1.299			1.296			1.291
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL																	
Below-the-line Asset Mgt Fee (uncommon in new projects, see policy)				3.5%	3.5%	per MOHCD policy.			11,390	29,288	40,677	11,788	30,313	42,101	12,201	31,374	43,575
Partnership Management Fee (see policy for limits)				3.5%	3.5%	per MOHCD policy.			11,385	29,276	40,661	11,783	30,300	42,084	12,196	31,361	43,557
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)						per MOHCD policy no annual increase			1,400	3,600	5,000	1,400	3,600	5,000	1,400	3,600	5,000
Other Payments									-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1						Enter comments re: annual increase, etc.			-	-	-	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2						Enter comments re: annual increase, etc.			-	-	-	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)									-	-	-	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD									24,175	62,163	86,338	24,972	64,213	89,185	25,797	66,335	92,131
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)																	
									-	536	3,536	(0)	(3,253)	(253)	(0)	(7,555)	(4,555)
Does Project have a MOHCD Residential Receipt Obligation?																	
Will Project Defer Developer Fee?				Yes		Year 15 is year indicated below: 2040											
1st Residual Receipts Split - Lender/Deferred Developer Fee				50% / 50%		2nd Residual Receipts Split Begins: 2040											
2nd Residual Receipts Split - Lender/Owner				67% / 33%													
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.):						Dist. Soft Debt Loans											
MOHCD RESIDUAL RECEIPTS DEBT SERVICE																	
MOHCD Residual Receipts Amount Due					47.47%	Allocation per pro rata share of all soft debt loans, and MOHCD residual receipts policy					1,119			-			-
Proposed MOHCD Residual Receipts Amount to Loan Repayment											1,119			-			-
Proposed MOHCD Residual Receipts Amount to Residual Ground Lease											-			-			-
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE																	
HCD Residual Receipts Amount Due					52.53%	loans, and HCD residual receipt policy.					1,238			-			-
Lender 4 Residual Receipts Due					0.00%						-			-			-
Lender 5 Residual Receipts Due					0.00%						-			-			-
Total Non-MOHCD Residual Receipts Debt Service											1,238			-			-
REMAINDER (Should be zero unless there are distributions below)																	
Owner Distributions/Incentive Management Fee											1,179			-			-</

Total # Units:				LOSP Units	Non-LOSP Units										
72				20	52										
				28.00%	72.00%										
				annual inc	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME															
Other Reserve 2 Withdrawals															
Other Reserve 2 Interest															
Other Required Reserve 2 Running Balance															

MOHCD Multisite RFP - Site 7 (160 Freelon)

		Total # Units:		LOSP Units		Non-LOSP Units				
		72	20	52						
		28.00%	72.00%							
		annual inc LOSP	% annual increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME		1.0%	2.5%		71,769	1,690,570	1,762,339	72,487	1,732,834	1,805,321
Residential - Tenant Rents		n/a	n/a			-		-	-	
Residential - Tenant Assistance Payments (Non-LOSP)		n/a	n/a		431,720		431,720	447,318		447,318
Residential - LOSP Tenant Assistance Payments		n/a	n/a				93,580			95,919
Commercial Space		n/a	2.5%	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-
Residential Parking		2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Rent Income		2.5%	2.5%		-	-	-	-	-	-
Supportive Services Income		2.5%	2.5%		-	-	-	-	-	-
Interest Income - Project Operations		2.5%	2.5%		-	-	-	-	-	-
Laundry and Vending		2.5%	2.5%		3,773	9,702	13,475	3,867	9,945	13,812
Tenant Charges		2.5%	2.5%		-	-	-	-	-	-
Miscellaneous Residential Income		2.5%	2.5%		-	-	-	-	-	-
Other Commercial Income		n/a	2.5%	from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-
Withdrawal from Capitalized Reserve (deposit to operating account)		n/a	n/a	Link from Reserve Section below, as applicable	-	-	-	-	-	-
Gross Potential Income					507,262	1,700,273	2,301,114	523,672	1,742,779	2,362,371
Vacancy Loss - Residential - Tenant Rents		n/a	n/a	Enter formulas manually per relevant MOH policy; annual incrementing usually not appropriate	(3,588)	(84,529)	(88,117)	(3,624)	(86,642)	(90,266)
Vacancy Loss - Residential - Tenant Assistance Payments		n/a	n/a		-	-	-	-	-	-
Vacancy Loss - Commercial		n/a	n/a		-	-	(46,790)	-	-	(47,960)
EFFECTIVE GROSS INCOME					503,674	1,615,744	2,166,208	520,048	1,656,138	2,224,145
OPERATING EXPENSES										
Management										
Management Fee		3.5%	3.5%	1st Year to be set according to HUD schedule.	33,686	86,622	120,308	34,865	89,653	124,519
Asset Management Fee		3.5%	3.5%	per MOHCD policy	12,628	32,472	45,100	13,070	33,608	46,678
Sub-total Management Expenses					46,314	119,093	165,408	47,935	123,262	171,197
Salaries/Benefits										
Office Salaries		3.5%	3.5%		47,132	121,198	168,330	48,782	125,440	174,222
Manager's Salary		3.5%	3.5%		7,631	19,622	27,253	7,898	20,309	28,207
Health Insurance and Other Benefits		3.5%	3.5%		39,783	102,298	142,080	41,175	105,878	147,053
Other Salaries/Benefits		3.5%	3.5%		-	-	-	-	-	-
Administrative Rent-Free Unit		3.5%	3.5%		-	-	-	-	-	-
Sub-total Salaries/Benefits					94,546	243,118	337,664	97,855	251,627	349,482
Administration										
Advertising and Marketing		3.5%	3.5%		-	-	-	-	-	-
Office Expenses		3.5%	3.5%		20,596	52,961	73,557	21,317	54,814	76,131
Office Rent		3.5%	3.5%		-	-	-	-	-	-
Legal Expense - Property		3.5%	3.5%		13,002	33,435	46,437	13,458	34,605	48,063
Audit Expense		3.5%	3.5%		9,362	24,073	33,435	9,689	24,916	34,605
Bookkeeping/Accounting Services		3.5%	3.5%		-	-	-	-	-	-
Bad Debts		3.5%	3.5%		2,600	6,687	9,287	2,692	6,921	9,613
Miscellaneous		3.5%	3.5%		-	-	-	-	-	-
Sub-total Administration Expenses					45,560	117,156	162,716	47,155	121,256	168,411
Utilities										
Electricity		3.5%	3.5%		52,296	134,475	186,771	54,126	139,181	193,308
Water		3.5%	3.5%		18,723	48,146	66,870	19,379	49,831	69,210
Gas		3.5%	3.5%		-	-	-	-	-	-
Sewer		3.5%	3.5%		35,367	90,943	126,309	36,604	94,126	130,730
Sub-total Utilities					106,386	273,564	379,949	110,109	283,138	393,248
Taxes and Licenses										
Real Estate Taxes		3.5%	3.5%		1,560	4,012	5,572	1,615	4,153	5,768
Payroll Taxes		3.5%	3.5%		-	-	-	-	-	-
Miscellaneous Taxes, Licenses and Permits		3.5%	3.5%		-	-	-	-	-	-
Sub-total Taxes and Licenses					1,560	4,012	5,572	1,615	4,153	5,768
Insurance										
Property and Liability Insurance		3.5%	3.5%		56,587	145,508	202,095	58,567	150,601	209,168
Fidelity Bond Insurance		3.5%	3.5%		-	-	-	-	-	-
Worker's Compensation		3.5%	3.5%		-	-	-	-	-	-
Director's & Officers' Liability Insurance		3.5%	3.5%		-	-	-	-	-	-
Sub-total Insurance					56,587	145,508	202,095	58,567	150,601	209,168
Maintenance & Repair										
Payroll		3.5%	3.5%		48,255	124,083	172,338	49,944	128,426	178,370
Supplies		3.5%	3.5%		-	-	-	-	-	-
Contracts		3.5%	3.5%		-	-	-	-	-	-
Garbage and Trash Removal		3.5%	3.5%		29,471	75,782	105,253	30,502	78,434	108,937
Security Payroll/Contract		3.5%	3.5%		-	-	-	-	-	-
HVAC Repairs and Maintenance		3.5%	3.5%		13,523	34,772	48,295	13,996	35,989	49,985
Vehicle and Maintenance Equipment Operation and Repairs		3.5%	3.5%		-	-	-	-	-	-
Miscellaneous Operating and Maintenance Expenses		3.5%	3.5%		-	-	-	-	-	-
Sub-total Maintenance & Repair Expenses					91,248	234,638	325,885	94,442	242,850	337,291
Supportive Services		3.5%	3.5%		-	105,680	105,680	-	109,379	109,379
Commercial Expenses				from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%			43,654			44,871
TOTAL OPERATING EXPENSES					442,201	1,242,769	1,728,624	457,678	1,286,266	1,788,815
PUPA (w/o Reserves/GL Base Rent/Bond Fees)										
Reserves/Ground Lease Base Rent/Bond Fees										
Ground Lease Base Rent					4,200	10,800	15,000	4,200	10,800	15,000
Bond Monitoring Fee					-	-	-	-	-	-
Replacement Reserve Deposit					10,080	25,920	36,000	10,080	25,920	36,000
Operating Reserve Deposit					-	-	-	-	-	-
Other Required Reserve 1 Deposit					-	-	-	-	-	-
Other Required Reserve 2 Deposit					-	-	-	-	-	-
Required Reserve Deposit/s, Commercial				from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	840	2,160	3,000	840	2,160	3,000
Sub-total Reserves/Ground Lease Base Rent/Bond Fees					14,280	36,720	51,000	14,280	36,720	51,000
TOTAL OPERATING EXPENSES (w/ Reserves/GL Base Rent/ Bond Fees)					456,481	1,279,489	1,779,624	471,958	1,322,986	1,839,815
PUPA (w/ Reserves/GL Base Rent/Bond Fees)										
NET OPERATING INCOME (INCOME minus OP EXPENSES)					47,193	336,255	386,584	48,090	333,152	384,330
DEBT SERVICE/MUST PAY PAYMENTS ("hard debt"/amortized loans)										
Hard Debt - First Lender				Enter comments re: annual increase, etc.	-	227,300	227,300	-	227,300	227,300
Hard Debt - Second Lender (HCD Program 0.42% pymt, or other 2nd Lender)				Enter comments re: annual increase, etc.	20,580	52,920	73,500	20,580	52,920	73,500
Hard Debt - Third Lender (Other HCD Program, or other 3rd Lender)				Enter comments re: annual increase, etc.	-	-	-	-	-	-
Hard Debt - Fourth Lender				Enter comments re: annual increase, etc.	-	-	-	-	-	-
Commercial Hard Debt Service				from 'Commercial Op. Budget Worksheet; Commercial to Residential allocation: 100%	-	-	-	-	-	-
TOTAL HARD DEBT SERVICE					20,580	280,220	300,800	20,580	280,220	300,800
CASH FLOW (NOI minus DEBT SERVICE)					26,613	56,036	85,784	27,510	52,932	83,531
Commercial Only Cash Flow							136			89
Allocation of Commercial Surplus to LOPS/non-LOSP (residual income)					38	98		25	64	
AVAILABLE CASH FLOW					26,651	56,134	85,784	27,534	52,996	83,531
USES OF CASH FLOW BELOW (This row also shows DSCR.)				DSCR:			1.285			1.278
USES THAT PRECEDE MOHCD DEBT SERVICE IN WATERFALL										
"Below-the-line" Asset Mgt fee (uncommon in new projects, see policy)		3.5%	3.5%	per MOHCD policy	12,628	32,472	45,100	13,070	33,608	46,678
Partnership Management Fee (see policy for limits)		3.5%	3.5%	per MOHCD policy	12,623	32,459	45,081	13,065	33,595	46,659
Investor Service Fee (aka "LP Asset Mgt Fee") (see policy for limits)				per MOHCD policy no annual increase	1,400	3,600	5,000	1,400	3,600	5,000
Other Payments					-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 1				Enter comments re: annual increase, etc.	-	-	-	-	-	-
Non-amortizing Loan Pmnt - Lender 2				Enter comments re: annual increase, etc.	-	-	-	-	-	-
Deferred Developer Fee (Enter amt <= Max Fee from row 131)				Enter comments re: annual increase, etc.	-	-	-	-	-	-
TOTAL PAYMENTS PRECEDING MOHCD					26,651	68,530	95,181	27,534	70,803	98,337
RESIDUAL RECEIPTS (CASH FLOW minus PAYMENTS PRECEDING MOHCD)					-	(12,397)	(9,397)	(0)	(17,807)	(14,807)
Does Project have a MOHCD Residential Receipt Obligation?				Yes	Year 15 is year indicated below:					
Will Project Defer Developer Fee?				Yes	2040					
1st Residential Receipts Split - Lender/Deferred Developer Fee			50% / 50%		2nd Residential Receipts Split Begins:					
2nd Residential Receipts Split - Lender/Owner			67% / 33%		2040					
Max Deferred Developer Fee Amt (Use for data entry above. Do not link.)					Dist. Soft Debt Loans					
MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
MOHCD Residual Receipts Amount Due				47.47%	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										
NON-MOHCD RESIDUAL RECEIPTS DEBT SERVICE										
HCD Residual Receipts Amount Due				52.53%	loans, and HCD residual receipt policy.					
Lender 4 Residual Receipts Due			0.00%							
Lender 5 Residual Receipts Due			0.00%							
Total Non-MOHCD Residual Receipts Debt Service										
REMAINDER (Should be zero unless there are distributions below)										
Owner Distributions/Incentive Management Fee										
Other Distributions/Uses										
Final Balance (should be zero)										
REPLACEMENT RESERVE - RUNNING BALANCE										
Replacement Reserve Starting Balance										
Replacement Reserve Deposits					648,000					
Replacement Reserve Withdrawals (ideally tied to CNA)					36,000					
Replacement Reserve Interest										
RR Running Balance					684,000					
OPERATING RESERVE - RUNNING BALANCE										
Operating Reserve Starting Balance										
Operating Reserve Deposits										
Operating Reserve Withdrawals										
Operating Reserve Interest										
OR Running Balance					684,000					
OTHER REQUIRED RESERVE - 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 Interest										
OTHER REQUIRED RESERVE 2 - RUNNING BALANCE										
Other Reserve 2 Starting Balance										
Other Reserve 2 Deposits										
Other Reserve 2 Interest										
OTHER REQUIRED RESERVE 2 - RUNNING BALANCE										
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Other Reserve 2 Starting Balance										
Other Reserve 2 Deposits										
Other Reserve 2 Interest										
OTHER REQUIRED RESERVE 2 - RUNNING BALANCE										
Other Reserve 2 Starting Balance										
Other Reserve 2 Deposits										
Other Reserve 2 Interest										
OTHER REQUIRED RESERVE 2 - RUNNING BALANCE										

Total # Units:		LOSP Units	Non-LOSP Units							
72		20	52							
		28.00%	72.00%							
		annual inc	LOSP increase	Comments (related to annual inc assumptions)	LOSP	non-LOSP	Total	LOSP	non-LOSP	Total
INCOME										
Other Reserve 2 Withdrawals										
Other Reserve 2 Interest										
Other Required Reserve 2 Running Balance										

**Attachment K: Related's DEI Statement**

See Attached



## DIVERSITY, EQUITY AND INCLUSION

Related California is committed to building more inclusive cities and increasing diversity, equity and inclusion within the company and the broader real estate industry. It is a belief of this organization that diversity, equity and inclusion are not only socially responsible, but the foundation of a successful business.

At Related, we are committed to achieving DEI excellence. Our parent company, Related Companies, L.P., in New York, has a Founding Council and Diversity Task Force of more than 60 volunteer leaders guiding our efforts. They've implemented executive training on diversity, revamped the internship program to emphasize additional participation by Black students and other underrepresented groups, and launched a number of talent pipeline programs with partner organizations and the University of Michigan.

New engagement, professional development and career growth is central to our success. As an example, The Related Summer Internship Program, created by our parent company, and held in New York, is part of Related's foundational commitment to developing the leadership pipeline in our industry. Students from high school through graduate school join the program, and in 2021, the interns form the most diverse class in the company's history, with 56% women, 48% Black and Latinx, and 19% Asian.

Related California ensures fair and equitable access, opportunity and advancement for all. Every person at Related should feel they belong and are a valued member of the team, regardless of race, ethnicity, sexual orientation or gender identity. We value the collective strength of a varying group of individuals, richness of ideas, beliefs, and skills. Race should not predict one's success, so we are committed to racially diversifying our workforce, from the C-suite to rank-and-file employees. Related has targeted programs and hiring protocols in place that widen our applicant pool and increase the percentage of Black employees, women, Latinx, Native American and Asian applicants.

In California, we've implemented an Undergraduate Summer Internship Program that provides minority students the opportunity to shadow development professionals and participate in project coordinator-type responsibilities to gain relevant experience. We are instituting a Development Boot Camp designed specifically for minority, junior-level employees at Related Management Company who are motivated to elevate their careers at Related California. These individuals will be recruited by their regional managers to attend a two-day workshop where they will learn about a career in development and visit completed and currently under construction communities.

Fostering a culture of inclusion, Related California respects, seeks and values contributions from diverse talent, so we are taking deliberate steps to strengthen training protocols that raise awareness on issues of equality and structural racism in the workplace. We ensure that Black and Latinx employees, women, and people from underrepresented groups are included in leadership positions.

For the past 16 years, Related California has undertaken partnerships with churches in Black communities, creating nearly 500 affordable family and senior housing units. Our portfolio consists of more than 1,700 units that were once obsolete public housing sites and today have been redeveloped into vibrant, new communities.

Our ultimate goal is for Related California's culture to reflect the diversity of our communities throughout California, and we will continue to prioritize and launch new initiatives until we reach DEI excellence.